

Engagement of cities in European Union public-private partnerships

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Objectives of the Study

Stakeholder engagement has been scarcely researched from the point of view of engaging cities in public-private partnerships. The objective of the study is to find, from the viewpoint of the facilitator, applicable ways to engage cities in European Union public-private partnerships. In addition, the motives of cities to participate in the partnerships are investigated. This thesis was undertaken due to a managerial problem and interest at Centre of Knowledge and Innovation Research (CKIR), a unit of Aalto University School of Economics, which is the facilitator of a public-private partnership within the 7th European Union Framework Programme.

Methodology

Qualitative case study method was chosen as the most eligible method to explore the aims of the study. The objectives were met through ten face-to-face or phone interviews, of which five were conducted with experts and five with representatives of European cities. Additionally, as the study was conducted at premises of CKIR, observation was used as a supporting data collection method.

Findings and Conclusion

The thesis is based on analysis of previous literature and the results of the study. The empirical findings and academic literature suggest that engaging cities in European Union public private partnerships should be based on existing relationships and networks, concrete needs of the cities, continuous interaction and dialogue, and process-oriented management.

Moreover, cities can be applicably engaged in European Union public-private partnerships, when they have a strategic interest in the results of the partnership. Other motives of cities to participate the partnerships are networks, learning and knowledge, monetary benefits, image, and benchmarking.

Keywords Public-Private Partnerships, European Union, City, Stakeholder, Engagement

Kaupunkien sitouttaminen Euroopan Unionin julkisen ja yksityisen sektorin yhteistyöhankkeisiin

Tutkimuksen tavoitteet

Kaupunkien sitouttamista julkisen ja yksityisen sektorin yhteistyöhankkeisiin ei ole aiemmin tutkittu laajalti. Tutkimuksen tavoitteena on fasilitoijan näkökulmasta kerätä tietoa siitä, miten kaupungeja saadaan sitoutettua Euroopan Unionin (EU) julkisten ja yksityisten toimijoiden yhteistyöhankkeisiin. Lisäksi tutkitaan tarkemmin kaupunkien motiiveja osallistua projekteihin. Opinnäytetyö tehtiin Aalto-yliopiston kauppakorkeakoulun yksikön, Center for Knowledge and Innovation Researchin (CKIR), kiinnostuksesta käytännön ongelman ratkaisuun. CKIR on erään EU:n seitsemänten puiteohjelmaan kuuluvan yhteistyöhankkeen fasilitoija.

Metodologia

Kvalitatiivinen case-tutkimus valittiin sopivimmaksi metodiksi saavuttaa tutkimuksen tavoitteet. Viittä asiantuntijaa ja viittä kaupunkien edustajaa haastateltiin empiirisen datan keräämiseksi. Tutkimus toteutettiin CKIR:n tiloissa, ja observointia käytettiin toisena datankeruumenetelmänä.

Tulokset ja yhteenveto

Opinnäytetyö perustuu kirjallisuuden ja kerätyn aineiston analyysiin. Empiiriset löydökset ja akateeminen kirjallisuus viittaavat siihen, että kaupunkien sitouttamisen EU:n julkisen ja yksityisen sektorin yhteistyöhankkeisiin tulisi perustua olemassa oleviin suhteisiin ja verkostoihin, kaupunkien todellisiin tarpeisiin, jatkuvaan interaktiiviseen dialogiin ja prosessorientoituneeseen johtamiseen.

Kaupungeja voidaan sitouttaa EU:n julkisten ja yksityisten toimijoiden yhteistyöhankkeisiin, kun niillä on strateginen kiinnostus hankkeen konkreettisiin tuloksiin. Muita motiiveja osallistua hankkeisiin ovat verkostot, oppiminen ja tieto, rahalliset edut, imago ja benchmarking.

Avainsanat Yhteistyöhanke, Euroopan Unioni, Kaupunki, Sidosryhmä, Sitoutuminen

TABLE OF CONTENTS

1 INTRODUCTION.....	7
1.1 BACKGROUND	7
1.2 RESEARCH GAP	8
1.3 RESEARCH OBJECTIVE AND QUESTIONS.....	9
1.4 STRUCTURE	9
1.5 DEFINITIONS.....	10
<i>1.5.1 Public-Private Partnership.....</i>	<i>10</i>
<i>1.5.2 Innovation Ecosystem</i>	<i>10</i>
<i>1.5.3 Public Stakeholder.....</i>	<i>11</i>
2 PREVIOUS RESEARCH.....	12
2.1 PUBLIC-PRIVATE PARTNERSHIPS	12
<i>2.1.1 Public Sector Viewpoint on Public-Private Partnerships</i>	<i>12</i>
<i>2.1.2 Public-Private Partnerships in Innovation Ecosystems</i>	<i>13</i>
<i>2.1.3 Public-Private Partnerships within the European Union</i>	<i>15</i>
2.2 STAKEHOLDER ENGAGEMENT OF THE PUBLIC SECTOR	16
<i>2.2.1 Assessment.....</i>	<i>16</i>
<i>2.2.2 Engagement</i>	<i>17</i>
<i>2.2.3 Engagement Process.....</i>	<i>22</i>
2.3 CITIES.....	26
<i>2.3.1 Multi-Level Governance</i>	<i>26</i>
<i>2.3.2 Power of European Cities.....</i>	<i>27</i>
<i>2.3.3 E-government in EU Cities.....</i>	<i>27</i>
2.4 FRAMEWORK FOR FACILITATION OF CITIES’ ENGAGEMENT IN EUROPEAN UNION PUBLIC-PRIVATE PARTNERSHIPS	29
3 RESEARCH METHODOLOGY AND PRESENTATION OF THE CASE	31
3.1 RESEARCH METHOD AND THE UNIT OF ANALYSIS	31
3.2 RESERVATIONS.....	32
<i>3.2.1 Credibility and Validity</i>	<i>32</i>
<i>3.2.2 Generalizability of the Results.....</i>	<i>33</i>
3.3 DATA COLLECTION AND ANALYSIS.....	33
<i>3.3.1 Semi-Structured Interviews.....</i>	<i>34</i>
<i>3.3.2 Observation.....</i>	<i>36</i>

3.3.3 <i>Data Analysis</i>	37
3.3.4 <i>Limitations of the Study</i>	37
3.4 PRESENTATION OF THE CASE FI PPP	38
4 FINDINGS	39
4.1 EXPERTS’ VIEWS OF THE ASSESSMENT OF STAKEHOLDERS	39
4.1.1 <i>Stakeholders of European Union Public-Private Partnerships</i>	39
4.1.2 <i>Role of Cities</i>	40
4.1.3 <i>Reasons to Engage Cities</i>	41
4.1.4 <i>Motives of Cities</i>	42
4.2 EXPERTS’ VIEWS OF THE ENGAGEMENT PROCESS OF CITIES	44
4.2.1 <i>Means of Interaction</i>	44
4.2.2 <i>Relationship Personifies</i>	45
4.2.3 <i>Process-Oriented Relationship</i>	46
4.2.4 <i>Engagement Actions</i>	47
4.2.5 <i>Future of the Engagement Process</i>	49
4.2.6 <i>Stakeholder Engagement Program</i>	50
4.2.7 <i>Risks Related to Stakeholder Engagement</i>	51
4.2.8 <i>Achievements of Cities</i>	51
4.3 EXPERTS’ VIEWS OF DEVELOPMENT AND FUTURE OF EUROPEAN UNION PUBLIC-PRIVATE PARTNERSHIPS	53
4.4 CITY REPRESENTATIVES’ VIEWS OF THE ASSESSMENT OF STAKEHOLDERS	55
4.4.1 <i>Role of Cities</i>	55
4.4.2 <i>Motives of Cities</i>	56
4.5 CITY REPRESENTATIVES’ VIEWS OF THE ENGAGEMENT PROCESS OF CITIES.....	58
4.5.1 <i>Resources of Cities</i>	58
4.5.2 <i>Interaction and Relationship</i>	59
4.5.3 <i>Engagement Practices</i>	61
4.5.4 <i>Risks and Concerns</i>	63
4.5.5 <i>Achievements of Cities</i>	65
4.6 REPRESENTATIVES’ VIEWS OF DEVELOPMENT AND FUTURE OF EUROPEAN UNION PUBLIC-PRIVATE PARTNERSHIPS	67
4.7 SUMMARY OF KEY FINDINGS.....	69
5 DISCUSSION	71

5.1 CITIES IN EUROPEAN UNION PUBLIC-PRIVATE PARTNERSHIPS	71
5.2 RISKY EXPECTATIONS AND USABILITY CHALLENGES	72
5.3 ASSESSMENT OF CITIES	73
5.4 PROCESS-ORIENTED STAKEHOLDER ENGAGEMENT	74
5.5 FACILITATOR’S IMPORTANT ROLE	76
5.6 MODES AND MEANS OF ENGAGEMENT	77
5.7 CITIES IN EUROPE	78
5.8 ILLUSTRATION OF FACILITATION OF CITIES’ ENGAGEMENT IN EUROPEAN UNION PUBLIC-PRIVATE PARTNERSHIPS	79
6 CONCLUSIONS	82
6.1 THEORETICAL CONTRIBUTION	82
<i>6.1.1 Networks and Relationships</i>	<i>82</i>
<i>6.1.2 Process-Oriented and Open Interaction.....</i>	<i>83</i>
<i>6.1.3 Service Development Solution</i>	<i>84</i>
<i>6.1.4 Cities in Leading Roles.....</i>	<i>84</i>
<i>6.1.5 European Union Public-Private Partnerships</i>	<i>85</i>
6.2 MANAGERIAL IMPLICATIONS	86
6.3 SUGGESTIONS FOR FURTHER RESEARCH.....	87
7 REFERENCES.....	88
8 APPENDICES	91
APPENDIX 1: STRUCTURE AND QUESTIONS OF EXPERT INTERVIEWS	91
APPENDIX 2: STRUCTURE AND QUESTIONS OF INTERVIEWS WITH REPRESENTATIVES OF CITIES	92

TABLE OF FIGURES

Figure 1 The Innovation Ecosystem (adapted, Ping 2009, 10).....	14
Figure 2, Engagement of Cities in Innovative European Union Public-Private Partnerships .	29
Figure 3, Motives of Cities.....	79
Figure 4, Engagement Process of Cities in Public-Private Partnerships.....	80

1 INTRODUCTION

1.1 Background

The Internet has dramatically revolutionized the communication world. It is one of the main drivers of globalization. Open and reliable cloud services, much faster broadband, and intelligent services are already reality. However, the Internet will develop even further with a fast pace. To remain relevant, it must continue changing (Leiner et al. 1997). Even totally new commercial business models are expected to emerge because of possibilities created by the Internet. In Europe, European Commission pursues to enhance the effectiveness of the public sector. It creates, together with the ICT community of Europe, new services, infrastructures, and thus possibilities for new business models enabled by the Future Internet. It is important that the Internet is developed collectively towards a clearly defined direction (Leiner et al. 1997).

In the European Union (EU), public-private partnerships are a part of the Framework Programmes. The partnerships are extremely diverse in size and scope. European Commission manages EU Framework Programmes to advance the competitiveness of Europe.

Motivation to this study arises from a managerial problem at Centre of Knowledge and Innovation Research (CKIR), which is an independent unit of Aalto University in Helsinki. CKIR is the facilitator of the FI PPP Programme, a public-private partnership within the 7th European Union Framework Programme. As the facilitator, CKIR is responsible for the coordination of the program and its stakeholder engagement. Successful ways of motivating public and private stakeholders to engage themselves in the public-private partnership projects that are part of the FI PPP Program is an area of interest for CKIR. There are two other studies that have been previously conducted because of the stakeholder engagement interest of CKIR. Those projects concentrate on engagement of private sector actors in European Union public-private partnerships. Focus in this study is put on ways of motivating one of the public stakeholder groups, cities, to take part in the development projects within the FI PPP.

1.2 Research Gap

The public-private partnership phenomenon is a topic that has been studied increasingly during the recent years (e.g. El-Gohary et al. 2006, Hodge & Greve, 2009), but there are nevertheless some areas that lack understanding. Public-private partnerships in the EU have been assessed in European Commission's Guidelines for Successful Public-Private Partnerships (2003). However, there is lack of actual research of European Union public-private partnerships. Innovation ecosystems have been studied (e.g. Adner 2006) in recent years but they have not been considered in a European Union public-private partnership context. Public-private partnerships that aim to develop innovations can be considered to operate in a similar way as innovation ecosystems presented for example by Adner (2006) and Ping (2009). Thus, research on public-private partnerships in the EU and in an ICT innovation ecosystem context is needed. It is interesting to investigate these phenomena together, and broaden the view of public-private partnerships in the academic literature.

Moreover, stakeholders are important for public-private partnerships (e.g. El-Gohary et al. (2006), Hodge & Greve (2009)). Stakeholder engagement has been a widely studied topic in the literature (e.g. Andriof et al. (2009), El-Gohary et al. (2006), Gable & Shireman (2005), and Jonker & Dewitte (2006). However, stakeholder engagement of public stakeholders namely in innovative European Union public-private partnerships, is yet to be studied more in detail.

Due to their growing importance in European Union public-private partnerships, this study focuses on cities. According to McKinsey Global Institute's report of the growing economic power of cities (2011), the importance of cities continues to grow in the 21st century. Multi-level governance strategy increases the power of cities and has changed intergovernmental relations (Peters & Pierre 2001). On-going academic discussion has emerged about the power shift from government to governance on a local level. It is argued that European cities have gained more political power because the process of Europeanization has included the emergence of multi-lever governance. Cities can provide EU institutions with knowledge, legitimacy and ways to monitor the implementation of EU policies. Thus, cities take part to the European policy-making process. (Heinelt & Niederhafner 2008)

Considering the importance of cities as public stakeholders in European Union public-private partnerships, and the lack of research on the topic, more research is needed, and a research gap of engagement of cities in innovative European Union public-private partnerships exists. To close this research gap, this study concentrates on ways of engaging cities as stakeholders in innovative

European Union public-private partnerships from the facilitator's point of view. The lively academic discussion about public-private partnerships and stakeholder engagement will be complemented with the findings of this study.

1.3 Research Objective and Questions

The research objective of this study is to find, from the viewpoint of the facilitator, applicable ways to engage cities in European Union public-private partnerships. In addition, the motives of cities in taking part to these innovative projects are being investigated.

The main research question in this study is formulated as:

How can cities be successfully engaged in European Union public-private partnerships?

The sub-question for the main research question is:

What are the motives of cities to take part in European Union public-private partnerships?

Both theoretical and empirical findings of the study aim at answering the research questions.

1.4 Structure

Chapter two includes previous literature and on-going discussion about public-private partnerships, innovation ecosystems, EU context, stakeholder engagement, and cities. As mentioned earlier, special attention is put to the literature of engaging public stakeholders. Concepts and engagement process theories are linked together to form a framework for the empirical part of the study about ways of engaging cities in European Union public-private partnerships.

In the third chapter, the choices of methodology and implementation of the study are presented more closely. As aforementioned, qualitative case study method is used in the study. Research is implemented by conducting semi-structured interviews. Experts and representatives of European cities are interviewed in order to gain empirical knowledge about the ways engaging cities successfully in European Union public-private partnerships. In addition, the case and the interviewees are introduced in the methodology chapter.

Chapter four introduces the results of the study. The findings of the interviews are exemplified with direct quotes. Chapter five concludes the thesis with discussing and analyzing the empirical findings of the thesis. Results of the empirical part of the study are then compared with the findings of previous literature. The research questions are being answered as a result of analysis and discussion based on both theoretical findings and empirical analysis. In conclusions, in order to complement the academic discussion about public-private partnerships and stakeholder engagement, this study pursues to add a new aspect to the topic by defining the motives and ways of engaging cities in innovative European Union public-private partnerships. The possibility of generalizing the findings is discussed, and also the limitations of the study and suggestions for future research are provided.

1.5 Definitions

In this section, definitions of the concepts in the study are presented.

1.5.1 Public-Private Partnership

Public private partnerships (PPPs) can be loosely defined as ‘co-operative institutional arrangements between public and private sector actors’ (Hodge & Greve, 2009, 33). However, there is lack of unanimity in defining the concept, and it can be used to describe very different kinds of institutional and contractual arrangements for governments. In the European Economic Recovery Plan 2010-2013, public-private partnerships are defined in a similar way as Hodge and Greve (2009) do as ‘forms of cooperation between public authorities and businesses’. This is also the definition that is referred in this study when discussing about public-private partnerships.

1.5.2 Innovation Ecosystem

Innovation ecosystems can be defined as ‘the collaborative arrangements through which firms combine their individual offerings into a coherent, customer-facing solution’ (Adner 2006, 98). Ping (2009) defines innovation ecosystem slightly differently as an ecosystem where ‘networks of innovations and communities of people and organizations interact to produce and use the

innovations' (Ping 2009, 9). Innovation ecosystems can emerge in forms of, for instance, platform leadership, keystone strategies, open innovation, value networks, and hyperlinked organizations (Adner 2006). Due to the focus of this study, innovation ecosystems are defined by modifying Adner's (2006) definition as the collaborative arrangements through which organizations and stakeholders combine their individual offerings into a coherent, customer-facing solution.

1.5.3 Public Stakeholder

Stakeholders involved in innovative public-private partnerships fit to the definition by Bunn et al (2002, 188): 'any group or individual who can affect or is affected by the deployment of multi-sector innovation'. Multi-sector innovation emerges due to convergence of several technologies and profoundly changes society and industry. In addition, both public and private sector participate in developing these broadly impacting and long-lasting innovations. (Bunn et al. 2002, 182)

Furthermore, stakeholders involved in public-private partnerships are also suitably described 'stakeholders are individuals or organizations that are either affected by or affect the development of the project' (El-Gohary et al. 2006, 595-596).

These definitions refer to all stakeholders involved in the public-private partnerships. Public stakeholders are public institutions in transnational, national, regional and local level. Cities are public organizations that operate in a local level. Thus, in this study, public stakeholders are defined by combining Bunn et al. (2002) and El-Gohary et al.'s definitions as public organizations that can affect or be affected by the multi-sector innovation project.

2 PREVIOUS RESEARCH

In this chapter, relevant previous literature about the topic of the study is reviewed. Firstly, public-private partnerships are presented from the viewpoint of the public sector and explained in more detail. Secondly, public-private partnerships are considered in an innovation ecosystem and in European Union context. After assessing these concepts, ways of engaging public sector stakeholders in public-private partnerships is reviewed. This includes assessing stakeholders, considering multi-stakeholder engagement, determining stakeholder engagement process, and designing a stakeholder engagement program. Then, cities are discussed more in detail. Finally, the means of facilitation of engagement of cities in large innovative EU projects are combined as a framework for the empirical part of the study.

2.1 Public-Private Partnerships

In this section, public-private partnerships are first introduced as a way of collaboration. Secondly, they are considered in the case of innovation ecosystems. Thirdly, public-private partnerships are assessed in the EU context. All perspectives are important in order to formulate and understand the public-private partnership context addressed in this study.

2.1.1 Public Sector Viewpoint on Public-Private Partnerships

Public-private partnerships have become popular arrangements globally and have even become icons of modern public administration. Very extensive projects and huge budgets are reality in today's public-private partnerships. In addition, there is often a range of stakeholder interest groups in public-private partnerships. (Hodge & Greve, 2009) Civil society, businesses, and governmental institutions come together to find a solution in these multi-stakeholder networks to a problem that they are all facing (Roloff 2008).

Nowadays, governments have to deal with multiple conflicts of interest. They have to act in the roles of policy advocates, economic developers, stewards for public funds, elected representatives for decision-making, regulators, commercial signatories, and planners. (Hodge & Greve, 2009)

Additionally, governments address social issues and causes that actively engage the partners in the projects (Selsky & Parker 2005). The value for money in public-private partnership projects and the governance of public-private partnerships have become major concerns for the public sector (Hodge & Greve, 2009).

In a broader sense, public-private partnerships are one form of project-based cross-sector partnerships to address social issues (CSSPs). In these cross-sector social-oriented partnerships, organizations jointly work to improve economic development, education, health care, poverty alleviation, community capacity building, and environmental sustainability (Selsky & Parker 2005).

Additionally, governments should provide more benefits and services while being both less intrusive and more transparent. Actors from different sectors are likely to think about an issue differently, are motivated by different goals, and thus use different approaches when they take part in the project. (ibid)

These viewpoints of public sector in public-private partnerships are important in taking account the context in this study. Next, public-private partnerships are combined with the theory of innovation ecosystems.

2.1.2 Public-Private Partnerships in Innovation Ecosystems

According to Adner (2006), successful innovations require keeping track of partners and adopters as closely as keeping track of the development process. Thus, partner and stakeholder engagement are very important in building successful innovation ecosystems. Adner (2006) has taken a company-perspective in his article about innovation ecosystems. However, also many public-private partnership innovation projects can be considered as innovation ecosystems as there are many partners involved in the collaborative innovation development process.

Svendsen and Laberge's (2005) ideas of convening a multi-stakeholder network have similarities with innovation ecosystem thinking. According to them, 21st-century reality includes interconnected people and ecosystems, in addition to increasingly complex nature of issues to be solved.

Figure 1 illustrates an innovation ecosystem where innovation networks and communities of people and organizations work together to produce and use innovations.

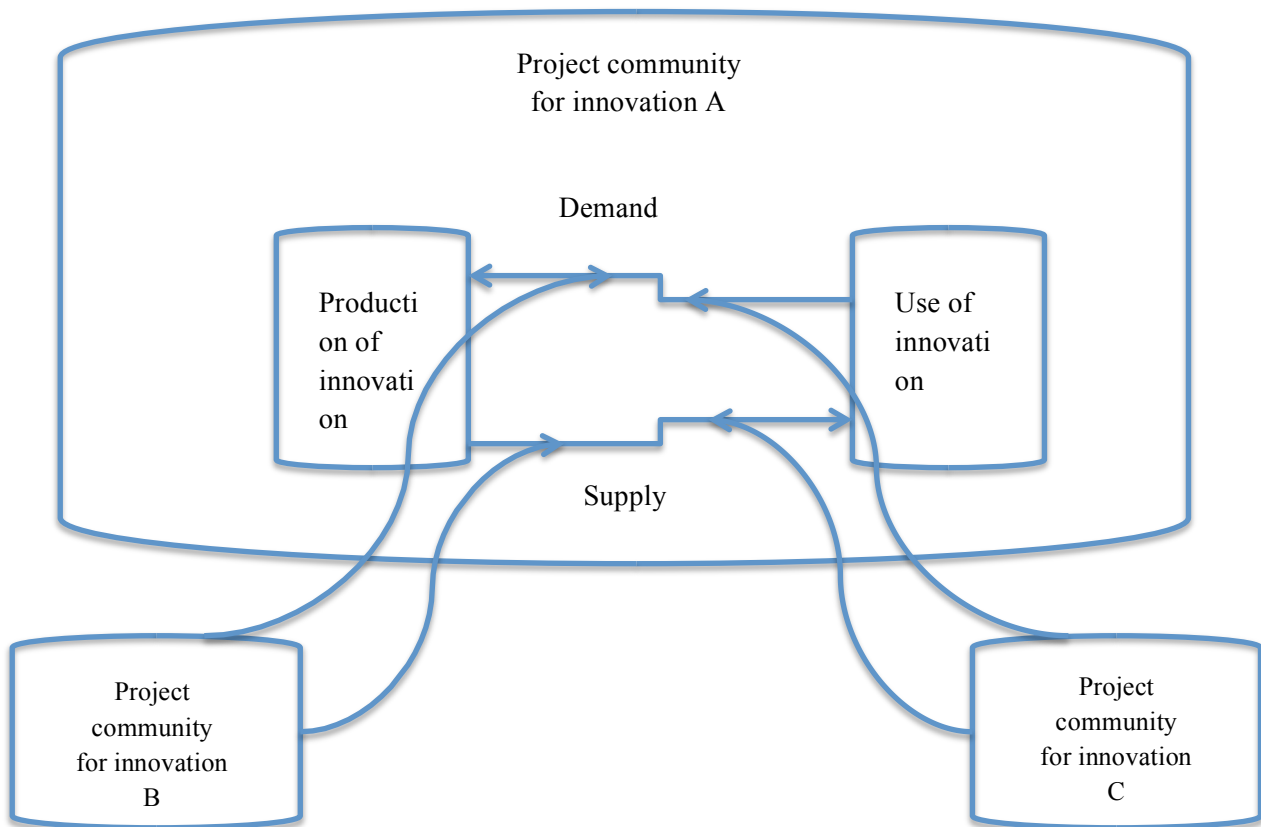


Figure 1 The Innovation Ecosystem (adapted, Ping 2009, 10)

There are three communities for innovations (A, B, C) in the figure. Those can be considered as projects in a European Union public-private partnership. Community for innovation A illustrates an example of one of the project communities involved in the ecosystem. There are two boxes inside the project community that illustrate the production and using activities of the innovations. There are interaction activities between the members of the project inside the boxes. In production activities, the innovation is developed and produced with the help of stakeholders. In using activities, the innovation is put into use by the stakeholders. Supply and demand are in balance. Stakeholders of the projects can engage themselves in both production and using activities. Members of the project have a possibility to migrate between the project communities. Resources flow across the innovation communities and the development of innovation a may depend on its related innovations. This relation is illustrated with arrows in the figure. As Ping (2009) emphasizes, both the production and use sides have to be considered in order to understand all the activities in the innovation ecosystem.

Adner (2006) argues that information technologies have reduced the costs of coordination and made innovation ecosystems as core elements of growth strategies. Moreover, he states that ecosystem strategies have emerged in high-tech, commercial printing, financial services, basic materials and logistics provision.

Adner (2006) emphasizes the benefits of innovation ecosystems but also brings clearly up and defines the risks that are involved in innovation ecosystems. Three types of risks are identified. First, initiative risks are the normal uncertainties that are always a part of managing a project. Second, interdependence risks are the uncertainties of coordinating with many complementary innovators. Third, integration risks are the uncertainties caused by the adoption process across the value chain.

Operating in an innovation ecosystem makes the definition of boundaries a very complex decision. However, in all cases, a clear understanding of the full ecosystem and its dynamics is critical for making a successful strategy. If managers learn to assess ecosystem risks properly, they will be able to establish realistic expectations and to develop a better innovation strategy. (ibid)

Innovation ecosystem context presented above resembles European Union public-private partnerships, and can be a way of illustrating a larger EU program, in which a network of stakeholders take part to the innovation projects. Taking care of the interests of many partners involved in the collaborative development process is important.

2.1.3 Public-Private Partnerships within the European Union

Public sector is still responsible for the delivery of basic services in many countries. Public-private partnerships in the EU are rather new methods by which these services are created and delivered. According to European Economic Recovery Plan 2010-2013, public-private partnerships have been developed in several areas within the EU, such as in transport, public health, public safety, waste management and water distribution. However, there are no general guidelines of ways to engage stakeholders in the projects.

There are benefits in the private sector involvement in the development projects. For instance, risks and responsibilities are shared between the public sector and its private partners according to their strengths and weaknesses. (European Commission's Guidelines for Successful Public-Private

Partnerships, 2003)

Public-private partnerships managed by the European Union are very large networks that usually have stakeholders from all over the Europe. It is important to recognize that the different participants in public-private partnership projects have distinct goals that must be taken into account to enable an effective partnership. Some goals may be complimentary, but many of them are not. As the number of stakeholders included in a EU public-private partnership project is usually very high, establishing a fair setting of project goals is challenging. (ibid)

In this study, the public-private partnership context is an innovative European Union multi-stakeholder public-private partnership. Public-private partnerships initiated by the EU aim to improve the performance of the public sector and produce innovations. European Union public-private partnerships that develop innovations can be illustrated as innovation ecosystems.

2.2 Stakeholder Engagement of the Public Sector

In this section, after assessing public-private partnerships by linking previous literature together, stakeholder engagement of the public sector is reviewed. This includes assessing stakeholders, considering multi-stakeholder engagement, determining stakeholder engagement process, and designing a stakeholder engagement program.

2.2.1 Assessment

The stakeholder concept originates from 1962, when Stanford Research Institute used the term ‘stakeholder perspective’ (Andriof et al. 2009). However, only Freeman (1984) brought stakeholders to the attention of academics and made them a widely studied topic in the management literature (Frooman 1999). He truly popularized the stakeholder concept (Andriof et al. 2009). Since then, stakeholder thinking and management have developed and become an important part of management practices. Freeman defines a stakeholder as ‘any group or individual who can affect or is affected by the achievement’s of the company’s objectives’ (Freeman 1984, 46). He has a company-oriented perspective to stakeholders. A more suitable definition for the public stakeholder concept in this study is as presented earlier ‘public organizations that can affect or be affected by

the multi-sector innovation project’.

Frooman (1999, 191) presents questions that can be addressed when assessing stakeholders:

1. Who are they?
2. What do they want?
3. How are they going to try to get what they want?

These questions are very fundamental, but can help in understanding the stakeholders’ points of view about their engagement in different projects. Attributes of the stakeholders have to be defined in order to answer the first question. In the case of European Union public-private partnerships, the most relevant public stakeholders have to be defined and their attributes listed. They are actors in transnational, national, regional, and local level. In FI PPP, the most important public sector stakeholders are European Commission, cities, regions, research institutes and universities in the area.

El-Gohary et al. (2006) define three kinds of stakeholder groups that can be involved in public-private partnership industry projects: responsible stakeholders, impacted stakeholders and interested stakeholders. They differ according to their level of involvement so that interested stakeholders are least involved and responsible stakeholders most involved in the partnerships. Level of involvement could be considered in determining the attributes of stakeholders in public-private partnerships within the EU.

In order to answer the second question above presented by Frooman (1999), it is beneficial to address stakeholders’ motives to take part in the relationship. And thirdly, as an answer to the last question, the facilitator of a European Union public-private partnership should be able to answer that what means are stakeholders going to use in trying to achieve their goals.

2.2.2 Engagement

In this section, after reviewing the assessment of public stakeholders, stakeholder and multi-stakeholder engagement are considered. Also the engagement modes and activities related to them are presented. These ideas can be taken into account in developing good practices of stakeholder

engagement in public-private partnerships within the European Union.

Concept

There are four sociocultural aspects that currently increase the importance of stakeholder engagement: the networked world, pressure for participation, enabling power of technology, high stakes and cross-boundary issues (Svendsen & Laberge 2005).

One can understand stakeholder engagement from a variety of different perspectives (Greenwood 2007). Stakeholder engagement can be defined as ‘trust-based collaboration between individuals and/or social institutions with different objectives that can only be achieved together’ (Andriof et al. 2002, 42). Three theoretical areas form a basis for the concept of stakeholder engagement: business in society, stakeholder theory, and strategic relationships. Stakeholder engagement is important in order to gain critical strategic information, resources, and problem-solving capabilities. Those in turn can help in ensuring good overall performance for public-private partnerships. Stakeholder management and dialogue with stakeholders should be one of the highest priorities of managers. (Andriof et al. 2002)

Moreover, the term multi-stakeholder process means processes, which aim to bring together all major stakeholders. The relationships are transparent and participative, and the importance of multi-stakeholder dialogue should be highlighted. (Hemmati et al. 2002)

Furthermore, to extend the multi-stakeholder concept, Svendsen and Laberge (2005, 92) define stakeholder network as ‘a web of groups, organizations and/or individuals who come together to address a complex and shared cross-boundary problem, issue or opportunity’. According to Svendsen and Laberge (2005), mind-sets that are ways of thinking, behaviors that are ways of being, and processes that are ways of engaging are necessary for convening multi-stakeholder networks.

Rules

Principles of engagement document should be created for the rules of stakeholder engagement. It is a document that embodies the mutually agreed values and the process of how the project approaches stakeholders. (Hemmati et al. 2002) Andriof et al. (2002) agree that an agreement for rules of cooperation is very important. Furthermore, they emphasize that interaction to achieve consensus is also necessary to ensure less regulated partnering. Openness fosters understanding and

trust. Also, benchmark metrics and internal reports not only for assessment of each stakeholder engagement, but also for the whole program, as a whole should be created. (Gable & Shireman 2005)

Relationships

The focus is now in engaging stakeholders in long-term relationships (Andriof et al. 2002). Moreover, Hemmati et al. (2002) present that multi-stakeholder processes aim to develop not only long-term relationships, but also networks. Thus, stakeholder management should be network-based, relational, and process-oriented (Andriof et al. 2002). As a project moves through different phases during its lifecycle, it creates a dynamic context for stakeholder management and behavior. Project success depends greatly on the good management of stakeholders' needs and requirements. (Aaltonen & Kujala 2010)

Relations with stakeholders should be interactive, responsive and mutually engaged. These characteristics enable transparent and accountable relationships- (Andriof et al. 2002) Also Jonker and Dewitte (2006) emphasize that transparency is important and effective stakeholder engagement enhances accountability.

Relationships are critical, and create opportunities for learning about the history and points of views of other members of the network (Svendsen & Laberge 2005). In addition, mutual understanding, information transfer, process learning and conflict management are important in facilitating the network (Roloff 2008, 311).

Similarly as authors (Andriof et al 2002, Jonker & Dewitte 2006, and El-Gohary et al. 2006), Gable and Shireman (2005) also emphasize the importance of the process of stakeholder engagement, importance of dialogue and feedback, readiness for change, and aiming for informal relationships. Additionally, they bring a new aspect to the discussion by stating that psychology and humanity are very important in good stakeholder engagement.

Behavioral means of engaging stakeholders effectively are important. The means are acknowledging imperfection, apologizing in person, and attributing an impact. To explain the last one in more detail, facilitator of the stakeholder engagement should consider acknowledging positive impacts that stakeholder actions have had on the project. (Gable & Shireman 2005)

Planning the first contact carefully is important for the engagement of the stakeholder (Gable &

Shireman 2005). Similarly as a number of authors (e.g. Andriof et al. 2002 and Jonker and Dewitte 2006), Gable and Shireman (2005) emphasize that relationship building takes time. Linking the pace of the contacts with stakeholder with key dates and objectives is beneficial. Also, being realistic and prepared for changes is important for the success of stakeholder engagement. Additionally, it is necessary to trust stakeholders and verify their opinions. (Gable & Shireman 2005)

Facilitator

The role of the facilitator is very important in the engagement process. Network convenor, which is another term for facilitator, uses different ways of engaging stakeholders than what one would do in managing traditional bilateral relationships. The role of convenor is to help a multi-stakeholder network to use its resources and intelligence to generate new solutions and whole-system innovations that could not be achieved alone. (Svendsen & Laberge 2005)

Hemmati et al. (2002) present some guidelines for the facilitator of the multi-stakeholder engagement. First, the facilitator of the project should make sure that all participants feel that they are part of the project group. In addition, the facilitator should take care of the timetables of the process, as well as everyone's contribution to the project. Facilitator should also act as a problem-solver and encourager for the stakeholders. This view is similar to Gable and Shireman's (2005) statement that psychology and humanity are keys for good stakeholder engagement.

Similarly as Andriof et al. (2002) emphasize in a more general level, El-Gohary et al. (2006) state that also in public-private partnerships, stakeholder input is very important for the success of the projects. For example stakeholder opinions and concerns for the outputs of the program are needed to ensure that the output of a project will meet the needs of the stakeholders. Thus, stakeholder involvement is very beneficial for public-private partnerships and stakeholder involvement programs should be carefully planned and implemented when managing public-private partnerships. (El-Gohary et al. 2006)

Challenges and Constraints

Nevertheless, it is important to acknowledge that there may be challenges in stakeholder engagement, and they should be prepared for (Gable & Shireman 2005). Also Jonker and Dewitte (2006) emphasize preparing for stakeholder engagement activities. Stakeholder opposition has been

reported as the main reason for failure in several public-private partnerships. Reasons for failures of infrastructure projects can be for example unawareness of the concept of the project, not sufficient education of the project, and denied access to detailed information contained in the consortium's project proposals. (El-Gohary et al. 2006)

Moreover, there are constraints and concerns in stakeholder engagement of public-private partnerships. Constraints include budget, schedule, code and regulations. In the beginning of a public-private partnership program, concerns of the public usually depend on local conditions and are connected with the long-term issues related to the program. Daily routine activities and life style changes are, for example, often concerns of local and regional stakeholders. Global stakeholders have a much broader view, as they are often concerned by the overall project impacts. Concerns of stakeholders can include for example concerns affiliated with involvement, system performance, environmental issues, safety, social issues, economic issues, and political effects. (El-Gohary et al. 2006) Concerns of the public stakeholders in EU public-private partnerships projects should be studied in order to identify the bottlenecks of engagement of different stakeholder groups.

Modes and Means of Engagement

Modes of engagement are very important for the success of stakeholder engagement (Jonker & Dewitte 2006). Gable and Shireman (2005) list stakeholder engagement modes: track, inform, consult, support, collaborate, partner, and network. Tracking is the lightest of the engagement modes and can include for example monitoring. Informing stakeholders is also a very light mode of engagement and includes reporting to stakeholders. Moreover, consulting by using dialogue is already a more engaging method. Supporting, on the other hand, can be for example sponsoring. Of the higher level engaging modes, collaborating is an engagement mode that is executed in informal joint projects. Partnering, on the other hand, is an operation mode for formal joint projects. Finally, network is an informal or formal operation mode for joint projects with several groups of stakeholders. Network as an engagement mode requires stakeholders to invest significant amounts of resources.

Considering the activities in a multi-stakeholder process that relate to the engagement modes, many channels can be used for communication. For instance telephone, one-to-one and group meetings, fax, interactive websites, and email are suitable ways to communicate with stakeholders. (Hemmati et al. 2002) Other activities that can be used in the chosen mode of operation can be for example advisory panel, public hearing, and stakeholder events (Jonker & Dewitte 2006). Face-to-face

meetings are useful especially in the beginning of the relationship to build trust and to have informal communication. Electronic communication, on the other hand, is good for reflecting diversity and focusing on the content of the message. An extremely clear way of communication is important to avoid misunderstandings especially in written communication. Electronic communication is thus good for collecting diverse information but face-to-face meetings are better for making decisions. Access to information and knowledge is important. Communication to stakeholders can consist of a mix of ways but they should all be inclusive, equitable, and transparent communication practices. (Hemmati et al. 2002)

To conclude what is presented above about stakeholder and multi-stakeholder engagement, process-oriented view of stakeholder engagement is very much emphasized in the stakeholder engagement literature. According to the literature, transparency and accountability of the relationships can be gained through dialogue and dynamic interaction. Furthermore, stakeholder input to the projects should be of a high priority for the facilitator of the stakeholder engagement.

2.2.3 Engagement Process

In this section, stakeholder engagement process and, as a part of it, stakeholder engagement program are discussed based on previous literature. Stakeholder engagement program is in this study defined as a systematic plan of the stakeholder engagement process. The program is conducted by the facilitator of the partnership in the beginning of the project to ensure an effective stakeholder engagement process.

Stakeholder identification and engagement is recognized to be a continuous process (Jonker & Dewitte 2006). The process of engagement is important as it gradually creates dynamic interaction, mutual respect, dialogue, and change. Management of stakeholders is a two-sided process that includes interaction from both the managers and the stakeholders of the project. (Andriof et al. 2002)

Greenwood (2007) refers to stakeholder engagement process as consultation communication, dialogue and exchange. High engagement can be achieved if these activities happen often or are of a good quality. Gable and Shireman (2005) introduce a three-phase stakeholder engagement process. These three phases comprise of activities that can create a foundation for an effective stakeholder engagement process. The phases are internal preparation, stakeholder mapping together

with strategic planning and stakeholder engagement. Stakeholder engagement phase includes engaging stakeholder against the stakeholder engagement plan to reach business objectives, measuring and monitoring results, and communicating results appropriately.

Inventorying stakeholders, setting clear objectives, and building a stakeholder database are important steps in the beginning of the engagement process. Also preparing stakeholder maps, selecting modes of engagement, prioritizing project options, and drawing projects together into a cohesive plan should be considered carefully. (Gable & Shireman 2005) In addition, outlining internal roles and responsibilities and evaluation of the engagement plan are relevant actions (Jonker & Dewitte 2006). Similar steps could form a basis for a framework for a stakeholder engagement process also in European Union public-private partnerships.

There are numerous ways to design stakeholder engagement. Multi-stakeholder processes are unique to their issue, scope, objectives, participants, and resources. There is no one-size-fits-all formula. (Hemmati et al. 2002) Thus, according to the literature, processes have to be always adapted to the project in question also in European Union public-private partnerships.

El-Gohary et al.'s (2006) study concentrates on the engagement of public stakeholders in public-private partnerships. They assess many important issues for the scope of this thesis. Stakeholder involvement model they present can be useful for the engagement of cities in the European Union public-private partnerships. The involvement model can be considered as a stakeholder engagement program that is a systematic plan for continuous stakeholder engagement process.

In order to be able to engage public stakeholders, a proper stakeholder engagement program should become an integral part of public-private infrastructure projects. Stakeholder engagement programs have previously successfully integrated in public-private partnership projects concerning transportation, water resources and supply, mining, and land development. (El-Gohary et al. 2006) There is no obvious reason why European Union public-private partnerships could not also include successfully integrated public stakeholder programs.

El-Gohary et al. (2006) divide the phases of the stakeholder engagement program into planning phase and construction phase. The first phase, planning of the engagement program, includes two similar actions as the two first phases of Gable and Shireman's (2005) stakeholder engagement process.

In the planning phase of an engagement program, it is very important to make sure that the program

is transparent, and the relation between the program and its stakeholders is based on trust. Also, the stakeholders have to be sure that their engagement will have an impact on the project. (El-Gohary et al. 2006) This view is similar to what was presented in the earlier reviewed literature. At least in the case of a large EU project, the credibility and usability of the results of the program could be enhanced by these factors.

In the planning phase of an industrial project, the engagement is usually a two-way process as the stakeholders have a feedback-giving and participating role. However, in the construction phase the engagement is usually a one-way process as information of the progress of the project is only disseminated to the stakeholders without them anymore having possibilities to affect on the project outcome. Nevertheless, in the construction phase, usually all the stakeholders are involved in the project development in different ways. (ibid) It is interesting to study whether this is the case also in large ICT projects within the EU.

All processes related to the stakeholder engagement program should be properly planned and implemented to ensure coherent and effective stakeholder involvement. The first process, stakeholder engagement program design, includes strategy development, planning and program development processes. Objectives, requirements and methods of getting the stakeholders involved in the program should be defined. Research and previous experience are valuable in this phase. After determining the strategy, it should be formalized. In developing the stakeholder engagement program, decisions about identification and profiling stakeholders as well as an information dissemination plan should be made. Additionally, it has to be decided that what kind of input from stakeholders is being required, in other words, their roles have to be determined. Finally, suitable techniques for enabling analysis of stakeholder engagement have to be decided. (El-Gohary et al. 2006) This would suggest that setting objectives is a necessary starting point also for the public-private partnerships within the EU. Mapping and defining the roles of the stakeholders of EU projects is also very important as well as determining the techniques for stakeholder engagement.

In the second process of El-Gohary et al.'s study (2006), stakeholder engagement program management, the aim is to direct and control all processes of the system. Program management can include coordination, documentation, control, reviews, evaluation, and amendment. For example, in the financial management process, it is necessary to do cost estimation, budgeting and cost control. It is important that there is a viable control system created to monitor and follow all processes. In the case of this study about large EU public-private partnerships, management of the program is often executed by a project that facilitates the other projects in the partnership. All management

related activities belong to this facilitator.

Third process, stakeholder engagement administration, can include maintaining documents, keeping records as well as approval and logistics management. Fourth phase, public information dissemination, encompasses communicating information to stakeholders for example through mailing, publishing, public posting, audio and video interaction, on-line or in meetings. Fifth process, stakeholder participation, includes various means of engaging stakeholders to the project. These can be public and private meetings, surveys, focus group discussions, workshops, open houses, audio and video interaction processes, on-line processes, and mailing processes. (ibid)

Sixth process, stakeholder participation training, means that besides the program staff, the stakeholders are also trained to properly participate in the project and provide an input to it. For example on-line techniques might require guidelines and training. Seventh process, stakeholder participation encouragement, is necessary to ensure the meeting of the stakeholder engagement program's objectives. This can be done for instance by site-visits, seminars, contests and acknowledgements. Eight process, resolving differences, is important to make sure that the possible differences are resolved when they occur. (ibid)

Processes nine and ten are important for both assessing the successfulness of the program and for future, as lessons learned have to be documented and analyzed. Firstly, stakeholder input has to be documented and stored. Secondly, the input should be classified and analyzed. (ibid)

And finally, processes eleven, solution identification, and twelve, design coordination, are crucial for the success of the stakeholder engagement program. Alternative solutions produced by stakeholder input have to be drawn out as a conclusion of the stakeholder engagement. After determining and assessing the solutions, the preferred solution has to be chosen. As a result of the stakeholder engagement process, the selected solution is coordinated to match the program design concept. To conclude, it is very important to remember that choosing the appropriate set of tools according to project characteristics, and the type of information that needs to be communicated, are key decisions for a public-private partnership's stakeholder engagement plan. (ibid)

To summarize the aforementioned literature about stakeholder engagement process, it is important to have a process-oriented way of thinking when one engages stakeholders to public-private partnerships. Creating a plan for the process, a stakeholder engagement program, can help with the assessment, engagement and management of stakeholders.

2.3 Cities

Next, cities are assessed more in detail. The emerging multi-level governance strategy is briefly discussed, as it increases the power of cities. Situation and power of European cities in the EU is presented according to previous literature. Finally, taking into account the case of this study, e-governance situation of European cities is discussed.

The 21st century is referred often as being the century of cities. According to McKinsey Global Institute's report of the growing economic power of cities (2011), half of the world's population lives in cities. They create 80 percent of the global GDP. For instance Organisation for Economic Co-operation and Development (OECD), the United Nations, and the World Bank have increased their data coverage and analysis of cities. Companies will choose to locate their operations to the cities where their business will most likely thrive for their operations. (Urban world: Mapping the economic power of cities 2011)

2.3.1 Multi-Level Governance

Recently, there has been lively academic discussion about the power shift from government to governance at the local level (Heinelt & Niederhafner 2008). Multi-level governance has changed intergovernmental relations. The concept refers to 'negotiated, non-hierarchical exchanges between institutions at the transnational, national, regional and local levels and vertical 'layering' of governance processes at these different levels'. (Peters & Pierre 2001, 131-132) According to them, multi-level governance can also be observed as cooperation between subnational and transnational institutions, seemingly bypassing the state.

Multi-level governance gained attention among political academics along with EU integration. The changing relationships between the EU, the member states, and subnational governments aroused discussion. (Peters & Pierre 2001) Multi-level governance seems to emerge as 'the combined result of decentralization, the weakened power of the state, a shift from an interventionist towards an 'enabling state', budgetary cutbacks and a growing degree of institutional self-assertion and professionalism at the subnational level' (Peters & Pierre 2001, 134).

2.3.2 Power of European Cities

It is argued that European cities have gained more political power because the process of Europeanization has included the emergence of multi-lever governance. Cities can provide EU institutions with knowledge, legitimacy and ways to monitor the implementation of EU policies. Thus, cities take part to the European policy-making process. (Heinelt & Niederhafner 2008)

Vertical governance arrangements in which cities are or could be involved have become more and more common. On-going globalization, on these vertical dimensions, presents new challenges and opportunities for cities. As a result, cities have a growing independence both from the national level and the subnational regional level. (ibid)

Cities and their organizations play a role in decision-making processes and in the implementation of EU legislation. More specifically, they provide the Commission with information, expertise and strategies. Expertise of cities is important for the implementation of much EU legislation. Cities are important actors when EU legislation has to be implemented and applied by transforming the domestic laws of member countries. They have systematic dialogue with the Commission. (ibid)

There are two pan-European cities' organizations. First, the Council of European Municipalities Regions (CEMR) is an international umbrella organization consisting of national sections. Its activities are based on cooperation. Second, Eurocities is a network type of organization, whose activities are based on coordination. The Commission is central to CEMR and Eurocities' activities because it drafts EU legislative proposals. (ibid)

Nevertheless, CEMR and Eurocities are subject to certain constraints in their actions. Members of Eurocities represent the interests of big cities only. Lack of legitimacy avoids them to act on behalf of all the European cities. CEMR, on the other hand, has problems with its complex structure and balancing with the various aims of its members. (ibid)

2.3.3 E-government in EU Cities

Worldwide governments recognize ICTs as powerful tools for enhancing citizen engagement in public policy-making and as a way of enhancing citizen trust in governments. The benefits include

drawing together of information, 24/7 accessibility, independent search capacity, and interactive policy consultation. However, the improvement degree of e-government to government administrative systems is hard to measure reliably. (Torres et al. 2005)

The usage of e-services by citizens in Europe is on a relatively good level. Governments at all levels have launched electronic government projects aimed at providing electronic information and services to citizens and businesses since the 1990s. E-government is defined by the OECD as ‘the use of ICTs, and particularly the Internet, as a tool to achieve better government’ (Torres et al. 2005, 218). Benefits currently include speed and accessibility. (ibid)

Local governments like cities and regions in the EU have an important role in the national government since they can in some countries administer the welfare policies. Additionally, they represent the public administration close to citizens. (ibid)

Almost all EU city governments are shifting with a different pace from the traditional bureaucratic government to the e-government. The biggest EU cities have had a lot of e-government initiatives that make use of information and communication technologies. It is necessary that content of Web sites is citizen centric and designed well for the Internet. EU Web sites should be developed to a more interactive and more deliberative direction. That would reshape governance and alter the relationship between government and citizens by creating a new virtual interface. (ibid)

2.4 Framework for Facilitation of Cities' Engagement in European Union Public-Private Partnerships

Next, previous literature presented earlier is summarized, synthesized, and put to the context of engaging cities in innovative European Union public-private partnerships. The visualized model highlights selected main points of the literature. This framework represents theoretical answers to the research question.

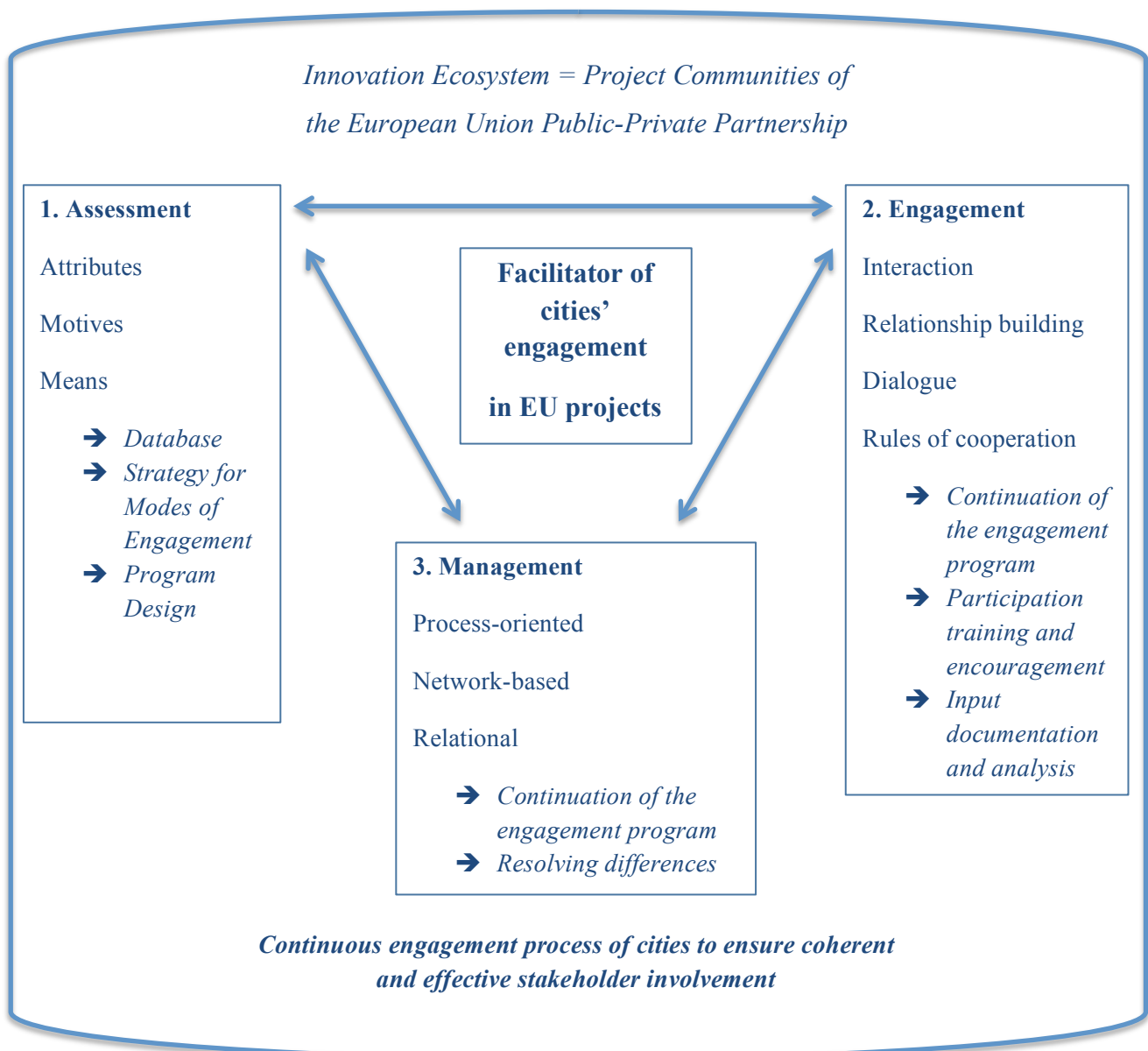


Figure 2, Engagement of Cities in Innovative European Union Public-Private Partnerships

Figure 2 illustrates a theoretical framework for engagement of cities in European Union public-private partnerships. Facilitator of the engagement is in the middle of the innovation ecosystem. European Union public-private innovation ecosystem consists of project communities that are parts of the European Union public-private partnership program.

There are three phases in the continuous stakeholder engagement process presented in this framework: assessment, engagement and management of cities. Engagement process starts by assessing cities. That includes defining the attributes of the cities and their motives to take part in the public-private partnership. Also the means of cities to achieve their goals are identified. As a result of the assessment phase, a database of stakeholders should be created. In addition, strategy for modes of engagement should be formulated, and a stakeholder engagement program should be designed. The program should be used as a plan for the engagement process, and it should be followed in the following phases.

Engagement phase of the stakeholder engagement process includes interaction, relationship building, continuous dialogue, and rules of cooperation with cities. These actions result in good progress of the stakeholder engagement program. Also participation training and encouragement of cities to participate are important in the engagement phase. Moreover, during the project, input documentation should be done and analysis conducted of the progress of the engagement program.

In the managing phase, cities should be managed in a relational, process-oriented and network-based way. Stakeholder engagement program should be continued also in this phase, and the success of it should be evaluated. Resolving possible differences that might arise in the partnership is an important task of the facilitator in this part of the engagement process.

3 RESEARCH METHODOLOGY AND PRESENTATION OF THE CASE

This chapter includes presentation of the research methodology and the case used in this study. In the first sub-section, the qualitative case study method is reviewed, and the unit of analysis in the study is defined. The second sub-section about reservations in the study discusses credibility, validity, and the generalizability of the results of the case study method. Third sub-section, data collection and analysis, assesses data collection methods of the study. Semi-structured interviews with five experts and five representatives of European cities were conducted to collect empirical data for the thesis. Additionally, observation was used as a supporting data collection method, and is briefly discussed. Finally, in the fourth sub-section, the case of this study is presented.

3.1 Research Method and the Unit of Analysis

Qualitative case study method was used in this thesis because it is the most eligible method to explore the aims of the study. Yin (2009, 18) defines a case study technically as ‘an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between the phenomenon and context are not clearly evident’. In addition, Yin (2009, 13) considers case study method as the preferred research method when the aim of the study is to be ‘explanatory and ‘how’ or ‘why’ questions are being asked about a contemporary set of events, over which the investigator has little or no control.’ Thus, as the explanatory nature applies to this study, case study method offers an applicable way to understand, how can cities be effectively and successfully engaged in European Union public-private partnerships.

Flyvbjerg (2006) is optimistic about using case study as a research method. He states that case studies are suitable for hypotheses testing and theory building and not only for first stages of the total research process. It is not always difficult to summarize and develop general propositions and theories on the basis of specific case studies. Additionally, the practical and context-dependent knowledge that case studies provide is valuable for research. Furthermore, Flyvbjerg (2006) claims that there is supposedly no verification bias, in other words, a tendency to confirm the researcher’s preconceived notions in case studies.

Piekkari & Welch (2004) state that qualitative research has been always used in IB studies.

According to them, although the status of qualitative research in IB is not very high, its benefits are widely acknowledged. A qualitative study method suits also to this topic of engaging cities in European Union public-private partnerships due to the nature of the topic. It is rather unknown, and it is interesting to find out qualitative characteristics of the engagement process, methods and management styles. Investigating the challenges and future development trends is also relevant.

According to Yin (2003, 22) it should be clearly stated that ‘what the case is’, in other words, define the unit of analysis. Thus, the unit of the analysis in this study is defined as the engagement process of cities in European Union public-private partnerships. With empirical data gained from the interviews, this study aims to discover the meaning of an applicable engagement process.

3.2 Reservations

3.2.1 Credibility and Validity

Objectivity of research can be measured with its two components: reliability and validity (Kirk & Miller 1986). According to Kirk & Miller (1986, 19), reliability can be defined as ‘the extent to which a measurement procedure yields the same answer however and wherever it is carried out’. Validity, on the other hand, can be defined as ‘the extent to which it gives the correct answer’ (Kirk & Miller 1986, 19). Objectivity can be gained with ensuring simultaneously as much reliability and validity as possible. Avoiding accidental circumstances in the research process ensures reliability, and validity is built up when the research process is interpreted in a correct way. (Kirk & Miller 1986). For instance, reliability is gained through demonstrating the data collection procedures (Yin 2009).

In this study, to ensure the reliability of the thesis, firstly, the data collection process, analysis and interpretation are demonstrated in detail in the next sub-section. Secondly, semi-structured method of interviews and recording of the interviews were used to enhance the reliability of the analysis. Furthermore, reliability is gained through direct quotes of the interviews in the chapter including presentation of the findings of the study.

Validity is gained through identifying right operational measures for the concepts being studied so that the subject that is claimed to be studied is actually studied (Yin 2009). Moreover, validity in qualitative observations means that one should see what one thinks one sees (Kirk & Miller 1986).

Validity to this study was gained, firstly, with careful documentation of earlier literary material of the subject. Choosing the most suitable research method regarding the aims of the study also enhances the validity of the study. Furthermore, to ensure the validity, both experts and representatives of cities were interviewed to get as broad angle as possible to ways of engaging cities to European Union public-private partnerships. Also my own observations were taken into account to improve the validity of the study.

3.2.2 Generalizability of the Results

Yin (2009, 15) notes that cases should be treated not as samples but as more like multiple experiments from which ‘analytic generalization’ can be drawn by comparing the empirical results of the case study to earlier formed theories. Also Flyvbjerg (2006) agrees on that generalizations can be made from case study results.

The aim of my study is not to make statistical generalizations about the ways of engaging cities to the European Union public-private partnerships but to discuss the generalizability of the results to theory.

3.3 Data Collection and Analysis

My role in the research process was to independently conduct a study of engaging cities in European Union public-private partnerships. I worked as a research assistant at CKIR, which offered me a position to observe the public-private partnership phenomenon. My employer was interested in the results of the study, offered me assistance in finding the interviewees, and answered my questions regarding the topic of the study.

3.3.1 Semi-Structured Interviews

The empirical part of this study was conducted by collecting data from semi-structured interviews with five experts and five representatives of European cities. The interviewees were selected based on their amount of knowledge and experience of European Union public-private partnerships (Table 1). Thus, current participation in FI PPP that is facilitated by CKIR was not a required sampling criterion. Rather, knowledge of European Union public-private partnerships in general was essential. Recommendations of interviewees were partly provided by CKIR, but the contacted persons were chosen based on my own judgment of their knowledge and possible contribution for the results of the study. Interview requests to the interviewees were done by email. Some interviewees who were contacted, did not have enough experience, and expressed that as a basis for their rejection of the interview request.

According to Hirsjärvi and Hurme (2000), there is no single definition for a semi-structured interview. For instance, the form of the questions can be same for all the interviewees but the interviewer can change the order of the questions. Even the wording of the questions can be changed without changing the meaning of the question.

Interviewer's task is to capture the thoughts, experiences, and feelings of the interviewee. Besides that it is possible to collect certain information, it is also possible to see the motives behind the answers. The aim of the interview is to put the opinions of the interviewee to a broader context. Moreover, interviews should be used in cases when the research area is only a relatively little known. In addition, in order to achieve the benefits of the interview as a research method, the interviewees should be able to bring their thoughts forward as freely as possible. They have to be encouraged to be active discussion partners who create meaning to the research. (ibid)

Research area of this study is relatively unknown and interviews provided in-depth information of stakeholder engagement in public-private partnerships. Besides capturing the thoughts and experiences of the interviewees, the motives behind the answers were observed. Free discussion and pursuing to activate the interviewees was important in the interviews. Interviews with Finnish interviewees were conducted in Finnish and other interviews in English. Although it was not planned beforehand, the number of expert interviews increased from a few to five, because of the good quality and fruitful results of the interviews. Moreover, there were a lot of similarities in the answers already in the beginning of the research process. However, the results of the expert and city representative interviews differed in some regards because of the varying viewpoints of the

interviewees.

Semi-structured interviews were structured on the basis of the theoretical framework of the study. The questions were formulated in groups so that the set of the interview questions was coherent (see appendixes 1 & 2). There were two sets of questions, one for experts and one for representatives of cities. Within the sets, the questions in the interviews were same for all the interviewees and were asked in the same order, which set a framework to the discussion. However, different follow-up questions were asked from the interviewees according to their answers to get more thorough explanations. After the interviews the material was transcribed.

Position	Title & Organization / City	Day	Length (min)
Expert			
A	Professor, Aalto University School of Technology	January 11th	101
B	Development Manager, Aalto University School of Economics	January 12th	46
C	Manager, CKIR, Aalto University School of Economics	January 16th	55
D	CEO, Forum Virium	January 19th	61
E	Partner, Accenture UK	February 1st	45
City representative			
A	Helsinki	February 3rd	42
B	Helsinki	February 10th	47
C	Stockholm	February 24th	32
D	Munich	February 28th	67
E	Eurocities	March 2nd	24

Table 1, Details of the Interviews

The interviews were organized with the interviewees in good time so there was enough time to prepare well for the interviews. Semi-structured question setting kept the interviewees in the subject but also enabled the possibility to probe deeper into some questions that seemed more interesting and fruitful in light of the research subject. The attitude towards the researcher was positive and the

questions were answered open-mindedly. Table 1 includes the details of the interviews. The length of the interviews varied from 24 minutes to 101 minutes, as some interviewees were more eager to elaborate on the subject, and were asked more follow-up questions than others.

When the thesis was ready, a final draft of the study was sent to the interviewees for comments. The comments were taken into account in finalizing the thesis.

Hirsjärvi & Hurme (2000) list the benefits of interviews. Of the list, the following ones emerged in this study. Firstly, the interview situations were good opportunities to get clear and deep answers. Secondly, in interviews, the interviewee had the possibility of interpreting the questions. Thirdly, useful figurative examples were shared in the interviews. And finally, versatile answers led the research analysis to different directions. Interviewees in general had different emphasis in their answers, and city representatives had usually broader insights from the public sector viewpoint in European Union public-private partnerships.

3.3.2 Observation

Observation of the research subject in reality is a very important data collection method in all research. It can be used in addition to other methods in a research process. Moreover, using many methods enriches the data triangulation of the findings. Validity of interviews can be checked by for example by using observing as a complementary research method. Observation can be very informal or extremely systematic. For example observation of the interviewee in an interview is an informal observation situation. (Hirsjärvi & Hurme 2000)

Informal observation was important also in this study. A possibility to observe the phenomenon of FI PPP was used to enhance the validity of the study. I worked at CKIR from November 2011 until May 2012, and could then observe around me the work related to FI PPP. I took field notes about seminars and informal discussions, and besides the formal semi-structured interviews that were conducted, they enriched the findings of the study. Observation helped me to understand the interviewees and the results of the study as well as to work in the analysis phase. In addition, observation was necessary in order to be able to present the case properly in section 3.4.

3.3.3 Data Analysis

The content analysis was done with the categorization of the empirical data. The common and differentiating themes with the earlier theory from the field were sought from the answers. Importance of networks and the relationship-based engagement process rose as one of the main findings of the study. In addition, the motives of cities to take part in the partnerships provide significant new information. An important part was to find illustrative quotes about the research problem. In the analysis of the interviews, emphasis was put on the different directions the answers took although same questions were asked. In the end, the reported empirical data was analyzed in relation to the earlier studies about the stakeholder engagement process in public-private partnerships. The results of the study are linked to the reviewed literature rather well. However, the collected data has limitations.

3.3.4 Limitations of the Study

This study contains new empirical evidence about the engagement of cities in European Union public-private partnerships to the research field. More specifically, the results of the study are partly related to ICT partnerships. The results of the study aren't fully generalizable because the studied phenomenon is only applied in one particular context. In other words, other than analytical generalizability or transferability of the study should be treated with caution because of the limited amount of empirical data. In addition, personal characteristics of the interviewees and their countries of origins have an impact on the empirical findings. Limited amount of interviews and concentration on the Northern and Middle European interviewees have a definite impact on the results. Nevertheless, the results of the study enrich the previous studies about the subject, and broaden the academic discussion in the field. The engagement methods are changing as the practices in the public-private partnerships are developing. Thus, the academic discussion about stakeholder engagement is definitely not yet concluded.

3.4 Presentation of the Case FI PPP

In this section, detailed information about case FI PPP (Future Internet Public Private Partnership) Programme is provided in order to understand the aspects of the empirical part of this study.

In 2010, European Commission started a joint program, Future Internet Public Private Partnership (FI PPP) Programme that is a part of the 7th EU Framework Programme, to advance the competitiveness of Europe. FI PPP includes 11 projects of which eight deal with Future Internet research and development work enabled mainly by EU financing. FI PPP is a program that is namely concentrating on building successful applications. Web 3.0 is emerging. Many organizations from both public sector and private sector are involved in FI PPP as stakeholders.

FI PPP is a five-year project from 2011 to 2016. It combines both ICT applications research that is user-oriented projects and represents the pull-effect from the market and the ICT technology research that is a push-effect from the developers.

The coordinator and facilitator of the FI PPP Programme is Center for Knowledge and Innovation Research (CKIR), a research center that is an independent part of Aalto University in Helsinki. The name of the project at CKIR that coordinates FI PPP is Concord. The main task of Concord is to create a process-oriented structure for FI PPP to enable seamless collaboration of the FI PPP project stakeholders. (Concord Handbook 2010) Concord is thus responsible also of the stakeholder engagement.

According to Concord Handbook (2010), FI PPP aims at supporting European public service sector with creating better public services for example in health care, transport, and energy systems. Relevant projects concerning my research are SafeCity and Instant Mobility. SafeCity aims to develop applications for enhancing public safety in cities. Stakeholders in Safe City are Madrid, Stockholm, Bucharest, Athens, Helsinki, and Obidos. Instant Mobility, on the other hand, aims to improve the location and connectivity of travellers, vehicles and transport networks in cities. Stakeholders in Instant Mobility are Toledo, Rome, Istanbul, Nice, and Trondheim. Feedback from them is crucial to maximize the usability of the outcome of the project.

4 FINDINGS

This chapter introduces the results of the study. The presented material is collected from five expert interviews and five interviews with representatives of cities. The evidence of the study is illustrated with selected direct quotes. Chapters 4.1, 4.2 and 4.3 include the findings of expert interviews. In Chapter 4.1, the experts' views of stakeholders' assessment are presented. Chapter 4.2 provides evidence of the engagement process of cities from experts' point of view. Chapter 4.3 introduces views of development and future of European Union public-private partnerships. Chapters 4.4, 4.5 and 4.6 include the findings of the interviews with representatives of cities. The findings are presented in a similar way as the findings of the expert interviews. In Chapter 4.7, findings of the expert and city representative interviews are summarized.

4.1 Experts' Views of the Assessment of Stakeholders

4.1.1 Stakeholders of European Union Public-Private Partnerships

'In European Union public-private partnerships, there are usually public sector, academia, companies and users involved in the projects. Their benefits of taking part in the projects and influence evaluation should be done from different angles.' Expert C

The roles of users, developers and others are divided based on the field of the project. According to experts, selection of stakeholders and communication with them depends on the field of the project. In the European Union, private sector participates public-private partnership projects within the Framework programs.

'Usually the selection starts with browsing one's personal contacts. People and organizations with a positive attitude towards change are being contacted.' Expert C

'The course of action is networked.' Expert B

'Management is based on networks. If there are new stakeholders, the project has to be lengthy.' Expert C

Experts agree on that projects often have obvious partners and stakeholders that have whether taken part to earlier projects or are other existing contacts. Networks are thus very important in forming European Union public-private partnerships. One of the experts elaborated that although the

individuals may have changed; the player network remains the same. The network expands when individuals change jobs to different organizations and networks. Previous partners and contacts are the first to be contacted when a problem that has to be solved arises.

'Mapping of the network is the facilitator's task in the beginning of the project.' Expert A

As one of the interviewees pointed out, it has to be clarified in the beginning of the project that what kind of network does the public-private partnership and the partners have and how has the network developed.

'Facilitator of an European Union public-private partnership should not have own interest in the project.' Expert A

One of the experts brought up that the facilitator cannot be an industry representative or have too much own interest in the project outcomes. Otherwise the project and its stakeholder engagement process would not necessary be on a solid base.

4.1.2 Role of Cities

'Cities are hierarchically organized, but the public-private partnership networks are not.' Expert B

'Cities have had an active role in the projects. They have made a good use of the results.' Expert B

Role of stakeholders can be, depending on the project, just one-way participation in workshops and listening to the information or, on the other hand, interactive two-way participation. According to one of the experts interviewed, the best projects that cities have been a part of have been the ones, which they have managed. In many projects, however, city has been left in an objective role instead of a subjective role. In an objective role, city is not in an active role in the project, and in a subjective role, city is one of the key actors. In some cities, a company has been founded to outsource the risk of the development projects.

'Cities are well networked internationally.' Expert B

Two experts noted that cities should not participate in actual research projects. However, they should definitely be involved in projects that have ready technology, which is taken to a new kind of use. However, some cities even take part to the experiment projects in which the success of the project is highly uncertain. For instance, in Helsinki, there is a fresh experimental atmosphere in

certain vertical domains of development. Vertical domains of the city are different divisions and units responsible for various tasks. It is often the goal of cities to build relationships for direct cooperation with the service providers.

'The roles of cities vary in Europe, but they are all big players.' Expert B

However, although the roles of the European cities are different, it is common for them that the services offered by the public sector have to be developed. Cities in Europe are diversified and they have heterogeneous customer bases. Also these broad customer bases make the needs of European cities to resemble each other.

4.1.3 Reasons to Engage Cities

'Cities should be engaged in European Union public-private partnerships, because the public sector is a huge service provider and it should develop its efficiency.' Expert D

'Cities should collaborate with the private sector much more.' Expert E

'Demand should pull more than technology push the alternatives of improving the services of cities.' Expert C

'Cities have to be involved, because they are the users of the project outcomes.' Expert E

Cities should be engaged in European Union public-private partnerships, because public acquisitions should be made more effectively. Experts agree on that services offered by cities have to be renewed, and a better services offering to citizens provided. It was suggested that closer cooperation with the private sector would be needed to develop innovations.

'They should drive forward their ICT agenda' Expert E

One of the experts pointed out that services should be offered completely in a digital form. Another of the interviewees emphasized that Europe has lagged behind others in applying ICT technology. If this ICT gap were closed, the public sector would become more efficient also in cities. A third expert pointed out that although cities want to develop their services, they have not been totally convinced about value proposition of the ICT-related European Union public-private partnerships. Moreover, in the EU, legislation and copyrights issues have to be standardized in order to take advantage of the innovations.

4.1.4 Motives of Cities

'An existing problem and a probable solution for it are the best ways to engage cities in European Union public-private partnerships.' Expert A

'The facilitator should engage cities based on possibilities to forward their agenda to drive innovation. Value proposition of the city is necessary to understand.' Expert E

'Cities have an issue and interest to take part in the projects, but they often have different perspectives.' Expert E

All the experts had a similar view about the main motive of cities to take part in European Union public-private partnerships. Cities can be successfully engaged in European Union public-private partnerships, when the projects offer a real solution to the needs of the cities. Demand and needs of cities should be the starting point of engaging them in public-private partnerships, and it has to be clear, what are the potential issues. The benefits and possible solutions for the problems should be presented to the cities realistically. Moreover, value proposition of all the parties has to be clear for the facilitator.

The problem or needs should be identified, mapped, and divided into parts that can be solved.

'Cities that are from poor regions take part to the European Union public-private partnerships partly because of the money that is available in the projects.' Expert D

'Frankly, money available in EU projects is needed in cities to develop their innovative pursues.' Expert E

Cities have funding constraints in their development on their own, and benefit a great deal of the money available in the EU projects. In some cities the operations to take part in European Union public-private partnerships are even quite organized. For example in Barcelona, the systematic development of the city is organized in form of a separate company. In addition to money available for innovation agenda, cities aim to savings in their operations. Funding question is in the heart of the motives, but there are many more perspectives in addition to that.

'Cities want to establish an international position and brand.' Expert D

'Other motives are familiarizing oneself with new information and possibilities, and putting effort on doing things differently.' Expert C

Other motives of cities to take part in public-private partnerships are, according to experts, firstly, to improve their brand internationally and be visible to their stakeholders. Secondly, the development of their own competences is an important motive. Thirdly, they will have access to knowledge that they would not have otherwise, and can forward their innovation agenda with the help of the information. Benchmarking is an important motive, because cities are interested in what is done elsewhere and search for better solutions than they currently have. For example, improvements in transport and logistics services are opportunities for cities. And finally, by participating EU projects, cities have a possibility to bottom-up influence the decision-makers in the EU.

According to an expert, there are three possibilities to find a solution to an existing problem that a city has. It can find the solution by itself, take part in a EU project, or buy the solution. Usually the know-how to develop new services alone does not exist in cities. Thus, cities have to take part in European Union public-private partnerships, because they cannot buy the not-yet-developed solutions ready-made.

'Cities are motivated by growth, and ICT enables green growth.' Expert E

'Cities do not necessarily have enough own knowledge and competence of ICT industry.' Expert B

In pilot cities, European Union public-private partnership project outcomes can end up becoming tangible usable services. Know-how is another important outcome of the projects. EU projects stay at a high level and the outcomes of the projects can be localized afterwards.

'The strongest tension in the projects is in between the partners' differing motives.' Expert D

'It should be considered whether diversified outputs that meet the goals of many stakeholders or one compromised solution should be aimed to reach.' Expert B

All the partners and stakeholders in European Union public-private partnerships have motives to participate in the programs. The motives can differ a lot and no one would like to give up their priorities. Compromises of various participants' goals will be problematic also in the future. One of the experts pointed out that cities have been an active and giving party in the projects that has reduced their motivation to take part in the partnerships.

4.2 Experts' Views of the Engagement Process of Cities

4.2.1 Means of Interaction

'Informal conversations are a good way of engaging stakeholders in the beginning. Later, the relationship will be formalized.' Expert C

'Users and developers have to encounter and interact with each other. Sharing experiences is surely valuable.' Expert A

'The working environment of the public-private partnerships should be much more collaborative and not that contractual.' Expert E

An expert pointed out that, in some cities, calls for European Union public-private partnerships are being observed, and if interesting possibilities occur, discussions with the project are started immediately. The expert had a strict opinion that a personal face-to-face contact is the only possible option to approach the project. Trusted partners are valuable and sought in European Union public-private partnerships. Especially in the international interface, key partners are secured first. Known and trusted partners then bring their partners in the projects with them.

'Traditional actions have been taken to ensure a good stakeholder engagement process. Face-to-face meetings, events and seminars have brought stakeholders and partners together.' Expert D

'We have used seminars, press release -newsletters, and public dissemination as communication channels.' Expert B

'Channels are for example: wikis, social media, events, and discussion boards.' Expert C

There are many kinds of ways to engage stakeholders in European Union public-private partnerships. In addition to the above-mentioned ways of interaction, one of the experts had good experiences of developer camps, and of extensive use of social media. Team assignments and group work in small teams provide very fruitful results. There has to be always a goal for a get-together. Moreover, people working in the projects should be physically in the same space.

'Honesty is important.' Expert E

In communication with especially internal stakeholders, the facilitator has to be clear about inputs and outputs.

4.2.2 Relationship Personifies

'It is definitely person business. The activity of taking part to the European Union public-private partnerships personifies and identifies with certain key persons in the management of cities. Trust and relationships with the service providers are very important and enable successful development projects.'
Expert D

All the experts agreed on that the relation between cities, project and the facilitator personifies.

'Interaction, relationship building, transparency and accountability are tools for a successful stakeholder engagement process. There is clear lack of these in EU projects.' Expert D

'There is a long way to go with these in European Union public-private partnerships.' Expert E

Four experts very much emphasized the importance of interactivity, relationship building, transparency and accountability in communication. One of them stated that aforementioned features are the most important things in stakeholder engagement process after the content and context of the public-private partnership. However, a general view was that there is lack of dialogue and relationship building in European Union public-private partnerships. It was stated that at in reality, only at its best, cooperation is interactive. An expert pointed out that the facilitator's role is critical, as inputs and wished outputs of all partners and stakeholders have to be clear to everyone in the project. Additionally, facilitation of the development of the relationship is crucial. Moreover, one expert mentioned that cities have different ways to interact.

'We spent almost too much time debating.' Expert E

'Each consortium is different in terms of the relationship.' Expert E

Two of the experts, nevertheless, had very positive interaction experiences, and one of them noted that organizational borders could not be seen in the dialogue. One of the two experts, who had a positive feeling about the interaction, elaborated that the dialogue had flowed and been robust and active. However, the expert wished they had put more time and effort to relationship building in the partnership. This lack of emphasis on relationship building caused that cities still felt like clients in the process rather than partners of the collaborative working group.

A subtler expert thought that the importance of interactive communication, relationship building, transparency and accountability depends on the role of the partners and stakeholders. Nevertheless,

the facilitator who is in between stakeholders should definitely mark the relevance of the aforementioned features.

'If the stakeholder engagement process has been successful, the relationship has included interaction, been mutually engaging and responsive.' Expert D

'Social side is important later in the engagement process after choosing the participants.' Expert A

'A standardized agreement that includes information of which of the project participants does what, is always done.' Expert B

One of the experts emphasized that interactivity has to be targeted to a bigger group. On the other hand, relationship building is important with individual partners. Accountability is necessary and increases as a result of cooperation and getting to know the partners properly. It should be considered especially in developing the tools of engagement and communication. Transparency was stated to be for example proper communication and was seen necessary in an extensive program.

4.2.3 Process-Oriented Relationship

'The engagement process has been multiphasic.' Expert E

'Stakeholder management has been both network-based and process-oriented. The process-oriented way should dominate stakeholder management.' Expert E

'Process-oriented stakeholder engagement is a rather new approach in European Union public-private partnerships.' Expert C

Some of the experts were very positive of the process-oriented management of European Union public-private partnerships. One of them claimed that Future Internet Public-Private Partnership is process-oriented in its stakeholder engagement. For example the usage of CRM system supports a process-oriented view of stakeholder engagement. It was noted that the public sector has not extensively used CRM systems before, and they have been stakeholder engagement tools of the private sector until now.

'There is lack of professionalism in getting people and stakeholders involved in European Union public-private partnerships.' Expert D

The work in European Union public-private partnerships is concentrated on the needs of the project and dissemination of information. There has not for a long time been that extensive concentration

on stakeholder engagement in the projects. However, the networks have developed over time, and are useful in engaging organizations in European Union public-private partnerships.

4.2.4 Engagement Actions

'In European Union public-private partnerships, the concept and model of the project are being offered to the stakeholders of the project. The role of the project manager is central.' Expert C

'The networks of the facilitator should be mapped in order to find interested stakeholders.' Expert A

'The facilitator of the EU project should have an own network that includes development affirmative players. It is the facilitator's task to map possible stakeholders' strategic goals.' Expert B

'Systematic benchmark of cities that could possibly take part in the projects is necessary.' Expert D

Experts suggested that the facilitator should first map the cities, which could possibly be interested in taking part in the project. Cities, which are in a similar stage of development concerning the problem they have, could be interested in taking part in the program. Their views and experiences might enable different approaches to solving the problems they have. One of the experts had experience of a project where cities wanted other cities to participate in the project. Moreover, previous relationships between cities mattered and academic institutions were chosen from those cities, which were involved in the projects.

'It is important that cities are engaged in the projects from the beginning.' Expert A

'Building the network and trust takes time.' Expert D

Experts emphasized that cities should be engaged by supporting the decision making process of taking part in the public-private partnership. Expectations of the project outcomes should be properly explained to the city representatives. In other words, the role of the city as a stakeholder should be clearly defined. Project facilitator should take initiative of the administrative bureaucracy and coordination responsibility of the project. Cities have enough of those responsibilities in their own administration to take care of the bureaucratic actions.

'No imagination is used in stakeholder engagement.' Expert D

An expert brought up that projects should aim at getting away from their own comfort zone in stakeholder engagement. The facilitator needs ways to approach the network game of European

Union public-private partnerships. The network of contacts should be mobilized with relevant events that provide information and raise awareness. In addition, the facilitator should have good tools to proceed with the stakeholder engagement.

'Navigating the interests of different parties towards a common consensus in the projects is challenging.'
Expert E

One of the experts emphasized that there should be a clear leader, who enables decision-making. Another interviewee mentioned that the facilitator should act as a booster in between the theory and concrete. When the process is defined, the facilitator's task is to make the world of the city understandable to the researcher and the researcher's world to the city.

'Facilitator of the European Union public-private partnership could use the AIDA model from marketing theory.' Expert C

'Window of opportunity has to be used.' Expert C

AIDA model consists of awareness, interest, desire and action. Raising awareness and interest should include specified contacts with cities based on their needs. Also other EU projects should be contacted in order to find eager and development-oriented cities to take part in the facilitator's public-private partnership. Desire of cities to take part in the projects could be awakened with effective, even provoking marketing messages. Finally, in the action phase the engagement should personify.

'Offering of the project has to be jargon-free, clear and concise.' Expert D

'Domain-specific events would be a very effective way to approach cities.' Expert D

One of the experts proposed that the facilitator of the stakeholder engagement of the project could, in the beginning of the project, organize a road show of the project. Vertically oriented dissemination of EU projects would be a good way to provide information for cities about European Union public-private partnerships. Superlatives and empty promises have to be avoided. Cities operate with their substance as their first priority. Thus, stakeholders should be contacted and engaged based on the possible results of the project.

One of the experts elaborated that preparation for EU projects has become a similar process almost every time. Those actors who have taken part in the calls for the partnerships have already learned everything of the EU projects. Academia discusses with European Commission and companies have dedicated people who follow the calls closely.

However, it is very difficult for new stakeholders to know the established practices. It would be important for them to know who to reach and how. Most of the cities do not have an expert group, which knows about EU projects and follows their communication. New ways for communication should be developed. Very simple and domain-specific communication would probably be a good way to approach cities. Domain-specific communications should be targeted to people who are dealing with the problems and try to figure out solutions for them.

'There are two levels in the engagement analysis. Firstly, superficial management level that includes interactive relations etc. Secondly, there is a deeper network level that includes close relations, previous projects together, familiarity, and cooperation experience.' Expert A

'Management problems include for example identifying the habits of the partners and stakeholders and developing the practices in the public-private partnerships.' Expert A

Experts agreed on that new and unknown stakeholders are challenging, and cooperation history is important as it encourages cities to take part in European Union public-private partnerships. One of the experts pointed out that if there is common history, the engagement level is high already in the beginning.

4.2.5 Future of the Engagement Process

'Closeness of relationships in engagement of cities and emphasizing the side effects of the engagement will become even more important.' Expert A

One of the experts suggested that, in the future, the process of engagement should be simplified. Today's long reports presenting the projects are not attractive. It should be made easier to find European Union public-private partnership experts and knowledge.

'Workshops have lost their impact in their current form. Specific conferences that enable networking with close players from own industry are necessary.' Expert C

An expert brought up that stakeholder engagement methods that should be used in the future are firstly, web-based tools. Secondly, societies like Twitter and LinkedIn will become increasingly important. It was pointed out that bottom-up thinking would become more common. Tailored solutions for different stakeholders to be engaged in the projects are probable. Many channels instead of only a few would be a more effective approach in the engagement process.

'Big bosses listen to each other.' Expert D

Meyers of the European cities meet each other regularly, and EU public-private partnerships should take part in those negotiations and present their ideas there. In addition to having own communication and information events of the project, the facilitator of the stakeholder engagement should present the project in targeted stakeholders' own events.

4.2.6 Stakeholder Engagement Program

'There should be an official stakeholder engagement program that includes systematic stakeholder engagement and is managed by the facilitator of a large EU program.' Expert D

Experts agreed that it would be beneficial that the facilitator pursued a stakeholder engagement program. In today's European Union public-private partnerships, stakeholder engagement model usually clarifies to the project facilitator only at the end of the project.

'There should be a model and structure for stakeholder engagement from the beginning of the project. That plan should be then executed in a process-oriented way.' Expert C

A mandate of the EU demands that the aim of the projects is to generate benefits also for others than the project participants. Now, there are percentages of the project budget that have to be used to specified parts of the project management. One of the experts suggested that a specified percentage of the budget could be devoted to stakeholder cooperation and engagement. Another one thought that it would be hard for EU to mandate an obligatory stakeholder engagement program to be included in the projects.

'There are no guides or models available for stakeholder engagement in European Union public-private partnerships yet.' Expert C

Experts agreed on that one model cannot fit all the projects. One of the experts had an opinion that the facilitator should definitely pursue a stakeholder engagement program, but that it is questionable that whether it should be systematic. Another expert reminded that an engagement project that includes an engagement program is relevant only if the goals of the project match with a process of systematic engagement. The facilitator could generate a suitable stakeholder engagement process model in the beginning of the public-private partnership.

4.2.7 Risks Related to Stakeholder Engagement

'Risks that relate to the stakeholder engagement process are, firstly, too high expectations of the project.'
Expert D

'There is a fundamental problem in the communication between public and private sector actors.' Expert E

'A process-oriented approach to stakeholder engagement and contracts about rules of cooperation help with avoiding the risks.' Expert C

Expectation management is important in preventing uncertain promises. If the relationship with the project partners and the facilitator is new for the city, expectation management is especially important. Project management has to be open about the limitations of the project and not promise too much. Also, the competition composition has to be open. Hidden agendas should be identified and competition setting clarified to the stakeholders of the project. Misalignment of expectations and communication problems about the objectives of the stakeholders should be worked out. One of the experts brought up that it is common that companies that take part in the project are disloyal to the partnership.

Risks of the projects have to be explained to the participants and stakeholders at an early stage of the project. A disappointment of the city rebounds on the project latest in the next undertaking. Moreover, there are risks in distributing and confidentiality of the documents of the project.

'Motivation of individuals is important.' Expert B

Another severe risk in the stakeholder engagement is that it is easy to not complete tasks in time. It is difficult when one cannot be forced to be active. Motivation factors are important; cities have to believe that they will gain of the relationship with the project. Accountability of stakeholders has to be achieved.

4.2.8 Achievements of Cities

'Some cities take part in projects more readily than other cities that are selective than before. It is common that in cities, there will be a follow-up project after huge EU projects.' Expert C

Experts agreed on that cities have achieved advantages of taking part to European Union public-private partnerships. First of all, the recoverable results and solutions that projects offer for the problems are one of the most important advantages.

'New contacts and relationships as well as the development mindset that follows from taking part to development projects are valuable for cities.' Expert D

'Key persons get to know each other. In the future they can be in contact and share information.' Expert A

'Cities often know key personnel of other cities, but they will get better connections to the private sector.' Expert E

Secondly, networks of contacts expand when cities take part in European Union public-private partnerships. All the experts mentioned networking being definitely a benefit that all cities have achieved. Key personnel learn to know partners who they can work and share information with in the future.

'Reputation counts.' Expert B

Thirdly, the image of the city can improve when it takes part to EU projects. Brand advantage is an important asset for a European city.

'Benchmark information of partners and other cities motivates cities to take part in the projects.' Expert D

All the experts brought up that new information that is available is valuable for cities. The problems of cities are universal. Latecomers want to learn from the forerunners, and cities want to know the situation in other European cities. One of the experts pointed out that cities have worked and communicated with other cities in a deeper level in the projects than they normally do. Learning from others is thus definitely important. Cooperation projects that provide information openly offer possibilities for cities. If a city is taking part to a European Union development project, it has a mandate that it would necessarily normally have to go and discuss with other cities horizontally.

And finally, money that is available in the projects is important for many cities. Often, the development budget of cities is relatively small. Experts did not specially emphasize monetary benefits and only three of them discussed about it. However, one of the experts pointed out that private sector is actually worried that cities get a too large amount of the money available in EU projects.

4.3 Experts' Views of Development and Future of European Union Public-Private Partnerships

'Competition has become tougher and the projects are more diversified than before.' Expert C

'Small and medium-sized enterprises have become very important participants in the projects.' Expert C

'Putting together a project has become easier.' Expert B

'Concrete results are important because the payback of the money invested is investigated closely afterwards.' Expert C

The experts agreed on that European Union public-private partnerships today have developed from what they were before. Now, the tasks in different partnerships have become increasingly horizontal. Stakeholders are same in many projects. There are players who jump from a project to another in the EU project interface. Moreover, it is the focus of the EU that the outcomes of the partnerships increasingly benefit the society and companies and long-lasting results are strived for. The affectivity will increase when the entity of the projects grows. European Union public-private partnerships should aim at harmonization of the service interface.

Experience of the partnerships has increased. One of the experts brought up that during the history of EU projects, an own EU project expert group has emerged. They have the network and know-how needed to take part and consult EU projects. Two of the experts mentioned that there is even emerging an entirely new field of business related to EU projects.

'Innovation activities in Europe are not efficient because big companies want to kill new technologies. European Union public-private partnerships serve the interests of these big players. Cities belong to this group.' Expert A

'The nature of the relationships does not match the aspiration that European Commission would like to see.' Expert E

This, a more critical expert had a negative image of European Union innovation policies. The expert elaborated that EU innovation projects proceed too slow as they are executed with a top-down method. The researchers need more freedom to be able to get innovative results.

One of the experts brought up that EU projects have used to be much more targeted towards university funding than today's projects. However, now there are multiple stakeholders, for example cities and private sector are more and more involved in the projects. The academic sector

should not have as leading role as is still has, even though the situation has improved. The expert elaborated that it is problematic that some academic actors and small companies' funding is mostly from the EU. A fundamental realignment in goals should be done and the emphasis on academic stakeholders should be reduced.

'EU projects have now become known of the networks taking part to them.' Expert B

'Public sector will become a bigger customer.' Expert C

'A key question is, whether the partnerships will have the aspired societal impact?' Expert A

Experts considered the future of public-private partnerships rather hard to predict. One of them pointed out that separate partnerships will probably merge to a bigger entity or an institute will be founded for the partnership projects.

'Long term consortiums would be more effective than these short consortiums' Expert E

'I believe in projects in which there are enough money to be used in the development.' Expert D

Experts agreed on that mega public-private partnerships are going to continue and that the political future looks promising. Heavy workload that is associated with the projects is a fact. One of the experts pointed out that reporting has to be done too often. It is crucial that the projects generate enough good outputs for them to be continued in the format they now have.

'Consistency should be developed in the parties who are taking part to the projects.' Expert E

Experts agreed on that EU public-private partnerships have to still develop and become much more productive in the future. Cities, private sector and academia have to learn and get used to work together in a more productive way. Realigning stakeholders every time a new public-private partnership starts is not efficient and partnerships are currently not as effective as they should be.

4.4 City Representatives' Views of the Assessment of Stakeholders

4.4.1 Role of Cities

'We have often the role of user and customer, but we develop the solution together in the projects.'
Representative B

'For example the role of tester that includes testing development innovations in living labs or other contexts is often a part of the role of the city.' Representative E

'In about 50% of the projects, city is not the project leader, and in about 50% it is the leader and gathers the consortium.' Representative C

Three representatives brought up that a city whether is being asked to participate the partnership by the members of the consortium, or is the leader and gathers the project participants and stakeholders together itself. One of them elaborated that the engagement process starts with invitations from other cities in partnerships lead by them or sending invitations to the existing networks to get partners join in the partnership lead by the city. Representatives emphasized even more than experts that the role of cities is generally big and important in those European Union public-private partnerships that they participate.

Of the cities interviewed, none was dependent on EU financing. Thus, their opinion was that cities could be very selective in the projects they wish to participate. Independent cities can choose the projects, which are strategically most important, and get properly engaged in them. One of the representatives pointed out that they not seek projects actively themselves. However, another said that they follow the calls for the partnerships regularly.

'One of the hardest tasks of the leader of the project is to divide the roles and tasks.' Representative D

'Cities have to define their own role and maintain a strong bargaining position.' Representative D

In one of the representatives' opinion, it is hard for a city to lead big multinational companies in the partnerships, because the city has to maintain a strong bargaining position in the partnership. It was stated that a city usually has a good bargaining position with SMEs but not with big MNCs. Moreover, one of the representatives had experience of having competitors in the consortium. In that case, the atmosphere is not friendly, information is not shared enough, and mistrust is common.

'It is important to action effectively and end up with concrete outcomes, which really create change.'
Representative B

One of the representatives had noticed that it is not easy to get private sector involved in the projects. Responsible companies are needed in European Union public-private partnerships. In his opinion, companies are not orientated for working with the public sector for example in Germany. However, the situation is completely different in other countries like the UK and France, where public and private sectors cooperate quite a lot.

Representatives agreed on that engagement of cities is very hard if they are not a part of the facilitator's network. This view was similar to the view of experts. Nevertheless, engaging cities is extremely important, as they are one of the key actors in Europe.

'The objectives are political.' *Representative C*

One of the representatives brought up that cities have to remember their role of being a public authority in the projects. Interests of the politicians and the city have to guide the decision making of taking part in the projects. This political role was more emphasized by the representatives than the experts.

4.4.2 Motives of Cities

'Cities are interested in activities that correspond with their current strategy.' *Representative E*

'Motives of the city derive from the strategic objectives of the city.' *Representative B*

'The objective of cities is to create a sustainable service base.' *Representative A*

One of the representatives elaborated that the starting point of taking part in the EU projects is to think that what does the city try to achieve when taking part in the public-private partnership. Another representative gave an answer that a city should provide services to its citizens in return to the tax income it gets. Thus, not a very large amount of the budget can be put to on research and development projects. These views were similar to the views of the experts.

According to the representatives, European Union public-private partnerships should offer better opportunities to develop services for them to be more attractive for cities. Project members have

expertise that the cities do not have, and outsiders can sometimes come up with new solutions to the problems of cities.

Two of the representatives pointed out that the objective of the city is to create innovative solutions for citizens to participate in decision-making. However, if a new service is taken into use in a city, another service has to be taken down due to the budget constraint. There is only a certain amount of funds reserved for each activity.

'Cities have to be selfish, getting is more important than giving in the projects.' Representative A

Additionally, it was mentioned that engaging oneself properly and, if possible, being part of the core consortium are necessary if a city decides to participate in a European Union public-private partnership properly.

'One of the motives is to learn from the best and gain knowledge.' Representative C

'Other motives of cities to engage in European Union public-private partnerships are their innovativeness, user-oriented development, and new possibilities in increasing fluency in citizens' everyday lives.' Representative A

'Strategic benefits of cities are, firstly, image in the eyes of other cities and networks in Europe. Secondly, becoming a part of the European network is a huge benefit.' Representative E

'In addition to learning from others, building relationships, and trying new opportunities, we want to use EU projects to bring more partners onboard.' Representative D

Learning from others and gaining knowledge are important motives according to city representatives. They emphasized this even more than experts. In addition, all representatives, similarly as experts, recognized networks extremely valuable. Nevertheless, for a city, engaging oneself in a partnership only for getting and sharing information is not sensible.

'It is the best possible situation that common objectives of the project are the same as the selfish objectives of the city.' Representative B

'Win-win situations should be aimed at.' Representative D

'Every participants' concrete goals have to be able to be achieved.' Representative B

It was emphasized that cities have to have clear incentives to contribute to the projects. However, one of the representatives had an opinion that the city she represents has been more the giving than getting partner in the projects. Nevertheless, although this is the case, there are possibilities and

incentives to learn from other cities. Furthermore, one of the representatives elaborated that a win-win situation for both the public and the private sector is necessary in a partnership. And, in addition to motivating other participants, cities also have the task of motivating and inspiring the other units in the city than the one taking part to the project.

One of the representatives had a very positive view of the partnerships and stated that the projects are great possibilities that should be taken advantage of. Cities often have an international strategy to cooperate with other cities in Europe, and European Union public-private partnerships are perfect for that.

4.5 City Representatives' Views of the Engagement Process of Cities

4.5.1 Resources of Cities

'The beginning of the partnerships is often vague and uncertain, and keeping track of the calls for projects requires a lot of resources.' Representative A

'In addition, quite a lot of contribution is needed during the partnerships.' Representative A

'For a successful engagement process, it is important to get stakeholders to take part in the successful first experiments. If one succeeds with that, the rest is easy.' Representative B

It is problematic if the project requires the representatives of the city to cut back their normal tasks and increases employees' workload. One of the representatives gave an example that putting resources to five meetings and their preparation in a year requires already a large amount of cities' scarce resources. Thus, cities have to consider closely in which projects they can participate. City representatives emphasized this lack of resources more than the experts.

Many cities have organizational arrangements in addition to their traditional organizational structure to handle the forwarding of their service innovation agenda. For instance, in Helsinki, Forum Virium has been founded to pursue the development of ICT service innovations. Representatives of cities considered these companies as good representatives of cities in European Union public-private partnerships.

'Many cities do not have the capacity needed to forward their innovation agenda on their own.'
Representative E

'Multilateral contribution is needed in solving cities' problems.' Representative A

'Too extensive controlling is unnecessary and difficult, because the best ideas come from the societies in the city.' Representative A

Private sector alone does not know what kind of development solutions cities need. Local or national innovation projects in cities compete with European Union public-private partnerships. One of the representatives elaborated that of the numerous developers and their good ideas, EU has to find the best ones and engage them in the projects in order to produce usable service innovation outcomes. From the viewpoint of the public sector and cities, it is important that SMEs are supported, and taking them to the projects brings best ideas forward.

4.5.2 Interaction and Relationship

'Personal contacts have got us involved in the projects.' Representative D

'Dialogue, interaction, relationship building, and rules of cooperation have been a part of the engagement process.' Representative C

'Cooperation is valuable in the partnerships, and it has been very engaged and interactive.' Representative B

Many representatives had positive experiences of interaction and relationship building in European Union public-private partnerships. However, as one of the representatives pointed out, it is difficult to compare the relationships in different projects. Representatives had slightly more positive experiences of the interaction and relationship building than the experts. However, they had been working a lot with old partners in the partnerships.

Representatives agreed on that there is always a partnership agreement in European Union public-private partnerships, but that does not alone engage parties in the project. Representatives agreed on that the better the project participants know each other, the better the cooperation is.

'There has been a close relationship between the members of the project team.' Representative B

'We are picky with our partners and want to work with good partners, who we have worked with before.'
Representative C

Representatives agreed on that cooperation in the projects has been good. However, sometimes there have been problems with communication or different expectations of the projects. One of the representatives elaborated that the facilitator of the project should be as open as possible of the project objectives. In general, representatives preferred working with partners that they already know. One representative especially emphasized this and elaborated that they are not seeking new partners. Representatives emphasized that it is useful if there are personal contacts between the project members.

'There are two main points that secure good relationships: strong personal contacts and maintaining a bargaining position.' Representative D

Furthermore, cities want to work with cities that are of a similar size. One of the representatives had an opinion that working with too small cities has not been that fruitful.

'Interactivity, relationship building, transparency, and accountability are important.' Representative B

'Relationships and networking is what the projects are all about.' Representative C

'Trust building is most important in the relationship building and engagement process.' Representative D

'Especially accountability and transparency are big issues in European Union public-private partnerships.'
Representative E

Interaction, relationship building, transparency and accountability are very important in the partnerships according to the representatives of cities. They all combined build trust between the project members.

'Networks are all the time pursued to be extended.' Representative B

'Management of the project has been different in different projects.' Representative C

One of the representatives brought up that management in the projects has been process-oriented and network-based. Another representative mentioned that they have tried many management styles, but network-oriented management has been maybe been most widely used. A third representative claimed that cooperation in EU projects is mostly process-oriented. This is because of divided tasks, tight schedule, and heavy bureaucracy. He elaborated that in other projects the management is more network-oriented as the projects are longer lasting than European Union

public private partnerships. This wide range of answers can be partly explained by cultural differences in the management styles. For instance, the representative mentioned that they use hard management style that includes for example a lot of emails.

One of the representatives pointed out that they try to activate potential partners and take care of the relationships they already have. In addition, cities want to activate their partners network with each other.

4.5.3 Engagement Practices

'Actions of the engagement process are different for a 'following' stakeholder and an actual 'participating' stakeholder.' Representative A

'Trying different ways to engage stakeholders is important.' Representative C

'External money is the glue that puts the project together.' Representative D

'Political decision makers should be persuaded of the value-added for the city in the project. It is always a political decision, whether the city will participate.' Representative E

One of the representatives described the beginning of an optimal engagement process so that the facilitator should listen to the strategic objectives of cities that it would like to engage in the public-private partnership. Cities cannot operate past their strategies. Representatives brought up this importance of strategic alignment of goals that experts had not pointed out. If the objectives of the project would be suitable for the strategies, the facilitator should in a professional way present the possibility to participate the project and what it has to offer. Moreover, discussions between the consortium city representatives are needed. After that the city needs time to consider its participation and whether the outcomes of the project could offer a solution to the need of the city.

'A new way to think or a useful technology solution are good offerings for cities. Combining innovativeness with the strategy of the city is a good option as well.' Representative B

'Often, as the project participants know each others working styles from other projects, roles are clear and cooperation works well.' Representative C

Flexibility and time is important in the decision-making. European Union public-private partnerships should provide something new and different for the city. In addition, one has to be a

professional and proactive in presenting what one has to offer. In the administration of the city, people can have 20 year of work experience, and have tried to develop service innovations for a long time.

'Good and transparent project management and well-planned communication are keys for good engagement.' Representative C

In addition, to ensure proper engagement, a web-based tool for project management and communication is useful. Project web page should be up-to-date and clear a communication channel. The engagement methods should be planned based on the project and its participants.

'Dynamic role of the project management is important.' Representative B

'The facilitator should integrate parties, encourage them to influence, and define the desired outcome clearly.' Representative D

One of the representatives pointed out that a bargaining process between the participants is also a part of the engagement process. Open-minded dialogue especially in the beginning of the projects is necessary. Facilitator of the project should create a plan with steps for the engagement process. The outcome of the project has to be clearly defined.

'The engagement process should be developed to a direction of much more dialogue-based conversation.' Representative B

'One should make use of the organized and networked stakeholders, but also try to activate those equally important but not organized local NGOs and SMEs that could provide innovative resources to the partnerships. They would very well complement the organized stakeholders.' Representative E

When the representatives were asked about their ideas to develop the engagement processes, they wanted to simplify the process and increase the amount of dialogue. In addition, one of the representatives said that the information flood and continuous meetings are problematic for city representatives.

'One way would be to adjust the projects to the interests of cities, and make them suitable for local level.' Representative C

To summarize, city representatives agreed on that demonstrating value-added in the projects to cities is important. Public budget for service development is limited, and in many European cities public-private partnerships are a great way to overcome this problem. Partnerships should be promoted internally in the cities. The outcomes of the projects can play a role in increasing

innovative competitiveness and improve services of the city. Moreover, convincing cities that there are benefits in the partnerships has to be done at a high level. One of the representatives said that for instance Eurocities encourages cities to participate in the partnerships. Comparing the city to other cities and presenting the benefits other cities have gained from taking part to the projects could help with engaging new cities.

'We have taken part both in the development work in the projects and the usage of the outcomes.'
Representative B

'Cities take part in the development of innovations. Usage can be too expensive or the innovation not good enough.' Representative E

'The usage of the project outputs are always evaluated according the selfishness criteria.' Representative A

Representatives thought that in most projects, they participate both the development and usage of the outcomes. However, outcomes have to be very good to be used in the city administration. In addition, two representatives pointed out that financing is often very unclear in the usage of the project outputs. Thus, usage of innovations is always not possible due to a funding constraint. In other words, cities help with bringing the product to the market, but do not necessarily have a possibility to use it. One of the representatives had experience of results of the projects getting sometimes stuck in one department's administration. Spreading the results is hard work and cities want to improve in that.

4.5.4 Risks and Concerns

'Personnel changes decrease the engagement level of the participants. Also changes in the project managers create problems in the engagement.' Representative D

It is a difficult situation when people change positions in organizations and new people come to the projects. Sometimes the engagement problems are personal problems of some of the actors. One of the representatives brought up that also schedule and working culture issues have affected negatively to the relationships. In addition, changes in business or global environment are risks for the success of the project.

'There is a risk to give too good an image of the project and its possible outcomes. That cannot be done many times with same partners.' Representative B

One of the representatives elaborated that members of the projects have not always known that what is actually going on in the projects. Heavy work burden and extensive reporting requirements are problematic and can be risks for cities in the partnerships. Moreover, cities have sometimes had problems with EU program secretariat and different reporting rules.

In addition, budget issues are problematic for some cities. The money that is available in the projects is given sometimes a year later than when it has to be used.

'Some of the partners we have had have been too arrogant and not considered that some of the employees here have 20 years experience of service development projects.' Representative B

Another problem is that the members of the EU projects offering solution to the city consider themselves the only experts in the area, and act as if the representatives of the city as if they did not have enough expertise. The representatives of the European Union public-private partnerships should perform professionally, but taking into account that there is know-how and knowledge also in the administration of the city.

'Private and public thinking often collide.' Representative D

'Problems arise because there is a gap between the public sector and the private sector in working culture.' Representative D

These risks are linked to corruption and the problem of proximity. Working culture differs between the public and private sector. For instance, the private sector actors cannot offer business lunches to representatives of the public sector. On the other hand, proximity is needed for good cooperation.

'All the participants have to be fairly selected so that a city can take part in the project. Cities cannot put other private sector actors to a better position than others.' Representative A

It is a major risk in European Union public-private partnerships that when the public sector cooperates with certain companies, they are put in a priority position. In many European countries, the public sector has a legal responsibility to ensure that partners and stakeholders chosen to public-private partnership projects are chosen in a legally right way. Private sector actors should all have a similar right to strive for cooperation with the public sector. In addition, all the willing private companies should be considered. It is a legally difficult situation and hard for cities to make the decision of whether the partners are selected according to the legal formalities.

Public-private partnerships are quite new in many countries, and the public sector has only now started to find a way to operate in them. City owned companies like Forum Virium are a good way

to cope with this legal constraint the public sector has. However, often it is required that the city itself signs the application for engaging itself in EU projects and the contract of being part of the consortium.

'Another risk is that risk and cost sharing is not in balance in the partnership. Cities have not always got enough benefits of their participation in the programs.' Representative E

'It is a problem that cities are often used for experimenting the solutions created in the projects.' Representative B

'The city can be most committed to the program.' Representative B

It creates doubts and worries that other participants may not be as engaged in the partnership and interested in the success of the project as the city is. Motivating others to contribute is a challenging task. Thus, in the beginning, the facilitator should identify the partners who can innovate and spread the results.

'A typical risk is that stakeholder groups that would be potential for partnerships are not properly enough organized to follow the calls.' Representative E

'Application phase of the partnerships is difficult for cities.' Representative E

An additional threat is that personal contacts in public-private partnerships are used for other businesses. Due to the problems related to the partnerships, some public bodies of the cities have opposed increasing the amount of public-private partnerships.

4.5.5 Achievements of Cities

Although representatives considered there to be many risks and concerns in the projects, in their opinion, cities have gained many things of the partnerships. Representatives had slightly different views on some achievements than experts.

'We have got good and interesting results of the partnerships so far – and more are coming.' Representative C

There are quite different opinions about the benefits cities have gained from EU projects among the city representatives. One of the representatives brought up that many people are tired with the projects. There are sometimes no real results after the project has ended.

'Concrete results are the main benefits that we have gained from taking part to EU projects.' Representative B

However, the general opinion was that the most important things gained from the partnerships were concrete results.

'There are monetary advantages and advantages of doing things together.' Representative B

'Most valuable have been knowledge, networks, good contacts, and lobbying possibilities in the European Commission.' Representative C

'It is always a learning process when a city participates in a public-private partnership.' Representative D

Some representatives emphasized learning more than others, but all mentioned it. Cultural dialogue, attitudes, problems and feelings of other cities are valuable for cities in public-private partnerships. Secondly, building relationships and trust in the partnerships was considered extremely valuable. Thirdly, the projects offer new opportunities. In big cities, the administration is rather slow and more careful than eager to jump into opportunities. In addition, some representatives brought up that their image internationally has improved as a result of taking part in the development partnerships.

'In addition, people in the projects have gained a lot in a personal level.' Representative C

One of the representatives brought up that the employees of cities have, in a personal level, possibilities to learn new things, travel in Europe and expand their networks. The partnerships have stimulated their work.

'Coherent wholes are important.' Representative B

'The process and ideas of the project are more important for cities than single project outputs.' Representative D

When asked about the importance of single project outcomes and the whole project output of public-private partnerships, representatives considered the whole project output more valuable. One of the representatives pointed out that there should be a long-term plan in cities to participate EU projects. For instance, Helsinki would like to operate in a 10-year rather than 2-year life span in the projects to make them more part of the long-term goals and create a coherent whole of the development projects.

One of the representatives brought up that it is also a question of money whether single project outcomes or the whole project output are more valuable for a city. Rich cities are not after money or single project outputs. In those cities, it is much easier to get financing for development projects from the budget of the city than apply it from the EU.

'Improving competitiveness is the starting point in everything we do.' Representative B

'Improving the ICT infrastructure is not a key component of competitiveness enhancement in cities. It is more beneficial for local administration as it decreases service costs.' Representative E

'Yes, we could definitely benefit of the ICT improvement outputs.' Representative C

When asked about ICT improving the competitiveness of cities, most representatives considered that ICT improvements benefit cities and improve their competitiveness. Furthermore, one representative added that competitiveness is always the offset of all the projects we participate. However, one representative did not consider ICT improvements beneficial for cities' competitiveness.

Some representatives admitted that they have a lot to do in the ICT sector. E-services to the citizens have to be improved in many European cities. Moreover, in some cities, there are strict ICT rules, and thus the improvements can only slowly be reacted to.

4.6 Representatives' Views of Development and Future of European Union Public-Private Partnerships

'From the viewpoint of cities, there is a huge gap in between the fundamental research projects in the EU that aim at developing the competitiveness of the EU and the development of everyday life services for citizens that cities pursue to do.' Representative A

One of the representatives elaborated that funding has to be directed to meaningful use at the EU level. Today, the goals of the administration of the EU are far from the routines of cities. Decision making of public services belongs to the nations themselves. Moreover, all the hundreds or thousands separate projects are important, but the whole entity of development projects counts more.

The representatives agreed on that EU projects today have somewhat developed from how they were executed before. However, the development has been slow. Getting flexibility to the

bureaucracy should be a continuous target of the development. However, the modern information technologies have already eased the cooperation. This has been a stimulus for the public administration to participate the projects as well.

'Nowadays projects strive for real results.' Representative B

'There is more and more implementation instead of research projects.' Representative D

The meetings today are more compact and elder actors have lots of experience of the projects already. One of the problems that still exist in some projects is that no one takes a leading role and facilitates the cooperation.

'I think that in general, projects are bigger and more focused, and we would like to get new parts of the city administration engaged in the projects.' Representative C

Representatives agreed on that the projects are generally more focused. Some cities already have a plan about in which kind of partnerships they want to participate. These cities follow the calls for the partnerships. One of the representatives expressed an opinion that there is more value-added for cities in the projects. Also, networks have grown.

'We will definitely take part in the projects also in the future.' Representative C

All the representatives said that cities would take part in European Union public-private partnerships also in the future. One of them elaborated that it is interesting and exiting to participate in the projects. Moreover, getting completely new projects is beneficial. However, it is very hard to get the projects on the run. Cities have to be really interested the projects to participate in them. In some cities, there should be a change of culture and innovativeness should be promoted.

One of the representatives pointed out that they will strive for communicating better with the private sector and academia. Also engaging citizens more is an important goal.

'The future of European Union public-private partnerships looks like they would become larger and the amount of them would increase.' Representative B

'The results and output will become even more important.' Representative C

In the future, according to the representatives, the main topics and themes in European Union public private partnerships will most properly remain the same. However, there will be more and better projects with a longer time span. Results of the projects should be better taken advantage of and ways to implement them should be developed.

4.7 Summary of Key Findings

To summarize the key findings of the research, some of the most important results collected from the interviews and by observing are highlighted in this section.

Interviewees agreed on that cities should be engaged in European Union public-private partnerships, because public services offered by cities have to be developed. For instance, e-services for citizens have to be improved in many European cities. Representatives emphasized even more than experts that the role of cities is generally big and important in those European Union public-private partnerships they choose to participate. In addition, the political role of cities was more emphasized by the representatives than the experts.

Interviewees brought up that earlier personal contacts and networks are used to gather the consortium in European Union public-private partnerships. Representatives of cities elaborated that cities are often asked to participate in the partnerships or gather the consortium themselves. Representatives agreed with experts about the engagement of cities being very hard if they are not a part of the facilitator's network.

Cities cannot operate past their strategies, and they should be engaged based on their strategic interests. The representatives expressed this importance of strategic alignment of goals. In addition, interviewees emphasized that cities should be contacted domain-specifically.

Interviewed cities are not dependent on EU financing. Moreover, city representatives emphasized lack of resources as a hindrance to take part in the partnerships.

Motives of cities to participate in the partnerships are concrete results, relationship building, learning and knowledge, monetary benefits, image, benchmarking, and lobbying in the EU. Of these, representatives of cities put most emphasis on concrete results aligned with the strategic goals of the city, relationship building, learning, and lobbying in the EU. All the interviewees agreed on that relationships personify and social interaction is one of the most important motives to take part in the partnerships.

Interaction, relationship building, transparency and accountability are very valuable in the partnerships according to the interviewees. However, many interviewees had an opinion that there is lack of them in European Union public-private partnerships. Representatives had slightly more positive experiences of the interaction and relationship building than experts. This is maybe due to the fact that they had been working a lot with familiar partners.

Some interviewees claimed that cooperation in EU projects is mostly process-oriented. In other projects, the management is more network-oriented as the projects last longer than European Union public private partnerships.

Interviewees considered the facilitator's role being extremely central. Transparent project management and well-planned communication are the key responsibilities of the facilitator. Moreover, best means of interaction are face-to-face contacts and efficient web tools. The project web page should be up-to-date and a clear communication channel. All the communication methods should be planned based on the project and its participants.

When the representatives were asked about their ideas to develop the engagement processes, they wanted to simplify the engagement process and increase the amount of dialogue. Now the bureaucracy and reporting requirements are too extensive. Expectation management and honesty are important in avoiding risks. Other risks, especially emphasized by representatives of cities, are personnel changes, differences in private and public working cultures, different commitment levels of participants, and cost-benefit sharing.

Furthermore, it is a major risk in European Union public-private partnerships that when the public sector cooperates with certain companies, they are put in a priority position. In many European countries, the public sector has a legal responsibility to ensure that partners and stakeholders chosen to public-private partnership projects are chosen in a legally rightful way.

Although representatives recognized many risks and concerns in the projects, in their opinion, cities have gained a lot of the partnerships. The general opinion was that the most important things gained from the partnerships were concrete results. Representatives of the cities thought that the most valuable achievements have been knowledge, networks, good contacts, and lobbying possibilities in the European Commission. Rich cities are not after money or single project outputs.

According to the interviewees, stakeholder engagement is and should be a process. Experts pointed out that stakeholder engagement is a rather new focus in the partnerships. Representatives of cities expressed a good angle that the goals of the partnerships should be more practical development innovations. In addition, the partnerships have to become more productive in the future. Furthermore, there should be an official stakeholder engagement program that would be managed by the facilitator in the partnerships. Experts pointed out that the program model should not be systematic, but developed custom-made in the beginning of the partnership.

5 DISCUSSION

The previous chapter presented the empirical evidence of the study. Furthermore, in this chapter highlighting and discussing the main findings of this study compared with the previously reviewed academic literature continues the analysis.

5.1 Cities in European Union Public-Private Partnerships

All the interviewees thought that cities should improve their services, and many suggested that they should do that by forwarding their ICT agenda. Interviewees brought up the advantages of working together with the private sector to utilize their know-how and networks. Also according to Selsky and Parker (2005), governments should provide better services while being more transparent. Thus, the findings of the interviews match with the previous literature.

City representatives had experience that, in most projects, cities participate both in the development and usage of the outcomes. However, outcomes are always not good enough to be used in cities or the financing is unclear. Thus, stakeholders of European Union public-private partnerships can engage themselves in both production and using activities in the partnership innovation ecosystem. This finding is similar to the innovation ecosystem ideology illustrated by Ping (2009). In European Union public-private partnerships, there are usually public sector, academia, companies and users involved in the projects. Members of the project have a possibility to migrate between the project communities. As some interviewees mentioned, the same actors often operate in many EU projects.

Technology has according to the interviewees of this study increased the possibilities to communicate with the stakeholders of public-private partnerships. Extensive use of social media and discussion platforms were mentioned as ways of interaction. Also Adner (2006) argues that information technologies have reduced the costs of coordination and made innovation ecosystems the core elements of growth strategies. However, many interviewees brought up that people working in the projects should be working physically in the same space, or at least have enough face-to-face interaction, and the objectives of the meetings should be set clearly.

Interviewees agreed on that tension in the projects is often caused by the partners' differing motives. One of the experts pointed out that instead of one compromised solution, the public-private partnership could try to aim at outputs that meet the goals of many stakeholders. The view

of partners' various goals was very similar to the statement presented in European Commission's Guidelines for Successful Public-Private Partnerships (2003). According to the guidelines, it is very important to recognize that participants in public-private partnership projects have distinct goals, which must be taken into account to enable an effective partnership. Also Selsky and Parker (2005) claim that actors from different sectors are motivated by different goals, and thus use different approaches when they take part in the project.

All the experts and city representatives emphasized that the main motive of cities to take part in European Union public-private partnerships are project outcomes that can offer real solutions to their needs. Desired project outcomes should be presented realistically to the cities to avoid the risk of too high expectations. Also in the public-private partnership literature, it is emphasized that the goals of the projects should be set clearly. In addition, incentives of stakeholders should be taken into account carefully to enable the projects concentrate on the most important development needs.

5.2 Risky Expectations and Usability Challenges

The interviewees considered very important that the stakeholders have a realistic view of the partnership, and its goals and risks. Adner (2006) discusses both benefits and risks of innovation ecosystems. Risks related to engaging cities in European Union public-private partnerships are mainly initiation risks of the three risk groups he introduces. Furthermore, he states that clear understanding of the full ecosystem and its dynamics is critical for making a successful strategy.

Experts thought that the main risk of engaging cities in the projects is too high or wrong expectations. In addition, some experts and city representatives brought up that there are problems in communication between public and private sector actors. Some interviewees emphasized that open communication, a process-oriented approach to stakeholder engagement, and contracts about rules of cooperation can help with avoiding the aforementioned risks.

In addition, interviewees brought up the risk of different work cultures and proximity in the partnerships. Corruption assumptions related to partnerships is a threat. Private and public sectors have different legal requirements and ways of working. The public sector has to act according to the political agenda and its strategic plan of improving services.

Concerns of stakeholders in European Union public-private partnerships, according to city representatives, are connected with the level of involvement, performance of the projects and usability of the outcomes, and economic issues. El-Gohary et al. (2006) bring up that concerns of stakeholders in public-private partnerships can be affiliated with involvement, system performance, environmental issues, safety, social issues, economic issues, and political effects. The bottlenecks for successful engagement of cities are, according to the interviewees, a process-oriented way of working and clear communication to avoid wrong expectations and proximity problems. The process of engagement is important as it gradually creates dynamic interaction, mutual respect, dialogue, and change (Andriof et al. 2002).

5.3 Assessment of Cities

Questions about the stakeholders' assessment presented by Frooman (1999) can be answered based on opinions of experts and city representatives. Firstly, considering the question, "who are they?" the facilitator of the public-private partnership should, according to experts, start the stakeholder assessment by gathering information of possible stakeholders. Browsing own current contacts and networks and the chosen partners' networks should be done first. Importance of networks in European Union public-private partnerships is evident according to the findings of this study. In the case of cities, the facilitator should contact those cities whose strategic goals match with the project agenda. Vertical, domain-specifically targeted, and well-planned contacts were suggested by the interviewees.

Looking at the second question, "what do they want?" the facilitator should have a very clear image of the cities' motives in participating the public-private partnership. The most important goals, in addition to the already above mentioned goal of offering a solution to a strategically important problem of the city, the facilitator should take into account several other motives.

According to interviewees, firstly, networks that one gets in the partnerships are very valuable for cities. In addition, cities are often at least partly interested in the money that is available in the projects. Especially cities that are from poor regions or that do not have large enough innovation budget to develop their services are interested in the projects due to the monetary benefits. Thirdly, cities want to establish an international position and brand, and EU projects are one way of improving the image of the city. Other motives that interviewees mentioned were new information

and benchmark possibilities, learning from others, and possibilities to bottom-up influence the decision-makers in the EU. Finding this many and versatile motives was rather surprising.

In addition, experts brought up that cities are motivated by growth that ICT can help with. They do not necessarily have enough own knowledge and competence of the ICT industry, and want to learn to know innovative players from the private sector. Public-private partnerships bring together knowledge, and participants can together develop improved services for cities.

Considering Frooman's (1999) third question, "how are they going to try to get what they want?" interviewees presented versatile opinions on the means of interaction. To achieve their goals, cities should, firstly, be personally contacted and information of the calls of the public-private partnerships should be openly shared. It is problematic that taking part in the projects is very bureaucratic. Means of the interaction are discussed more in section 5.6.

When cities take part in European Union public-private partnerships, they are very often in a leading role in the partnership, and thus responsible stakeholders who have a high level of involvement. According to the findings of this study, they can be also customers or testers in the projects, but the role of cities is generally important in those European Union public-private partnerships that they choose to participate. Moreover, cities have always the role of a public authority in the partnerships, and they can participate the projects only if they suit their political agenda. The facilitator should definitely note this and take it into account in the engagement process. Thus, according to interviewees, cities can be in any role of the three that El-Gohary et al. (2006) present. They can be responsible stakeholders, impacted stakeholders, or only interested stakeholders, but, nevertheless, they are most often responsible stakeholders.

5.4 Process-Oriented Stakeholder Engagement

Interviewees emphasized the importance of dialogue in stakeholder engagement. However, some experts and representatives of cities thought that there is still lack of dialogue and communication in European Union public-private partnerships. Many interviewees, nevertheless, had also positive experiences of interaction and cooperation with especially familiar contacts. Andriof et al. (2002) state that stakeholder engagement is important in order to gain critical strategic information, resources, and problem-solving capabilities. Moreover, stakeholder management and dialogue with stakeholders should be a priority of managers (Andriof et al. 2002).

Experts and representatives of the cities had a quite unanimous positive view about the importance of interaction, relationship building, transparency and accountability in the relationships. One of the experts elaborated that they are tools for a successful stakeholder engagement process. Nevertheless, it seems that in reality, only at its best, cooperation is interactive. These findings match with the statement by Andriof et al. (2002) that relations with stakeholders should be interactive, responsive and mutually engaged. In addition, Jonker and Dewitte (2006) and Andriof et al. (2002) all emphasize that transparency is important, and good stakeholder engagement can enhance accountability. Similarly as according to the literature, the experts stated that transparency and accountability of the relationships could be gained through dialogue and interaction. More specifically, they suggested that accountability increases as a result of cooperation, familiarity of the partners, and well-planned tools for engagement and communication.

Experts thought that the process of stakeholder engagement, feedback, readiness for change, and informal relationships are important, but claimed that although stakeholder management is network-based and relational, it is not necessarily process-oriented enough in European Union public-private partnerships. City representatives, on the other hand, had different opinions of the management styles in the partnerships. According to them, both process-oriented and network-based styles are used in the partnerships. In general, however, interviewees thought that process-oriented style suits most of the public-private partnerships. The wide range of answers can be partly explained by cultural differences in the management styles.

Surprisingly, only a few interviewees bought psychology and humanity up as parts of the engagement process. However, it was mentioned that building trust takes time and is necessary in building good relationships. This was rather surprising as Gable and Shireman (2005) state that psychology and humanity are very important in good stakeholder engagement. Also El-Gohary et al. (2006) claim that already in the beginning, it is very important to make sure that relation between the program and its stakeholders is based on trust, and that their involvement will have an impact on the project. This supports the current network-based way of contacting possible stakeholders. They are known to be trustworthy.

Experts agreed with the literature about the uniqueness in the design of the stakeholder engagement program, and the general opinion was that there should be a stakeholder engagement program in European Union public-private partnerships. This view is similar to the view of El-Gohary et al. (2006), who claim that a proper stakeholder engagement program should become an integral part of public-private infrastructure projects. However, similarly as Hemmati et al. (2002) state, experts

emphasized that processes should be always adapted to the project in question in the program. As Hemmati et al. (2002) present it; multi-stakeholder processes do not have a one-size-fits-all formula, because they are unique to their issue, scope, objectives, participants, and resources.

Communication between cities and the project during the process is not a one-way process but a two-way process in which cities have possibilities to affect on the project outcome also during the project. Hence, stakeholder and partner cooperation in European Union public-private partnerships does not work in a similar way according to interviewees as El-Gohary et al. (2006) claim.

5.5 Facilitator's Important Role

Interviewees emphasized the role of the project manager. Networks of the facilitator, which include partners with a positive attitude towards innovation, are important for the success of the project. If cities are not part of the networks, it is very hard to engage them especially in short partnerships. Facilitator's tasks are to map possible stakeholders' strategic goals, contact and engage them into the partnership, and facilitate relationship building in the project. Furthermore, stakeholder input to the projects should be of a high priority for the facilitator of the stakeholder engagement. Also according to Svendsen and Laberge (2005) among many others, the role of the facilitator is very important in the engagement process. They state that the role of convenor in a multi-stakeholder network is to utilize its resources to generate new solutions and innovations that could not be achieved alone. Hence, the results of the study support the existing literature.

Hemmati et al. (2002) states that facilitator of the project should make sure that all participants feel that they are part of the project group. This viewpoint did not come up clearly in the answers of the interviewees, but indirectly the interviewees agreed with this by emphasizing communication, dialogue and relationships. Interviewees did not often mention the psychological aspect of Hemmati's statement. Moreover, they did not mention Hemmati et al.'s (2002) view that the facilitator should also act as a problem-solver and encourager for the stakeholders. Nevertheless, experts and representatives of the cities expressed similar opinions with Hemmati et al.'s (2002) statement that the facilitator should take care of the timetables of the process, as well as everyone's contribution to the project.

In previous literature, it is not very much emphasized that the facilitator should have good tools to proceed with the stakeholder engagement. Experts discussed about this, and suggested new ways in which tools could help the facilitator to manage the process-oriented engagement.

5.6 Modes and Means of Engagement

Interviewees, who had taken part to European Union public-private partnerships supported Andriof et al.'s (2002) claim that management of stakeholders is a two-sided process that includes interaction from both the managers and the stakeholders. Interviewees agreed on that the engagement mode is a networked way of communication, when the city is a stakeholder or partner in the project. Not always, according to the interviewees, nevertheless, the dialogue and other communication are in a good enough level to engage partners of the project to a networked engagement mode. Jonker and Dewitte (2006) emphasize the right choice for the mode of engagement. Moreover, engagement modes presented by Gable and Shireman (2005) are all present in engaging cities according to experts.

Of the means of engagement, the interviewees brought up modern ways of communication and suggestions for further improvement. Of the means of communication that Hemmati et al. (2002) present, private face-to-face meetings with an agenda and interactive websites were mentioned most often as best ways for interaction by the interviewees. Wikis, social media, and discussion boards were also pointed out to be effective communication channels. Email, on the other hand, is already a quite outdated way of communication, because it is too excessively used, and cannot be managed by the partners of the project. However, if cities are in a less active role in the project, informative newsletters can be used quite effectively. Stakeholder events suggested by Jonker and Dewitte's (2006) were argued both for and against by the experts. On the other hand, informative events and seminars are generally not very useful for engaging stakeholders better to the projects, but with a well-planned agenda and a right target audience, they bring partners together and increase knowledge of the project among stakeholders. Also, unofficial face-to-face meetings in the events are beneficial for contacting and engaging stakeholders.

5.7 Cities in Europe

European Union public-private partnerships are becoming more and more horizontal organizations, and have an increasing amount of stakeholders. Heinelt and Niederhafner (2008) claim that there has recently been lively academic discussion about the power shift from government to governance at local level. Experts did not emphasize this very much in the interviews. Nevertheless, the fact that cities take part in European Union public-private partnerships, solve major problems by themselves, and take initiative to cooperate internationally shows that the importance of cities as public sector actors is evident. Heinelt and Niederhafner (2008) elaborate that vertical governance arrangements in which cities are or can be involved are common. According to the representatives of cities, cities are organized vertically, and they should be contacted in specifically targeted vertical dimensions.

Experts pointed out that ICT could help tremendously with improving the services that cities currently offer. This view is similar to the view of Torres et al. (2005), who state that worldwide governments recognize ICT as a powerful tool for enhancing citizen engagement in public policy-making and as a way of enhancing citizen trust in governments. However, although they claim that the improvement degree of e-government to government administrative systems is hard to measure reliably, experts did not recognize the problem. According to the interviewees, ICT is considered as a way of improving the competitiveness of cities. Moreover, competitiveness was claimed by the city representatives to be a very important goal that is always taken into account in all decision-making.

5.8 Illustration of Facilitation of Cities' Engagement in European Union Public-Private Partnerships

Next, main findings of the study are presented as a visualized model. The model is built by summarizing the results of the study. This illustration represents the answers for both the main and sub research questions.

First, as an answer for the sub question “*What are the motives of cities to take part in European Union public-private partnerships?*” the following motives of cities were discovered (Figure 3). They should be carefully taken into account in the assessment phase of the engagement process, when the consortium for the public-private partnership is gathered.

- 
- Concrete results aligned with the strategy
 - Relationships and networks
 - Learning, knowledge and benchmarking
 - Monetary benefits
 - Image and brand
 - Lobbying in the EU

Figure 3, Motives of Cities

According to the findings of the study, strategic alignment of cities' goals with the goals of the partnership is a crucial attribute. Motives of cities are concrete results, networks, learning and knowledge, benchmarking, monetary benefits, image, and lobbying in the EU. Also the means for the cities to achieve their goals are identified in the assessment phase. The means are often a leading or otherwise important role in the partnerships and competent, often familiar, partners. As a result of the assessment phase, a strategy for modes of engagement should be formulated. Finally, a stakeholder engagement program should be designed.

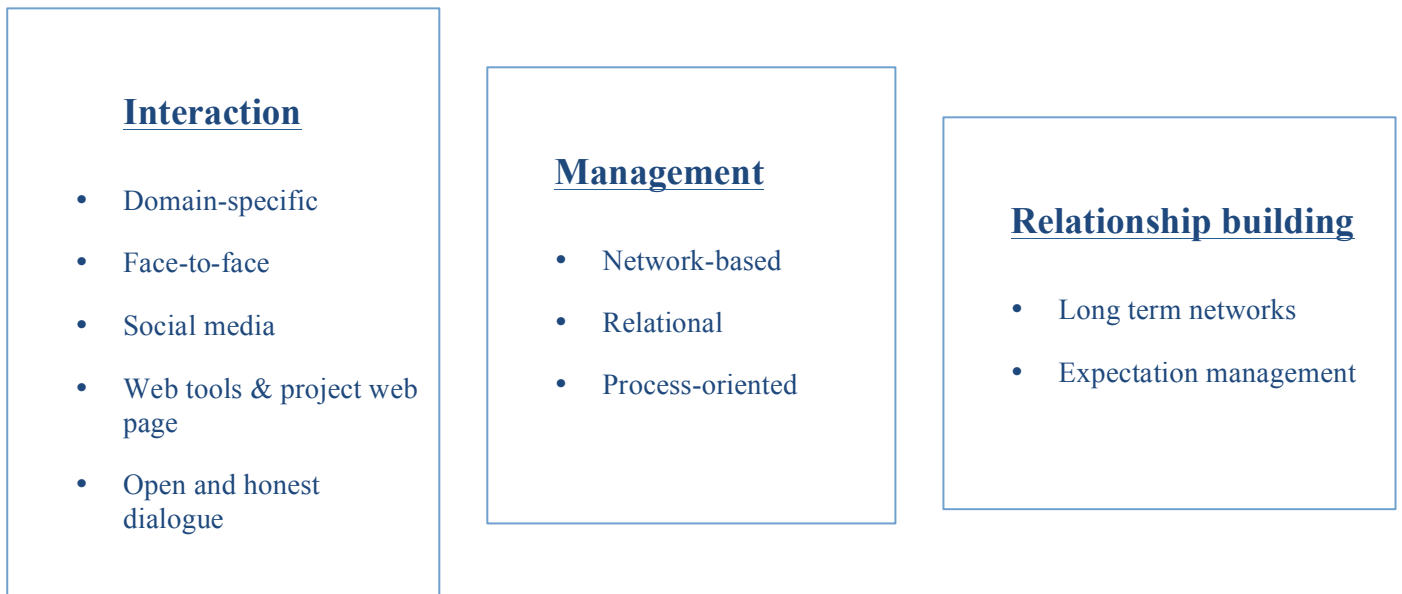


Figure 4, Engagement Process of Cities in Public-Private Partnerships

Figure 4 illustrates the engagement process of cities in European Union public-private partnerships. European Union public-private innovation ecosystem consists of project communities that are parts of the European Union public-private partnership program. Facilitator of the engagement has an important role as the manager of the engagement process.

Interaction, management, and relationship building are important in the engagement process of cities. Interaction should be domain-specific and active face-to-face interaction. Web tools, project web page, and social media are useful for clear and open communication. Moreover, continuous dialogue has to be open and honest to ensure proper communication and expectation management.

Management of cities in the partnerships should be process-oriented, network-based, and relational. Process-oriented management style suits to European Union public-private partnerships because of their relative short project life cycle, bureaucracy, and task-oriented way of working. Relationships and networks are very important in European Union public-private partnerships, and thus also the management style should be relational. However, due to cultural differences in management styles, the management of cities should be adjusted to the partnership in question. In the management phase, the stakeholder engagement program should be continued and the effectiveness of the

program evaluated.

Relationship building in the partnerships should aim at forming long-term networks. The relationship personifies to certain key persons, who should continue working in the partnership throughout the project. Expectation management is necessary in order to build long-lasting relationships.

The aforementioned actions ensure good progress of the stakeholder engagement program in the partnership. In addition, during the project, input documentation should be done and analysis conducted of the progress of the engagement program.

6 CONCLUSIONS

The first aim of this study was to immerse in successful engagement of cities in European Union public-private partnerships. The second aim was to shed light on motives of cities to take part in the partnerships.

The main research question in this study was formulated as:

How can cities be successfully engaged in European Union public-private partnerships?

The sub-question for the main research question was:

What are the motives of cities to take part in European Union public-private partnerships?

The topic of the study is very important, as there was lack of actual research of European Union public-private partnerships. It was thus timely to find more information of stakeholder engagement in public-private partnerships in the context of cities and the EU. Cooperation with the public and private sector in Europe will continue and increase in importance. Interesting findings were discovered in the research process. The following theoretical contribution and conclusions can be presented based on the results of the study.

6.1 Theoretical Contribution

6.1.1 Networks and Relationships

Networks and relationships are emphasized in the stakeholder engagement literature. According to the findings of the study, also in forming European Union public-private partnerships, networks and personified relationships are very important. This can be considered as one of the main conclusions of the study, and an important part of the answer to the main research question. Another very important finding that has theoretical contribution is that taking into account the alignment of the project agenda with the strategic goals of the city is necessary.

The importance of interactivity, transparency and accountability of the relationships are discussed in the literature extensively. Results of the study show that those features are recognized extremely valuable in communication and engagement of cities in European Union public-private

partnerships. Although dialogue and relationship building would be very important both according to the literature and the findings of the study, there is lack of them in European Union public-private partnerships. This demand for more open and active interaction is an important finding both as a theoretical contribution and a managerial implication.

6.1.2 Process-Oriented and Open Interaction

Previous literature puts a lot of emphasis on process-oriented stakeholder engagement in public-private partnership projects. The findings of the study in the context of cities and the EU generally support the existing view in the literature. However, the engagement of stakeholders in European Union public-private partnerships has not been especially process-oriented until recently. This is due to the fact that stakeholder engagement has not for long been extensively concentrated on in the projects. In addition, there seems to be lack of professionalism in stakeholder involvement in European Union public-private partnerships. This need for more process-oriented and professional stakeholder engagement practices is another main finding of the study and an important theoretical contribution, which answers also partly to the main research question.

Another very significant result of the study is that simple and domain-specific communication would probably be the best way to approach cities. Domain-specific communications should be targeted to the representatives of the cities who are dealing with the service development problems and try to figure out solutions for them.

As it is not excessively emphasized in the previous literature, it can be considered as a theoretical contribution that the facilitator should have good tools to proceed with stakeholder engagement, and be innovative in finding new ways of communication. In academic literature, the superiority of face-to-face contacts in public-private partnerships is not brought up, but the results of the study show that cooperation in EU projects requires them. In addition, communication will change more towards social media in the future.

Moreover, the findings of the study suggest that, in the future, the process of engagement should be simplified. There is a lot of bureaucracy in the projects, and today's reporting requirements are very strict.

As presented in the stakeholder engagement literature, the findings of the study show that it would be beneficial for the facilitator to pursue a stakeholder engagement program. There should not be

one model for all the European Union public-private partnerships, because a similar model would not fit all the projects. Differing from the view in the existing literature, the process should not be too systematic according to the results of the study. This finding can be considered as the third main finding of the study, as an additional important part of the answer to the main research question, and as a significant theoretical contribution.

6.1.3 Service Development Solution

The motives of cities were studied in order to find an answer for the sub-question and help in answering to the main research question. Thus, the results related to motives are extremely valuable for the study, and represent an important theoretical contribution.

Motives of cities to participate in European Union public-private partnerships are quite consistent. Firstly, they search for real solutions to develop their services. The facilitator should recognize that developing solutions for problems of the cities and reaching their goals is the most important way to engage cities in the partnerships. Thus, cities should be involved in projects in which ready technology is taken to a new kind of use to improve services. If the ICT gap in Europe were closed, the public sector would become more efficient also in cities.

Other motives of cities to take part in public-private partnerships are, according to the results of the study, firstly, networks and new contacts with other cities and private sector actors. In addition, monetary benefits aid cities, which have small development budgets. Thirdly, improving their brand internationally and being visible to stakeholders is important for cities. Fourthly, cities wish to develop their own competences, and may get in touch with know-how they do not yet have during the projects. Fifthly, they get access to benchmark knowledge and information of innovations otherwise hidden. And finally, cities aim at lobbying in the EU, and can use participation in public-private partnerships to get closer to that goal.

6.1.4 Cities in Leading Roles

The results of the study show that although the roles of European cities are different, it is common for them that the services offered by the public sector have to be developed. Cities in Europe are diversified and they have broad and heterogeneous customer bases.

In previous literature, it is brought up that stakeholders should be empowered and engaged in the partnerships. Findings of the study show that often the best projects that cities have participated, have been the ones, which they have managed or been otherwise in an important position. In addition, to ensure good engagement, the role of the city in the public-private partnership should be clearly defined.

6.1.5 European Union Public-Private Partnerships

Now, according to the findings of the study, the tasks in different public-private partnerships have become increasingly horizontal, and stakeholders are same in many projects. In addition, experience of the projects has increased. There are multiple stakeholders now, and for instance cities and the private sector are increasingly involved in the projects. In the future, large public-private partnerships are going to be continued, as the political future looks promising. However, findings of the study show that European Union public-private partnerships have to develop further and become much more productive in the coming years.

6.2 Managerial Implications

It should be noted that networks and relationships matter a great deal in European Union public-private partnerships. Relationships usually personify to certain key persons in the participating organizations. Moreover, the facilitator of stakeholder engagement in a public-private partnership should keep in mind that communication with city representatives should be jargon-free and cities should be contacted domain-specifically. The contacts should be planned in advance based on the cities' strategic goals and their alignment with the goals of the partnership.

Moreover, engagement of cities should be process-oriented and innovative. Face-to-face interaction with the project participants is the best way to interact and build relationships in European Union public-private partnerships. New ways of communication, in addition to social media and interactive websites, should be developed to increase the efficiency of stakeholder participation and relationship building. A more professional approach to stakeholder engagement is needed, and a unique stakeholder engagement program should be a part of the public-private partnerships in the future.

Motives of cities to take part in European Union public-private partnerships are, firstly, the service development possibilities that the outcomes of the projects offer. There usually has to be an existing problem in the city for it to get interested in participating a public-private partnership program. Secondly, cities are interested in networks and relationship building with other cities and private sector actors. Thirdly, cities look for monetary benefits that EU projects can offer to increase their development budgets. Fourthly, polishing the image and brand of the city motivates them to participate the partnerships. Also know-how and benchmark information are valuable for cities. And finally, cities are interested in lobbying possibilities in the EU.

The best experiences of cities have been from those projects in which they have had a leading other otherwise important role. Managers and facilitators of the projects should consider this in their consortium decisions. If the city is left in a minor role, the engagement process is difficult and may not turn out fruitful for the partnership.

6.3 Suggestions for Further Research

Some interesting topics for further research arose during the research process. The relationship between the private and public sector actors in the partnerships is a captivating question that undoubtedly needs more in-depth analysis. It would be particularly interesting to study the inequalities of the relationships in different European Union public-private partnership field areas.

Also, the resemblance of the engagement process in small and big partnerships would be a curious working hypothesis. An inspiring study theme would be to immerse in comparative studies about engagement of private and public sector actors in different public-private partnership branches.

Moreover, there are clear cultural differences in Europe, and they could be studied in the case of European Union public-private partnerships from a variety of perspectives. In this study, the interviewees were mainly from the northern Europe, but the voice of the middle and south European participants to the partnerships could be different. In a broader study, it would be interesting to immerse in the differences of engagement practices in the north and south European working cultures.

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8 APPENDICES

APPENDIX 1: Structure and questions of expert interviews

The interview questions are divided into past, present and future-related questions.

Past

- What kind of experience do you have of innovative public-private partnership EU projects?
- Which stakeholders have participated those projects?
- How have stakeholders been chosen, contacted, and interacted with in those projects?
- What kind of role and objectives have cities had in the projects?
- What kind of relationship to project and facilitator have cities had in the projects? Have the relationships been interactive, mutually engaging, and responsive?
- What kind of actions have been taken to ensure a good stakeholder engagement process? Have dialogue, interaction, relationship building, and rules of cooperation been part of the engagement?
- Has the stakeholder management been process-oriented, network-based and relational?
- What kind of risks related to stakeholder engagement have there been in the projects?
- What have cities, in your opinion, gained from their relationships with the EU projects during the project and afterwards?

Present

- Why should cities be engaged in innovative European Union public-private partnership projects?
- How can cities, in your opinion, best be engaged in large ICT-related EU projects?
- What motives might cities, in your opinion, have in taking part to innovative ICT-related EU projects?
- How have EU projects today developed from what they were and how they were executed before?

- What kind of actions would you encourage the facilitator of an innovative EU project to take to engage cities in the project?
- How important, in your opinion, are interaction, relationship building, transparency, and accountability in stakeholder engagement process?
- How could cities benefit from the ICT improvement outputs of European Union public-private partnerships?
- Should there be an official stakeholder engagement project that includes systematic stakeholder engagement and is managed by the facilitator in large EU programs?

Future

- How would you see the future of public-private partnership EU projects?
- What kind of stakeholder engagement methods should be used in the future?

APPENDIX 2: Structure and questions of interviews with representatives of cities

The interview questions are divided into past, present and future-related questions.

Past

- What kind of experience do you have of public-private partnership EU projects?
- How have you got involved in those projects?
- What kind of role and objectives have you had in the projects?
- What kind of relationship to project and facilitator have you had in the projects? Has the relationship been interactive, mutually engaging and responsive?
- What kind of engagement process has there been in the projects? Have dialogue, interaction, relationship building, and rules of cooperation been part of the engagement?
- Has the management of the projects been process-oriented, network-based and relational?
- What kind of risks related to stakeholders have there been in the projects in your opinion?
- What have you, in your opinion, gained from taking part in EU projects during the project and afterwards?

Present

- What are your motives in taking part to European Union public-private partnerships?
- How important, in your opinion, are interaction, relationship building, transparency, and accountability in between you and the facilitator of the project?
- Are you taking part both in the development of the innovations and usage of the outcomes?
- Are single project outcomes or the whole project output of a public-private partnership more valuable to you?
- What kind of actions have been taken to ensure your engagement to the project? What else could be done?
- What concerns do you have regarding European Union public-private partnerships?
- How could you benefit from the ICT improvement outputs of European Union public-private partnerships? Will they increase your competitiveness?
- How have EU projects today developed from what they were and how they were executed before?

Future

- Would you take part to similar European Union public-private partnerships in the future that you already have participated?
- How would you see the future of public-private partnership EU projects?
- What kind of stakeholder engagement methods should be used in the future?