# Primary Interest Categories in Local Planning Policy

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Interests are considered to be fundamental motives for individual and communal desired modes of action. As such they provide causality-based explanations for a variety of social behaviors. Despite the common distinction differentiating self interest from public interest, most rational analysis considers self interest to be a superior explanation for a driving motive for both individuals as well as communities. Surveying various disciplines' depiction of interests. I show that researchers' over reliance on quantifiable data leads to distorted interpretations of human conduct. I argue that urban planning policies can improve understanding of public interest by considering primary interest categorizations in addition to the commonly used dichotomy of private versus public interest.

Keywords: Primary interest categorization, Private and public interest, Motivating interest, Planning policy, Rational choice, Urban governance, Local public good, Non-use value.

## INTERESTS IN THE URBAN SPHERE

Urban change and expansion is a trait of most cities and towns in the world. United Nations data reveal urbanization to be growing in all countries, with urban population exceeding 50% of the world's population as of 2008. Growing in population, cities need to expand and increase density, as well as address increasing demands for infrastructure, housing and employment (Heidenheimer et. al., 1983). Similarly, normative cultural aspects trigger urban expansion, as is the case in American suburban growth since the 1950's (Boustan, 2007; Brueckner, 2000). Such constant growth inevitably intersects conflicting interests, requiring public policy to reflect society's evolving preference and priority.

Urban dynamics has caught up with theoretical research and is on the rise in many academic disciplines. Two central questions in urban studies are who influences urban change and who benefits from it. Social institutions are expected to facilitate private interest and distribute benefits throughout the community for a communal public good (Alcock et. al., 2000; Knight, 1992; Peterson, 1995). This paper surveys

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current urban analysis paradigms in a variety of disciplines, while focusing on the concept of motivating interests. Starting with the definition of interests I show that rational utilitarian reasoning dominates the discussion and distorts urban interest analysis. As a result local public policy makers fail to deliver a communal interest, constantly resorting to financial considerations. In the end I propose an interest classification approach to be supplemented in future urban interest analysis.

## **DEFINING INTERESTS**

Scholars from a variety of disciplines refer to 'Interests' as a motivating form for action (Hechter and Kanazawa, 1997; Oppenheim, 1975). All these disciplines, namely political science, public policy, sociology, economy, urban geography and urban planning distinguish between two modes of interests: private and public. All interpretations regarding the essence of interests and methodologies adhere to this twofold division.

Private interest can be simply defined as an individual's preference. It is assumed that individuals behave rationally and prefer to promote self benefit, yet such an assumption can be found contradictory. An individual may select to renounce one's freedom, thus leading to complete dependency, which undermines the individual's capability to act according to one's own preference at a later phase (Mansfield, 1995). Rational choice theory considers private interest as the rational desire to promote an individual's welfare (Hechter and Kanazawa, 1997; Knight, 1992; Oppenheim, 1975). Although one could argue and confer different themes and values to be considered an individual's interest (Hechter and Kanazawa, 1997), it is commonly considered to be of utilitarian qualities (Oppenheim, 1975). Private interest has convincing explanatory capacity for many human preferences and actions (Miller, 1999). Its persuasiveness as a causal motive situates it as the natural default choice.

Private interest can be assigned to groups and communities and not only to individuals. These are specific interest groups with a well defined organization and constituencies. As such, they have better access to capital, whether financial or knowledge-based, which they employ on behalf of particular and well focused goals (Beyers, 2004; Denzau and Munger, 1986; Hendricks, 2006; Salisbury, 1969). Private interest groups and communities may include business and industrial organizations, union and populace representation groups, residential neighborhood associations, etc.

Public interest is much harder to define on its own merit and is usually explained with respect to private interest. Two fundamental approaches to public interest were described by philosophers Bentham and Rousseau. Bentham propagated the notion of public interest being the sum private interests constituted in a particular community. Thus following a well-defined communal question all one needs to do to resolve the public interest of a given community is to consider pro and con attitudes of its members. Rousseau claimed public interest to be the universally shared private

interests. This approach was further developed suggesting that some interests might contradict an individual's private interest, and would therefore require the attention of a community as a single entity. Such public matters are dependent for their existence on a common public authority (Benditt, 1973).

A stricter approach perceives both interests being in dichotomic relations. It argues public interest may only advance communal welfare as a collective, "rather than the individual welfare of any of its members" (Oppenheim, 1975, 265). Such articulation suggests that there can be no simultaneity between both modes of interest, and while private gain accrues the issue at hand cannot be considered public interest.

#### **CHARACTERIZING INTERESTS**

Interests are a normative construct. Private interest represents the values and beliefs of our western individualistic culture (Hechter and Kanazawa, 1997; Miller, 1999). Public interest is conceived of as a value commitment to benefit the collective (Funk, 2000). Norms and other forms of social institutions are considered efficient predictors for desired modes of action (Hechter and Kanazawa, 1997).

The term private interest is interchangeable with self-interest. People consider self-interest to be a prime motive for individual action (Ratner and Miller, 2001). Self-interest motive in individualistic societies has both descriptive as well as prescriptive components. People are brought up believing self-interest to be a rational and natural choice for themselves, and they expect others to behave similarly (Miller, 1999). The term's causal veracity is explained in a cultural context.

The concept of self-interest is an efficient predictor for social behavior rather then attitude (Ratner and Miller, 2001). People have difficulty explaining non self-interest behavior, even when they support an array of causes, some of which do not promote individual welfare. Research subjects admit having favorable attitudes toward socially benefiting causes, yet describe other people's behavior on the same issue as self-interest motivated (Miller, 1999). When lacking vested interest, people will refrain from acting or even expressing their attitude on an issue, as they are guided by the notion that when lacking self-interest it is not their role to react (Ratner and Miller, 2001).

Private interest's rationality is merely one of a multitude of norms, which affect our judgment and mode of behavior. Pride, for instance, might interfere with an individual's self-interest, yet people are reluctant to renounce their freedom for enhancing welfare (Mansfield, 1995). Likewise, certain norms may lead an individual to be inclined towards public interest. Social application of rational choice theory entitled 'thick model' is concerned with communal rather than individual outcomes, and considers norms and other forms of social institutions to envisage desired modes of action (Hechter and Kanazawa, 1997).

It is evident from sociology and policy studies that public interest influences individual choice and action in many cases. This is true despite an initial tendency to ex-

pect rational self-interest to guide towards a capital-maximizing course. Normative values and social factors clearly distort and sway individuals from a plain self-benefit preference. Economic self-interest models have been used to describe and predict "non-economic" altruistic behavior, in which individuals opt for unselfish acts (Andreoni, 1998).

Research indicates that societal interest guides individual preference choice. Funk (2000) demonstrates citizens' willingness to set aside private interest for the benefit of society. Claiming that citizens distinguish private from public interests, and that individual voting patterns are guided by societal concerns, Funk's findings suggests political attitudes of individuals differ between private and public interests. Likewise, literature on motivations of individuals in the public sector finds public interest to have great influence. Vandenabeele, Scheepers and Hondeghem (2006) test 'Public Service Motivation' (PSM) amongst civil servants in Germany and the United Kingdom. PSM is defined as 'an individual's predisposition to respond to motives grounded primarily or uniquely in public institutions. The researchers broadened the term to include value-laden behavioral determinants which proved that public interest prevailed over private interest when in conflict. The research sought eight factors which verified the predominance of public interest motivation. The findings proved public interest to be a universal motive, while the indicating factors, influenced by normative standards, appeared at different potencies in both countries.

Many public policy processes and outcomes grant preeminence to public over private interest. Policy topics with prominent public visibility tend to be deliberated publicly. In such cases interest organizations, such as corporations on the one hand and government agencies on the other will participate in a citizen forum and be inclined to express public interest motives (Hendricks, 2006). When issues arise publicly the outcome will be influenced by the diversity of the interest organizations involved, and especially by the balance between profit and non-profit oriented interests, which affects public perception of the policy (Lowery et. al., 2005).

Great effort is invested trying to identify public interest and quantify it. Yet the term appears to be ambiguous and illusive. The difficulty with the term arises from its fundamental association with private interest. This mutuality leads public interest to be primarily considered under a rational utilitarian prism. Yet, being non-heterogeneous the public constituency curtails attempts to isolate public interest, desire or motive, and render the dual mode concept of interests insufficient for analysis.

## INTERESTS AND LOCAL PUBLIC POLICY

Cities constantly change and evolve as a result of inclusive urban dynamics. Such processes include an infinite amount of everyday urban functions, involving formal and informal occurrences. These occurrences comprise of social and financial exchange of goods and ideas serving a multitude of interests. The social and institutional framework, in which such occurrences take place, has various communal

forms and expressions, in which local government and public policy processes are most influential.

Public policy practice is defined as a governing act of selecting the desired route from several options (Birkland, 2001; Kingdon, 1995). This definition is based on the assumption that there is someone or something governing. Public policy research seeks to identify the components of the governing body, and describe its mechanism. It asks how does a topic gain prominence, how does it become policy, who influences policy and how.

Public policy theory divides the policy process into three stages. The initial stage of policy design involves agenda setting, and selecting proper policy tools. Competing policy agendas, which address particular problems and issues in a certain community, are advocated by government officials and persons associated with government. At the end of a lengthy selection process certain issues gain prominence and are designed to become enacted policy (Kingdon, 1995). Policy implementation is performed by a bureaucratic mechanism, which executes the policy modeled to meet predetermined goals and the community addressed. The final stage of public policy making attempts to identify and measure success and failure based on causality (Birkland, 2001). In reality the three stages described take place in a less structured fashion, and involve unofficial agents from outside the official government sector.

Since the early 1980s private sector involvement in public policy became common. At first private sector activity concentrated on the implementation policy phase. Public policy designed and developed by formal government was executed by the private sector. Gradually the private sector involvement grew to include activity within other phases of policy making (Poppelaars, 2007). Today private sector involvement in policy making is no longer restricted to implementation solely, but is engaged in initial agenda setting stages, as well as conducting policy evaluation. Private sector activity in public policy became widespread to the point where it is difficult at times to discern who is initiating a policy and in whose interest it promotes (Stone, 1993).

The current form of government characterized by multi-sectoral involvement in public policy making is termed governance. Although governance has become common practice at all branches of government it is most prevalent in local government (Cox, 1997; Digaetano and Strom, 2003; Stone, 1989). Two dominant models of urban governance are 'urban growth machine' and 'urban regime theory'. Both models recognize the necessity for public-private cooperation in public policy development and implementation. Local government promotes urban growth and development by furthering policies and legislation, yet it is limited in budget and knowledge. The private sector on the other hand aspires to invest for profit and can easily acquire recent skills and data, yet it lacks legal jurisdiction and political stature. Thus urban policy making is accomplished by sectoral joint venture and cooperation, in which the public and private sector assume complementing roles.

Municipalities seek outside investors for entrepreneurial development projects

(Broadbent, 1977; Cox, 1997; Dear, 1981; Stone, 1993). Limited financial sources for urban development instigate rivalry amongst municipalities. Nowadays local governments compete over outside investors, including central government, private sector investors, incoming businesses, and tourist enterprises (Molotch, 1993; Ramsay, 1996). Although the necessity for bi-sector cooperation weakens local government's capability to function independently and perform redistribution tasks (Heidenheimer et al., 1983; Leo, 1997; Stone, 1993), such joint ventures enable both sectors to attain their goals and further their interests.

Private sector efficacy ethos is also apparent when there is no joint venture partnership at hand. The growing demand from local government to manifest efficient conduct throughout its activity has brought financial considerations early on to the policy design stage. Local government adopts business-like conduct typical of the private sector (Alcock et. al., 2000; Basset et. al., 2002; Elkin, 1987; Thornley, 1996). This can be exemplified by the growing practice of "place entrepreneurship". Urban planning policy adopts and exercises marketing techniques from the outset (Hall et. al., 2003; Nylund, 2001; Whitt, 1987). Promoting urban identity and culture of particular development projects, such as tourist projects and attractions are advanced to boost local desirability for outside investors (Teedon, 2001).

Opening up the urban planning policy process to the private business sector was followed by increasing demands to consider citizen interest as well (Docherty et. al., 2001). Since the early 1990s, growing citizen involvement in urban planning policy introduced additional considerations to the planning process (Alcock et. al., 2000; Clarck, 2000; Hendricks, 2006; Lowery et. al., 2005). Citizen activity included third sector organizations and interest groups, such as resident associations, usually assembling to meet a perceived communal threat (Clarck, 2000; Grant, 1994; Nylund, 2001, Poppelaars, 2007; Stone and Sanders, 1987). The last three decades have seen urban planning evolving from a closed professional practice into a pluralistic, multi-sectoral endeavor (Basset et. al., 2002; Stone, 2002; Taylor, 1998).

Despite increasing citizen efforts to influence the public policy process, inherent impediments curtail its success. Modern day society is composed of a multitude of sub-communities with inconsistent interests. Such a condition renders a government's effort to acknowledge the public interest quite difficult (Clarck, 2000). This difficulty is further intensified with the average citizen's tendency to refrain from public policy involvement and favor status quo (Samuelson and Zeckauser, 1988; Ratner and Miller, 2001). Such status quo bias entrusts public interest activity with organized representation, which does not necessarily represent a true general public interest (Stone, 1987a, b).

Citizen impact on local policy making is limited. Qualitatively, when compared to the private sector, citizen sector's influence is far more influential then its proportional share of overall urban activity. Yet its quantitative inferiority renders such supremacy negligible (Hendericks, 2006; Lowery et. al., 2005). Similarly, neighborhood organization's activity and protest against local development policies appear to

have modest effect (Baldassare and Protash, 1982). However, there is a correlation between citizen's influence on development policy when an educated, white collar based community is mobilized (Donovan and Neiman, 1992). When applied strategically, citizen organizations manage to manipulate local public policy outcomes and insert public interest to the policy process (Basset et. al., 2002; Beyers, 2004; Leo, 1997).

The array of convening urban actors participating in the planning policy process introduces a multitude of potential topic discussions. The plurality of unrelated topics relies on agenda-serving narratives, which compete in portraying the future vision of a place and addressing urban change (McCann, 2002; Larsen, 2008; Ramsay, 1996; Taylor, 1998). Resulting from such multitude of topics, rhetoric capacity gains significance in the planning process (Baum, 1996; Healy, 1992). Urban actor's political capacity, such as 'access' and 'voice' reflect its salience in the process (Beyers, 2004). Public values and interests are unpredictable a priori, as they materialize with a progressing planning policy (Ferraro, 1996). Since local culture, polity and social-economic factors are interrelated, they inspire the public policy process (Docherty et. al., 2001; Grant, 1994; McKay, 1996; Stone and Sanders, 1987). Yet local public authority finds it difficult to consider and equate the assortment of incongruent reasoning introduced by various actors involved in local planning policy, thus assigning insufficient value to the public interest (Clarck, 2000; Ramsay, 1996).

#### REPRESENTING PUBLIC INTEREST IN LOCAL PUBLIC POLICY

Local governments function within budgetary confines, a growing array of demands and bi-sectoral partnerships. Private sector preeminence within the process of urban expansion and policy making facilitates economic interests, superseding other planning policy considerations (Cervero, 1997). Under such conditions urban planning becomes a tool for market-led forces (Knaap et. al., 2005), as well as an apparatus for maintaining a community's homogeneity (Tavares, 2001). Increasingly, local government fails to fulfill its redistributive function, and address public interest as such (Baldassare and Protash, 1982; Tavares, 2001).

In previous decades local government concessions to urban expansion led to market failure (Brueckner, 2000; Tavares, 2001). Likewise, current day bi-sectoral practices store serious conflicts and threats with respect to public interest in local planning policy (Elkin, 1987a, b; Stone and Sanders, 1987). Municipal development policies have failed to appreciate open space value, and failed to assess real infrastructure costs (Brueckner, 2000). When left for local government solely the general public interest is poorly maintained (Nelson and Moore, 1996).

Considering the interest of a broader community, central government intervenes in local planning policy. Common throughout the developed world, central government intervention assumes that different forms in each country are influenced by

distinct local culture and norms. In the U.S states which have experienced intense suburbanization and degradation of local values and environments have implemented central government regulation. Shifting from 'Growth Control' to 'Growth Management' policies, such states have imposed governmental committees to oversee local planning policies. In some cases these committees consist of resident and third sector specialists representing public interest and values (Innes, 1996; Nelson and Moore, 1996; Tavares, 2001).

In contrast to the U.S., European countries tend to advance general public interest over private interest more readily (McKay, 1996). In Germany a gradual planning hierarchy system enables regulating bodies to modify local planning policy to alleged societal values, such as natural and agricultural open space beyond the urban edge (Bruns and Schmidt, 1997). In the U.K central government regulating functions are inherent to urban coalitions, and weaken the influence of the private sector in local planning policy (Basset et. al., 2002). In Israel a rigid planning hierarchy mitigates between local urban coalitions and central government sponsored plans, thus adjusting market demands to a prescribed urban principle (Eliahu and Vitkin, 2003; Hasson, 1996; Nahmias, 2004).

## **QUANTIFYING PUBLIC INTEREST**

Local public goods provide an exemplary paradigm for public interest in the urban realm. These are provisions and services which benefit a large public, and exist due to government intervention and sponsorship. Public intervention is crucial for initiating and maintaining a local public good market for the following reasons: a lack of an economy of scale, difficulty in establishing total economic value, a prerequisite for egalitarian distribution, and difficulty in fee collection on the one hand and implementing an exclusionary policy against "free riders" on the other (Lehavi, 2004).

Local public goods are a particular type of public goods. Unlike pure public goods, such as ambassadorial relations and clean air, local public goods are easily excludable and rivalrous (Lehavi, 2004; Aquino et. al., 1992). Exclusionary practice in local public goods is employed in order to maximize efficiency and minimize rivalry and congestion. It is manifested in formal and informal fashions by public authority, private service providers, and local communal organizations. Public authority divides the city geographically to adjust service provision of public goods, such as school registration zones. Private providers establish membership for supplying club goods to its members, and residential community associations limit access to parking lots and urban pocket parks.

There are two types of local public goods. The network based public good serves a local constituency yet is a part of a larger regional or national network, such as roads and infrastructure. These kind of public goods gain their value from being a part of

a larger system and are therefore influenced by beneficiaries outside of the local providers' area. Discrete local public goods are highly centralized, their dominant character inherent in their physical form and location. Such public goods tend to serve a limited constituency, and are far easily regulated for efficiency (Lehavi, 2004).

Public goods retain two types of value-use and non-use value, the combination of which represents a goods' total economic value (Straaten, 2000). Use value is easily quantified based on classical economic principles of supply and demand. Non-use value is the goods' potential value derived from potential future use (option value), sheer existence regardless of actual usage (existence value), and potential usage by future generations (bequest value). Total economic value of a local public good is difficult to determine due to an array of externalities influencing and being influenced by it, as well as the complexity in establishing its non-use value.

Common quantification methods for evaluating public good value focus on utilitarian monetary aspects. The 'Hedonic Price Method' assumes real estate prices portray public good values in addition to various other factors. 'Travel-Cost Method' is based on expenditures and inconveniences attributed to a tourist destination, and the 'Contingent Method' surveys an individual's willingness to pay for a good and his willingness to be compensated for a good's removal. All three methods reveal a monetary figure reflecting an actual user's or a potential one's preference with respect to a particular public good.

Such evaluation methods have been applied in environmental research, and in urban, leisure and tourist studies. Barbier (1993) and Morrison (2002) discuss the environmental value of wetlands, comprised in their bio-diversity, environmental functions (flood control), and financial assets (water based industries). Hornstern and Fredman (2000) look at environmental leisure aspects of Swedish forest recreation customs by accounting for the distance traveled to a forest destination. Barnes, Schier and van Rooy (1997) consider environmental leisure preferences by computing tourists' willingness to pay for wildlife viewing in Namibia. Boustan (2007) suggests that the unique bundle of public goods provided by different suburbs is evident in real-estate prices, and Fukahori and Kubota (2002) deploy willingness to pay questionnaire for considering optional urban design solutions. Lastly, Bedate, Herrero and Sanz (2003), Poor and Smith (2004), and Riganti and Nijkamp (2005) implement non-use value evaluation methods for cultural heritage sites.

#### CONCLUSION AND FUTURE RESEARCH

Summing up this synopsis it is obvious that interest-based urban analysis is methodologically flawed. Despite the wide array of disciplines deliberating and discussing the essence of interest, urban research as well as planning and policy practitioners fail to utilize public motivating interest to its full extent. This is a result of the manner in which interest is constructed theoretically. While it is conceived as pertaining

to fundamental forms, private and public, in fact it is always regarded with respect to its private aspect. Private interest-based research with its inclination towards self-benefiting implications relies merely solely on monetary connotations as perceived by an individual, or to their negation. Such shortcoming is apparent when attempting to identify public interest as well as when trying to quantify it. Urban research and planning rely on an incomplete portrayal of urban interests leading to distorted insights and ill-resolved solutions.

Grouping planning policy interest factors under functional interest categories can complement urban research providing essential disregarded data. Such categories reflect motivating action instigators for all urban actors. Planning interests can be grouped into three primary motivating interests (PMI).

- 1. Utilitarian Interest includes efficiency aspects of urban functions and regulations. Its public facets denote financial, organizational, and efficacy aspects of urban order and management. It has urban physical manifestations including communication networks (highways, roads, telephone, etc.), infrastructure services (sewage, water, parking, electricity, etc.), and functional relationship to other urban land-use (housing, commercial, industry, etc.). It consists of cost and benefit considerations for physical elements (construction and maintenance) and policy tools and regulations (funding institutional functions and services), and it is easily quantified and evaluated, thus enabling a partial portrayal of urban actors preferences and behavior. Currently this interest is the dominant PMI considered for both private and public interests, as was shown in this paper.
- 2. Moral Interest in planning policy is rooted in the notion of fairness. Two major aspects of it are egalitarian distribution and sustainability. Egalitarian distribution regards urban service provision (mass-transit, educational facility, health center, etc.), accessibility (non-discriminatory non-exclusionary public spaces, services, and distributional functions), and communal burden sharing (NIMBY). Sustainability is based on the principle of non depleting natural resources for future generations (natural materials, water, land, clean air, etc.), and the axiomatic benefit inherent in maintaining cultural and biological diversity (human social activity, animals and plants). Economic quantifying methods have been applied extensively to evaluate this interest category, yet still as argued earlier in this paper results have provided a partial picture of social preference.
- 3. Aesthetic Interest in planning policy refers to identity characteristics of the environment and its role in community structuring. Local identity has two interrelated manifestations: physical and social (Cerulo, 1997; Hogg et. al., 1995). Both expressions are evaluated by the extent of authenticity and integrity inherent in their tangible and intangible characteristics. Local identity is a factor of communal cohesion, which provides the benefits of familiar surroundings. Communal familiarity has physical manifestations in urban form (tangible dimension) and social manifestations in local habits, norms, and culture

(intangible dimension). Authenticity and integrity are identity attributes of local urban environments derived from the interaction between local society and visitors. Identity theories suggest self-meaning results from interactions between an individual's self-perception and social interactions (Cerulo, 1997; Hogg et. al., 1995).

Maintaining equilibrium between all three forms of PMI is difficult for an evolving urban environment. Its significance, however, is best exemplified with cultural heritage sites. Preserving buildings for reuse on the basis of cultural heritage significance embodies benefits beyond efficiency interests (demolition and reconstruction costs, tourist attraction) and moral interests (sustainability). The act of preserving buildings withholds communal benefits derived from the material representation of history, which provides an anchoring focal point for local identity (Garrod et. al., 1996). Urban heritage sites establish a "sense of place", in which authenticity and integrity are maintained through historical continuity of the built form, the spatial environment, and social interactions (Nasser, 2003). Such an endeavor can be detrimental if a fine balance between all three forms of PMI is disturbed. When efficiency interests override other interests, over commodification of a site leads to a loss of authenticity (Nasser, 2003). Moral interests may dominate other interests leading to artificial non-evolving surroundings, which lacks the rejuvenating vitality intrinsic to urban environs. Likewise, aesthetic interest can curtail any positive benefits derived from evolution, by refusing all forms of change. The risk inherent in the loss of such fundamental urban attributes is an escalating deterioration process, diminishing interests, and impingement of fundamental social rights. Jane Jacob (1961) eulogized the American city, conferring it with organic qualities of life and death, as if they were living tissues. Such analogy can be further extended to complex organisms' impulse for survival. Yet for urban entities durability requires conscious effort towards a constantly balanced planning policy, which considers all primary forms of local urban motivating interests.

Urban research and planning extrapolate interest factors consistently. PMI categorization can help focus and pin down interest, enabling its relative quantification. PMI technique can be studied and developed in planning analysis. Ascribing planning aspects to PMI categories can test its applicability for establishing public preference on urban dilemmas. This paper suggests that applying interest categorization techniques can benefit disciplines involving urban research and planning. Further research ought to study possible categories as well as optional urban factors to which they can be assigned.

#### **NOTES**

- 1. For further discussion on PSM see Perry and Wise, 1990.
- 2. Policy tools are the mechanism deployed to enact a selected public policy. Theory differentiates between three types of tools: voluntary, mixed, and obligatory. For further reading see Howlett and Ramesh, 1995; Korpi and Palme, 1998; Stone, 2002).
- 3. Scholars survey various forms of private sector involvement in the public policy process. See Digaeteno and Klemanski, 1993; Elkin, 1987; Logan and Molotch, 1987; Stone, 1989.
- 4. The two models differ mainly in rationalizing the initial phase of governance. 'Growth Machine' argues that business and economic elite push for public sector cooptation, while 'Urban Regime' claims government initiates joint ventures to materialize its policies and plans.
- 5. For a discussion on government functions including development and redistribution see Heidenheimer et. al., 1983; Peterson, 1995)
- 6. In this paper when stating planning policy I refer to physical urban planning practices, including zoning ordinance, comprehensive planning, surveys, and all other planning policy tools and conducts.
- 'Access' and 'voice' are mobilization strategies exercised by actors aspiring to influence policy processes. While 'access' relies on formal and informal networks to public officials, 'voice' is the manifestation of protest meant to emerge in mass media.
- 8. Inefficient market functioning or non-existent market for a potential good. For further reading see Baldwin, 1999.
- 9. Real cost refers to disregarded aspects of goods, such as congestion, pollution, sustainability etc.
- 10. Earlier 'Growth Control' policies included policy tools such as zoning, and housing and resident caps. Finding such policy tools ineffective for the general public interest, due to real-estate price increase and increasing social segregation, 'Growth Management' policy tools, which are more flexible and suggestive have been applied, including incentive zoning, transfer development rights, etc. See Tavares, 2001.
- 11. Third sector intervention in planning policy consists of promoting desired urban planning agendas, such as 'Smart Growth', 'New Urbanism' and 'Sustainable Development'. For further reading see Knaap, 2002.
- 12. Total economic value consists of use and non-use value as explained hereafter.
- 13. A private funfair within a public park illustrates excludability and rivalry aspects of local public goods. Charging entrance fee for facilities in the funfair excludes nonpaying visitors from a fenced-out portion of the free public park, thus enabling better service and less congestion for a small member group of paying visitors.
- 14. For further reading see Aquino et. al., 1992; Koehler and Wrightson, 1987.

- 15. For further reading see Dimaggio, 1997; Straaten, 2000; Turner, 1992; Turner and Pearce, 1992.
- 16. For further reading see Conforti, 1996; Jokhileto, 2006; Munasinghe, 2005; Newman, 2001; Rojas, 2002.
- 17. Overreliance on tourism industry will alter a communal social and economic structure into a fake reality, in which the physical environment, people and local habits are all part of "a spectacle".

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