Impact of decentralized decision-making on the management and progress of urban participation processes toward sustainability

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1.   Abstract

This study examines processes of transition from top-down urban governance to more   diverse and multi-actor forms of sustainability in Malmö, Sweden. The research is focusing on network   and collaborative governance, PPP governance, and shared governance, and on how they are implemented in Forward Malmö, the Hyllie Smart City Project, and Area-Based Programs (Områdesprogram) in Malmö. The study tells us that bottom-up approaches and decentralization in Malmö lead, to a large extent, to innovation, participation, and diverse representation. It also highlights some sobering issues regarding the balance of power and responsibility, and the risks of governance fragmentation or exacerbation of market-driven forces often seen with greater privatization and neoliberalization. The study concludes that the effectiveness of decentralized approaches is based on how well the balance of power between the actors is managed, the multi-dimensional nature of the projects, and relations and dialogue between the actors are structured.

Key words: Decentralization, Governance, Public–Private Partnerships (PPP), Collaborative Governance, Network Governance, Shared Governance Model, Social Sustainability, Urban Development, Malmö Municipality, Smart City Projects, Neoliberal Policies, Decision-Making, Private Sector Influence, Environmental Governance, Area-Based Programs

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2.   1. Introduction

2.1   1.1. Background

At present, the governance of cities has undergone a significant change. Instead of decision-making from the top down, which means having central authorities make all urban policy decisions and everyone else carrying out these commands, a more cooperative and decentralized system is emerging today. This trend has been largely due to the manifold challenges facing today's cities. Only flexible engagement by a range of actors, rather than tidy compartments that ignore each other, will be effective in tackling such complex issues as sustainability or climate adaptation. Not only has this trend been visible in the institutions, but it has also emerged in concept. Corporate governance now also includes collaborative agreements, partnerships, and negotiated decision-making processes outside of formal government structures, for instance. More and more analysts are employing a new framework to study urban governance. It emphasizes multi-level and cross-sectoral approaches that match the increased complexity these days of modern problems (Ansell & Gash, 2008).

Governance models that are based on horizontal approaches and support the participation of actors have a significant role in decentralization and the balance of power. These models, such as the network model, participatory model, and public-private partnership, have played a prominent role in decentralization (Provan & Kenis, 2008; Sørensen & Torfing, 2005).

These models focus on the contextualized subtleties of each specific case by using local actors. Local stakeholders, such as civil society organizations and citizens, help to better understand the situation by being aware of the specific local requirements. In addition, the sharing of power in the form of decentralization of decision-making helps strengthen the democratic process in society by making citizens and civil society organizations effectively involved in decision-making processes (Faguet, 2014).

In parallel, managerial approaches like New Public Management (NPM) have also shaped governance reform by emphasizing performance, efficiency, and privatization, offering a distinct but complementary perspective on decentralization (Hood, 1991; Dunleavy & Hood, 1994). These approaches will be further explored in the theoretical framework section.

Malmö, Sweden's third-largest city, is an interesting example of the decentralization of decision-making, with its innovative and interesting approaches. Many projects are working towards sustainability by adopting a participatory approach and involving all actors and stakeholders. Malmö has transitioned from an industrial city facing economic stagnation to a recognized benchmark in sustainable urban development and social innovation (Moeve Global, 2022). The transformation process included governance reforms that focused on cross-sector collaboration alongside participatory planning and building partnerships with both private and civic entities. The city of Malmö offers crucial insights into the effects of decentralization on urban developments and stakeholder dynamics through practical application (Raven, Schot, & Berkhout, 2019).

2.2   1.2 Problem Statement

The existence of different actors in different areas with different needs, desires, and goals makes it difficult to share power. But the problem does not end there. Diverse actors create a plurality of voices, and the correct approaches must place these actors in a system where they can cooperate and be held accountable. Powerful non-state actors can improve conditions by sharing resources and cooperating, also have the potential to complicate the situation; there are risks, such as the balance of power being tipped and private sectors gaining leverage (Swyngedouw, 2005). Moreover, when local governments lack institutional capacity or financial autonomy, decentralization may lead to fragmentation or reinforce existing inequalities between regions (Faguet, 2014).

1.3 Research Aim and Question

Malmö seems to provide an excellent opportunity to examine the dynamics of power and its impact on urban processes, it is a good field to observe governance models, inter-sectoral relationships, and emerging challenges. This thesis attempts to analyze decentralized decision-making and its effects on urban development processes, assess how the public, private, and civil society sectors integrate and collaborate by reviewing scientific articles, documents, and finally conclude how this process affects sustainability in urban processes.

Sweden's Malmö stands out as a leading example in sustainable urban development and social inclusion, which provides a prime setting to study the impact of decentralized urban governance systems (Nevens et al., 2013). Malmö provides an exceptional testing ground to evaluate the benefits and challenges of decentralized network-based governance models because of its history of cross-sector partnerships and its well-established participatory governance practices.

This thesis, therefore, seeks to answer the following research question:
In what ways does decentralization influence governance structures and participation in urban development and social sustainability projects in Malmö?

3.   2. Theoretical Framework

Decentralization is a complex concept, and there are various types of decentralization, such as political, administrative, fiscal, and market decentralization; each types encompass specific characteristics. Political decentralization aims at democratization policies and empowering citizens and civic society, such as legislatures, forming local political units, and supporting pluralistic political parties and public interest groups. It is considered that this leads to better-informed decisions and stronger connections between representatives and constituents. Administration decentralization includes three forms such as deconcentration, Delegation, and Devolution. In the form of deconcentration, duties and authorities are redistributed within the central government, at this level, while a weak deconcentration is allocated to the regions, provinces, or districts, but under the supervision of the central government. While delegation is a stronger form of decentralized administration, it gives more autonomy to semi-independent organizations such as public enterprises or corporations, housing authorities, semi-autonomous school districts, and transportation authorities for decisions and administration. They are semi-independent but still accountable to the central government Gogoi, n.d.). Devolution is the strongest form of administrative decentralization, in which the central government delegates powers and responsibilities to municipalities that elect their mayors and councils. The local government has its financial resources and the right to invest and attract capital. The core element of decentralization is fiscal type, in which local governments or organizations have a self-financing mechanism through user fees, co-financing with community contributions, and expanding local tax revenues, such as property or sales taxes (Cheema & Rondinelli, 2007). The last part of decentralization is Economic or Market Decentralization, which is the most complete type and includes privatization and deregulation. Privatization allows the government to delegate responsibilities and participate in various types of projects with private companies. These kinds of partnerships include functions that had previously been monopolized by the government, management of public services, financing public sector programs,

etc. Governments typically try to remove barriers, such as administrative regulations, that can make it difficult to collaborate with the private sector by adopting more flexible approaches and deregulation (Hodge & Greve, 2007).

The concept of decentralization, according to the Center for International Private Enterprise (2022), leads to an enhancement of the quality of governance in a way of contextualizing it to each specific case. Lindström (2003) mentions that the internal decentralization and the outsourcing of authority from the central department to local sectors are actions that municipalities usually take in the process of decentralization. Another aspect is the participation of local stakeholders such as citizens, local businesses, civil society organizations, etc. The involvement of local actors makes local needs more visible and allows for tailored policies (Mulanda, Frinaldi, & Magriasti, 2024). Decentralization can also take the form of empowering a sector, such as education or urban planning, to operate autonomously (Lo 2010).

The theoretical framework is based on decentralization, network governance, collaborative governance, shared governance, and the Public-Private Partnership (PPP) governance model. These approaches are relevant to analyse the cases since they present a combination of these types of governance. All cases are selected based on a decentralization and outsourcing approach. Decentralization in the form of governance models is used in these three case studies to understand the complexities and subtleties better. Next, each concept will be described.

2.1 Decentralization

Decentralization is the central theme of this study. Usually, it refers to allocating resources and power to subordinate institutions, but this also entails responsibilities for them to improve their level of accountability (Gogoi, n.d.). This type of decentralization also improves public accountability and political participation in society. By allocating resources and decision-making power to local governments, better services are provided because local actors (civil society organizations, local businesses, and private sector stakeholders) are better

understood and their needs are more clearly considered (Center for International Private Enterprise, 2022). However, determining which local government has high levels of autonomy is not as simple as it seems. The level of local government autonomy does not guarantee meaningful power alone, and Strong fiscal support is a key element of this autonomy in institutional arrangements and accountability (World Bank, 2021).

3.1   2.2 New Public Management (NPM)

Accordingly, New Public Management (NPM) emerged in the 1980s and 1990s as a reform agenda aimed at making public administration more efficient, result-oriented, and market-oriented. This approach to making public administration more market-oriented is what is being used in many Western countries today. The main idea behind this model is to involve the private sector and use more market-based approaches in the public sector, thereby creating greater autonomy for local governments. However, there is also much criticism that this method undermines public values such as justice and citizen participation. In this method, the balance of power is usually tilted in favor of large multinational corporations, and due to free market policies, the government has no control over prices, which leads to an increasing number of these companies (Dunleavy & Hood, 1994; Hammerschmidt et al., 2019). Thus, designing a decentralized system is a sensitive matter and requires high expertise because it can improve conditions, but also create threats such as power being grabbed by local elites and imbalances of power and regional disparities (Arends, 2020). New Public Management (NPM) is a neoliberalist type of policy since the power of the market prevails and dictates what the state should do, or holds a lot of power in decision-making (Hood, 1991; Harvey, 2005)

2.3 Network Governance

The existence of multiple, independent actors in a network allows private companies, government agencies, and civil society stakeholders to pursue common goals in a horizontal system. There is usually no hierarchy in this type of governance model (Sørensen & Torfing, 2007). Three stereotypical characteristics of network governance are shared governance, lead organization-governed

networks, and network administrative organization. This model depends on trust, the number of participants involved, and agreement regarding goals (Provan & Kenis, 2008).

2.4 Collaborative Governance

The only way to govern in this model is to collaborate by employing multiple stakeholders, ranging from government departments to non-governmental organisations, which will provide all those involved with a mutual way of making decisions. Collaborative governance is defined as a governing arrangement in which public agencies directly involve non-state stakeholders working together to produce or put in place public policy, or manage public programs and goods. This model attaches great importance to comprehensive sharing and deserves more to boost successful collaborative governance, a whole range of factors come into play, including the history of conflict or cooperation between the various stakeholders, the inducements afforded participation and power and resource imbalance, leadership, and arrangements. The collaborative process depends on dialogue, trust, and commitment, the creation of a consensual understanding among all participants (Ansell & Gash, 2008).

3.2   2.5 Public-Private Partnerships (PPP)

Generally, they are in the form of Long-term, rigid contracts between public and private stakeholders are the reasons for the emergence of this type of governance model. Public-private partnerships are usually formed in the form of formal contracts where governments are willing to use private sector resources, advice, or expertise, which is intended to improve resiliency, sustainability, and responsiveness. Common cases where this type of governance model is used include transportation, education, and urban development etc. This type of governance model participates in the provision of services to the public and is considered part of a larger approach of decentralization network (Hodge & Greve, 2007).

There are also critical concerns about the power imbalance in this kind of governance model between private sector partnerships and public stakeholders express vital points about the erosion of public rights, such as climate actions, infrastructure, human values, and urban development. For instance European Commission demands strict management and safeguards of the balance of power in private sector partnerships (European Commission, 2023).

3.3   2.6 Shared Governance

A governance model where authority, responsibility, and decision-making are distributed among multiple actors, often including government, private sector, and civil society, through collaborative processes. The characteristics of this model are joint decision-making, power-sharing, collective responsibility, stakeholder inclusion, and emphasis on consensus and cooperation (Burgman, 2015).

Given these issues and concepts, this article attempts to analyze how decentralization affects urban processes using these models and approaches, and also attempts to take an in-depth look at power dynamics concerning neoliberal approaches. This theoretical framework provides a foundation for research and investigation in the interplay between decentralized authority, inter-organizational collaboration, and market-oriented reforms in complex and multi-actor environments.

2.7 Similarities and differences across governance models

According to Ansell and Gash (2008), Provan and Kenis (2008), Burgman (2015), Klijn and Koppenjan (2016), and Hodge and Greve (2007), all governance models rely on a high level of cooperation, involving different sectors, whether municipal, private, or civil society, as well as others at different levels, and this level of cooperation and interaction requires great flexibility in all models. However their specific differences across each governance model (see Table 1).

Table 1: Similarities of approaches that have been used in the case studies (own elaboration based on cited literature).

Governance models	Multiple sectors involved	Emphasis on Cooperation	Multilevel Interaction	Flexibility
Network	yes	High	yes	Required
Public-Private Partnership	yes	High	yes	Present
Collaborative	yes	High	yes	High level
Shared	yes	High	yes	Highlighted

These governance approaches, despite similarities in the path of decentralization, have distinctive aspects for providing services in different subjects. They differ in power dynamics, accountability mechanisms, decision-making styles, and motivational logics (Ansell & Gash, 2008; Klijn & Koppenjan, 2016; Sørensen & Torfing, 2007; Hodge & Greve, 2007; Burgman, 2015; Provan & Kenis, 2008). An overview is presented in Table 2.

Table 2: Distinctions and differences in power dynamics between different governance approaches. (own elaboration based on cited literature).

Governance models	Power Distribution	Accountability	Structure	Decision-Making Style	Motivation Origin
Network	Horizontally distributed	Shared by networking	Network-based	Negotiated and adaptive	Coordination for joint outcomes
Public-Private Partnership	Often skewed toward private sect	Contractual	Formal contracts and agreements	Strategic, efficiency-driven	Financial feasibility

Collaborative	Partially shared among actors	Diffuse/shared	Informal or semi-formal	Consensus and deliberation	Public interest
Shared	Co-equal between government + society	Democratic	Participation norms	Participatory	Democratic legitimacy

To conclude this section, I present a summary of each concept (see Table 3), highlighting their characteristics as well as the governance models that have been used as the theoretical framework in this study.

Table 3. Characteristics and description of the concept in the theoretical framework

Framework	Definition / Description	Key Features	source
Decentralization	Transfer of powers and resources from central to local governments to improve accountability, responsiveness, and service delivery.	• local autonomy • responsiveness, • improved service delivery	(Gogoi, n.d.; Lindström, 2003; World Bank, 2021; Center for International Private Enterprise, 2022)
New Public Management (NPM)	A reform approach that applies private sector principles to the public sector to improve efficiency, accountability, and	• market orientation, • performance measurement, privatization, • managerial autonomy,	(Dunleavy & Hood, 1994; Hammerschmid et al., 2019; Arends, 2020)

	service delivery through market-based mechanisms.	• customer focused.	
Network Governance	A non-hierarchical, horizontal form of governance involving public, private, and civil society actors in shared decision-making.	• horizontal structure, • trust-based coordination, • decentralized decision-making	(Sørensen & Torfing, 2007; Provan & Kenis, 2008)
Public–Private Partnerships (PPP)	A formal arrangement between public and private actors to deliver public infrastructure/services under long-term contracts.	• long-term contracts, • shared investment and risk, • innovation potential, • need for transparency and accountability.	(Hodge & Greve, 2007; (European Commission, 2023)
Collaborative Governance	A model where public agencies and non-state stakeholders collaborate to manage public goods or develop policy through trust and consensus.	• inclusiveness, • mutual decision-making • the importance of trust • dialogue.	(Ansell & Gash, 2008)
Shared Governance	authority and decision-making are distributed among government, private sector, and civil society actors to ensure inclusive,	• Joint decision-making • Power-sharing • Collective responsibility	(Burgman, 2015)

	consensus-based outcomes	• Stakeholder inclusion • Emphasis on consensus and cooperation	

3. Methodology

A qualitative study design was employed, focusing on the City of Malmö. Case studies are particularly useful for in-depth investigation of complex social and political processes. This approach allowed for a detailed examination of how decentralized governance models function in practice, and how responsibilities and authorities are distributed among actors involved in processes. The research took a descriptive-analytical approach to interpret how stakeholder involvement is manifested. This design was well-suited for the study's objective of understanding collaboration and management of urban change.

3.4   3.1 Research Design and Data Analysis

The analysis was conducted using a thematic coding approach. Documents were reviewed and coded for key themes related to decentralization, stakeholder engagement, decision-making authority, and governance processes. Thematic analysis enabled the identification of recurring patterns and connections between theory and practice. The coding process combined both inductive and deductive elements. While some categories emerged directly from the document content, others were guided by the theoretical framework and other inputs during my learning process, such as some governance models, New Public Management (NPM), etc., a suggestion that was initially made by the course leader on the subject of new public management, and some reading I did on colonialism and the influence of corporate power in public policy. This led me to think about some key issues that may emerge in decentralization and the provision of services to the public sector using private sector resources (see, for example, Bevir, n.d.). Therefore, issues such as the type of relationship and power dynamics in public-

private partnerships became more prominent, creating the context for exploring governance models that are based on decentralization and public-private partnerships. Then, given the sensitivity of the issue, such as how different decentralized governance models work in social sustainability cases where human values are stressed, these kinds of cases were also added to the research list.

As a next step, different projects were searched through different academic search engines such as Google Scholar, ResearchGate, semanticscholar, and others, and tried to look at key points about social sustainability, urban development in Malmö City projects with a decentralized governance approach. The idea about why Malmö was chosen at first was to have a few interviews with the municipality employees, but unfortunately, they were busy. The following projects were identified:

- Climate Smart Food in Malmö
- Malmö BID (Business Improvement Districts) - Sofielund & Möllevången
- Lindängen District Plan
- Sjösättning in Västra Hamnen
- Botildenborg Urban Farm
- Climate Neighborhoods Initiative
- Sharing Embassy in Hyllie
- Forward Malmö
- Area-based program
- Varvstaden, etc.

On the identified projects, the topics of social sustainability and urban development were reviewed, and three projects were selected for the study, namely:

- Hyllie Smart City Project District
- Forward Malmö

- Area-based program

After that, a thematic code framework (see table 4) was developed to structure the analysis of governance transformation in urban projects, particularly focusing on decentralization and the involvement of private sector actors. These codes emerged through a qualitative reading of both academic literature and project documentation related to Malmö's urban development initiatives (See Appendix 1 for a list of analyzed documents).

Table 4. The thematic coding framework.

Code	Definition	Example	Source
Decentralization	The process of redistributing authority and accountability from central to local governments or private entities.	- Hylie - Area-based Program - Forward Malmö	- (Malmö stad, 2023; Turesson, 2018) - (Tysk, 2018; Isaksson & Heikkinen, 2018; Andréasson, 2018) - (Larsson & Rosberg, 2015; Andersson & Hedman, 2021) Larsson & Rosberg, 2015; stud.epsilon.slu.se, 2015)
Social Sustainability	It emphasizes long-term well-being through social inclusion, participation, access to basic services, equity,	Projects with focus on equity, inclusion, social services, participation. The Climate Smart Food in Malmö project promotes equitable access to sustainable food while	(United Nations, n.d.)

	and social capital within a community.	involving school chefs and communities, an initiative that fosters health, inclusion, and local engagement.	
Urban Development	Broad, structural, or physical transformation of urban space, planning, or housing.	Hyllie	(Sida, 2006) (Malmö stad, 2023; Turesson, 2018)
Decentralized governance models	- public-private partnerships - collaborative and - network governance - Shared	- Hylie - Forward Malmö - Forward Malmö, Hylie - Area-based program	- (Malmö stad, 2023; Turesson, 2018) - (Tysk, 2018; Isaksson & Heikkinen, 2018; Andréasson, 2018) - (Larsson & Rosberg, 2015; Andersson & Hedman, 2021) Larsson & Rosberg, 2015; stud.epsilon.slu.se, 2015)

This coding structure provided a foundation for analyzing the relationship between decentralization, governance models, and private sector influence. By organizing the data thematically, the research was able to trace how key concepts. These themes also helped clarify the shift from centralized, hierarchical governance toward more networked and collaborative forms of decision-making shaped by both public and private actors.

3.5 3.2 Delimitations

The study was limited to the case of Malmö, with a focus on specific urban development projects that explicitly incorporate decentralized and corresponding governance elements. The findings are not intended to be generalized to other municipalities or national governance systems. Due to

limitations in access and scope, only publicly available documents were used, which may not capture the full range of internal decision-making dynamics. Nevertheless, triangulating between different types of documents helped enhance the validity and robustness of the findings.

This methodological approach provides a foundation for analyzing how decentralization and collaborative structures shape urban governance processes in Malmö, informing the subsequent analysis and discussion in this thesis.

4. Case Study

Malmö has pursued several urban development and governance initiatives that decentralize decision-making and emphasize multi-actor collaboration. Instead of top-down planning by central municipal departments alone, these projects involve partnerships with local stakeholders, including NGOs, residents, private developers, and utilities. Key initiatives such as Forward Malmö, the Hyllie district, and the Area-Based Programs exemplify this approach. These projects provide a very good opportunity to explore different governance models that provide mutual work areas and profoundly understand how the decentralization of decision-making influences interactions among society, the working sphere, relations, and authority dynamics. It tried to choose cases based on the topic; thus, two of them are about to societal sustainability, and the other is an urban development project, but tried to choose cases regarded to involve interaction among various actors of residents, civic society organizations, public, and private sectors.

3.6   4.1 Forward Malmö: Cross-Sector Collaboration for Youth Empowerment

The Forward Malmö project is an initiative of Save the Children led by a goal of providing social sustainability that responds to poverty, violence, and

segregation experienced by youth in Malmö, The project emphasizes the sharing of strategic intentions and innovation. The Forward Malmö initiated in 2013, and three key strategies were established as a way to work across demands of 'community cultural' and 'movement culture' through collaborative governance; developing opportunities for neighborhoods mutuality reflecting on identities; working with 'transitional' governance capacities through cultural interface, and a process to balance skills and speed of institutional and community-based worker (Vidar, 2020).

The strategy has had a measurable level of success, but needs a careful process designed to encourage embodied identity change, trust, and a co-created process of problem analysis that can help disrupt the long-term systemic, structural, and relational issues. A solutions approach to solving such a large and sensitive societal issue also requires diverse perspectives to avoid narrow or biased solutions. A certain critique has emerged in contemporary discourses of the importance of not overlooking that well-meaning individuals may always misunderstand the lived experience of marginalized children and youth. These initiatives can   inadvertently perpetuate cultural stereotypes or follow the obvious pitfalls of reducing nuanced experiences to preconceived identities. This emphasizes the need for reflexivity, openness   to conflict, and contextual sensitivity in collaborative governance processes (Tysk, 2018).

Forward Malmö is aimed at social sustainability to improve the lives and futures of adolescents, such as reducing youth exclusion, improving education and employment chances in the future, and generally enabling young residents to thrive in a better atmosphere, especially adolescents and children from marginalized communities who have limited access to resources. They are not simply looking to allocate resources to these groups, but to gain a deeper and comprehensive approach and insight into the subtleties and hidden complexities of this social problem. The project seeks a collaborative space in which representatives from these communities can play a non-recipient role and work as partners in a decentralized horizontal governance system with other institutional bodies from the majority society (Turesson, 2018).

4.1.1 Result of Forward Malmö

According to Provan and Kenis (2008) and Ansell and Gash (2008), given the characteristics of the project align with the collaborative model which focuses on inclusiveness, trust-building and mutual goals for all actors, the levels of informality and autonomy of the actors are align with networked governance model, thus it can be said that the governance model in this project is networked and collaborative.

This approach follows some criteria for collaborative governance, including engaging the actors directly, facilitating trust within the group, and emphasizing shared understanding. However, this model operates more closely to the concept of network governance, where no single actor serves as a controlling authority in the process. The project relies on coexistence, joint tasks, and co-created solutions among actors, which reflects the concept of network governance. These characteristics align with the dimensions outlined by Sørensen and Torfing (2005). Forward Malmö incorporates collaborative governance mechanisms, but in terms of organizational structure, actor autonomy, and the permeable boundaries of roles, the initiative operates in a network context.

3.7   4.2 Hyllie Smart City Project: Public–Private Partnerships in a Climate-Smart City District

Hyllie is located in southwest Sweden, is an interesting example of an urban development project based on environmental sustainability, developed with a decentralized approach. In 2011, the municipality of Malmö signed a formal contract with the energy utility E. ON, and the regional water and waste organization, VA SYD, to transform the area into a climate-smart district. This type of partnership has made Hyllie an international model that explicitly follows long-term sustainable development goals in urban development projects. The project at this level adopted a classic public-private partnership governance model in public service delivery, with formal contracts and joint ventures, but later, beyond utilities, the City also partnered closely with the private sector. They established mutual goals and aims, including operating under 100% renewable or

recycled energy supplies by 2020, utilizing smart grids, and allowing opportunities for citizens to actively participate in energy production, and the partners provided resource commitments towards those goals. The Climate Contract fostered new cooperative work processes that have persisted after the contract ended, thereby enabling continuing opportunities for collaboration (Malmö stad, 2023).

In the next step, Malmö City Real Estate Agency decided to shape the Samyn Hyllie Network. The process was part of a place marketing process to attract investment within the area. Samsyn Hyllie became a key player in attracting consumers, new residents, and businesses to the area. This goes beyond a public service project and involves stakeholders among landowners and urban developers who meet regularly to plan and set goals in a form of forum called Hyllie Citysamverkan, this cowork is based on a network governance approach (Isaksson & Heikkinen, 2018).

4.2.1 Result of the Hyllie Project:

Some outputs included solar panels, vacuum waste systems, green mobility options, and real-time energy feedback systems for residents to track their energy consumption accurately. Today, Hyllie is a laboratory for urban innovation, utilizing public leadership, private resources and expertise, and using innovative practices of networked governance, offering important lessons for those seeking to follow in this path. By transferring some of the decision-making to the utilities and developers, the city allowed for creativity and ownership while maintaining democratic legitimacy and the strategic role of the city. This also supports Malmö's broader principle that coordination of a complex urban problem is best accomplished by public agencies, private companies, and civil society, such as residents and community groups as equal partners (Andréasson, 2018).

The Hyllie project also has characteristics that match with network governance. The existence and collaboration of various stakeholders, including public agencies, private companies, and community groups, to co-create solutions

and manage joint tasks align with network governance (Parks, 2018; Provan & Kenis, 2008).

3.8 4.3 Area-Based Programs: Local Empowerment in Neighborhood Development

The Area-Based Program (Områdesprogrammen) is a project with social sustainability goals that was implemented in five neighborhoods (Lindängen, Holma–Kroksbäck, Rosengård, Segevång, and Herrgården) in Malmö from 2010 to 2015. The project aimed to decentralize and empowerment of the local communities, whereby each Area-based Program had a local governance center that involved residents, municipal employees, civil society groups, and the private sector in a participatory approach (Larsson & Rosberg, 2015).

Each neighborhood included a coordination office, where an employee acted as a facilitator of dialogue between the different actors. The program operated semi-autonomously from the municipality administration and involved a form of place-based shared governance. Steering groups composed of local representatives and public officials were formed to guide project selection and resource allocation (Andersson & Hedman, 2021). Stakeholders included residents (with a focus on underrepresented groups like youth and immigrants), tenant associations, small business owners, and city staff from social services, urban planning, education, and safety departments. Political support came from Malmö's Committee for Social Sustainability, which monitored overall progress and allocated funds (stud.epsilon.slu.se, 2015).

4.3.1 Result of Area-Based Programs

The goals of this program, focusing on social sustainability, include creating jobs, increasing safety, improving public spaces, and enhancing access to services. Projects included employment hubs, community health initiatives, park redesigns, and school collaborations. In Lindängen, for example, residents co-developed safety plans and recreational spaces through a series of dialogue meetings (Larsson & Rosberg, 2015).

According to Provan and Kenis (2008) and Burgman (2015), the characteristics of governance in this project, where no organization or actor had complete dominance and the decision-making process was carried out jointly through discussion sessions between actors, could be a combination of network and collaborative governance models.

4.   5. Discussion

By matching and examining the characteristics mentioned in the case studies about the projects of Forward Malmö and Hylie district with the characteristics of governance models in the academic literature (Klijn & Koppenjan, 2016; Sørensen & Torfing, 2005; Provan & Kenis, 2008) (see table 5), it becomes possible to see that the network model is based on the Interdependency of actors that co-work in a horizontal and non-hierarchical structure, there is also the complexity of the interactions and plurality of voices and interests. In the Forward Malmö project and the Area Based Program, the type of governance approach is collaborative, based on Ansell & Gash (2008), the trust-based, inclusive, communicative approaches, and having shared understanding and mutual goals in both projects align with the collaborative governance model. The Area Based program project, which takes a democratic approach, authority and accountability shared equally between actors. The trust-building, Consensus-Oriented, and informality are highlighted characteristics of this model that match with the traits of shared governance (Burgman, 2015).

Table 5. Governance Models in Malmö Case Studies

Case studies	Type of governance model
Forward Malmö	Decentralized, Network, collaborative
Area-based program	Decentralized, Network, collaborative, shared
Hylie district	Decentralized, Network, Public-Private Partnerships (PPP)

Forward Malmö stresses societal sustainability using a combination of networked, collaborative, and decentralized approaches. Through local involvement, the Area-Based Program utilizes shared and collaborative governance. Hyllie District

exemplifies a decentralized strategy for sustainable urban development through network governance and public-private partnerships.

In general, it can be said that the decentralization approach has emerged in response to the increasing power of the private sector or the reduction in the power of governments that has flourished in recent decades. This approach encourages market-based solutions and smaller government. Although it has provided many services, but it has led to fragmentation and ambiguity in accountability (Bevir, 2011; Harvey, 2005).

It can be seen by analysing the case studies that decentralization has changed governance approaches and participation dynamics. The horizontal structure in the three case studies between actors from the private, public, and civil society sectors reflects the influence of these three kinds of stakeholders on power dynamics, and each trying to cooperate, share responsibilities within a defined framework to achieve goals.

It can also be said that Malmö Municipality has taken an acceptable approach to decentralizing authority and responsibility in all the projects discussed in this article and has collaborated with actors from the private sector, civil society groups, and non-profit institutions.

It seems that in the Forward Malmö project, they failed to create a deep understanding of a social gap between marginalized groups and the majority institutional groups by creating networks of actors. In Forward Malmö, the type of sensitivity and sophistication, such as considering the risk of predetermined frameworks and stereotypes, such as the recipient or victim and the hero, has not been adopted. This could increase the risk of placing participants from marginalized communities in the position of recipients and victims instead of considering them as colleagues (Tysk, 2018). However, in social sustainability projects with factors of human values, it is difficult to estimate success due to the subtleties and multiplicity, and complexities.

In the Hyllie district project, they were able to create a region that is an international model in terms of sustainability principles through flexibility and the use of available networks. In this project, a type of public-private partnership (PPP) is initially formed, which seeks to achieve sustainable development goals with the participation of resource efficiency companies, and then, by adopting a network approach with various investors, it attempts to attract financial resources (Isaksson & Heikkinen, 2018).

Additionally, the privileges that investors are given in the Hyllie Citysamverkan are crucial in terms of economic sustainability and for subsequent collaboration and partnerships with other companies. What kind of decision-making powers are given or what kind of leverage they have is a crucial issue that can also affect the rights of other stakeholders, including residents and communities, or the environment of the area.

Moreover, there is a risk of ambiguity about accountability due to the involvement of different stakeholders with various goals. Normally public sector is responsible for public services, while the private sectors operate based on profit. This could create incoherence and misunderstanding of the situation. Failure to anticipate potential problems in the future in the initial contracts between the public and private sectors leads to increased ambiguity and complexity in shared responsibilities. This ambiguity is sometimes compensated for by keeping critical information out of the public eye and oversight, leaving citizens and other stakeholders unable to find an accountable source. This can lead to public distrust and make outsourcing more difficult (Hodge & Greve, 2007).

Area-Based Programs aimed to empower the neighborhoods and tried to optimize the welfare system for these neighborhoods by employing a diverse set of actors who considered the needs of their neighborhoods and improved them based on a collaborative approach system. This type of approach seems to be a bottom-up approach with a focus on civil society. They tried to create a better type of welfare service delivery through popular mobilization. Although there were also obstacles in the way of this project, such as insufficient funding, which

prevented more participation. It also seems that although the basis of this participation was based on equality and democracy, the project was highly dependent on certain individuals, which somehow questioned the principle of democracy (Nordfeldt & Carrigan, 2019).

Moreover, due to the lack of access to interviews with municipal officials or project participants, the study relied solely on secondary data. This reliance may have limited the ability to uncover informal practices, internal conflicts, or the subjective experiences of actors involved in governance. Including interviews or surveys would have added depth and improved the validity and reliability of the findings.

5.   6. Conclusion

This thesis explores how decentralized decision-making influences governance structures and participation in urban development and social sustainability initiatives in Malmö. Examining these three cases (Forward Malmö, the Hyllie district, and the Area-Based Programs), it became clear that decentralization plays a key role in transforming hierarchical and centralized approaches into structures that are inclusive and strive to hear all voices and utilize other resources. Especially today, with the increasing power of private sector actors, governance models based on decentralization can be a significant option for using their resources and expertise. When governance structures are more flexible and inclusive, the diversity of participants also increases. This not only diversifies the resources available but also creates a better understanding of needs and potential by increasing the participation of local actors. However it should be considered that giving too many privileges to companies can have unpleasant consequences.

Theoretically, the study provides a combination of models of network governance, collaborative governance, and shared governance to demonstrate how the power dynamics and the form of accountability shape the decentralized approach in each case study, along with critiques from New Public Management (NPM) and neoliberal urbanism.

Methodologically, the study benefited from a thematic qualitative approach using case studies and document analysis. However, limitations such as the absence of interviews restricted deeper insights into informal power dynamics. Including firsthand perspectives from municipal staff, civil society actors, or residents could have strengthened the study's validity and added a more nuanced understanding of the governance processes.

In the end, decentralization of decision-making creates great opportunities for innovation, participation, and inclusion. But its success depends on determining factors such as maintaining the balance of power, understanding the nuances and complexities and contextuality of each project, and the quality of communication between different actors. Future studies could achieve a more detailed and institutionalized assessment by focusing on the long-term effects of

decentralization and comparing different cases on a larger scale than a city like Malmö.

6. 7. References

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7.   8. Appendix

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