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The growth machine in the European suburb: Land-value capture and the use of anti-segregation discourse in Kontula, Helsinki

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Abstract

In the United States, growth machine theory has served as a key framework for understanding the mechanisms of local urban politics. It maintains that coalitions of local elites work together to intensify land use, enabling them to benefit from increased exchange values. Yet, such growth coalitions have never been decisively identified in European cities, and the theory's continued relevance within contemporary urban governance remains contested. This article contributes to this debate by providing empirical evidence of how growth machine dynamics can unfold in a European suburban setting. Whereas the theory has traditionally been applied to inner-city or greenfield developments, this study provides new insights by extending its application to the context of suburban regeneration. It draws on the case of Kontula, a socially and economically challenged suburb in Helsinki undergoing urban renewal. The research findings demonstrate how the municipality and local real estate owners form a coalition with a shared interest in capturing land value through the sale of building rights. Importantly, Kontula's context as a challenged suburb enables this coalition to pursue its growth agenda through the strategic use of an anti-segregation narrative. By framing demographic change and social mixing as inherently beneficial, anti-segregation serves to promote 'value-free growth', all while masking the possible adverse effects from retail displacement and the loss of Kontula's unique cultural fabric. The article argues that the coalition's intended land-use intensification risks exacerbating social inequalities, further alienating vulnerable groups who find belonging in the multinational community of small businesses within Kontula's shopping centre.

Keywords: growth machine, urban politics, land-value capture, anti-segregation, suburban regeneration, land-use intensification, Finland

1. Introduction

For decades, social scientists have explored the reasons, mechanisms, scale, and consequences of urban transformation. In analysing these processes, scholars have highlighted the influence of various driving actors, including local politicians, engaged citizens, community organizations, business leaders, municipal staff, and real estate professionals. While numerous models have been proposed to explain the distribution of power in urban development, one of the most prominent and widely referenced is the 'growth machine' thesis (Logan & Molotch, 2007). The growth coalition concept was first introduced by Molotch (1976) based on evidence from American cities, as a call for urban studies to more directly address the financial incentives linked to urban development. Growth machine theory argues that coalitions of pro-growth urban elites have common stakes in intensifying land use to benefit their economic and political interests. It emphasizes the power yielded by such elites, and their disproportional influence in controlling the urban political agenda (Rodgers, 2009).

While prominent in the U.S., the growth coalition idea was not found to have the same applicability to European urban studies. Scholars have long speculated how the decentralised American state is more supportive to growth coalitions than the Western European one (Cox, 2017; Terhorst & Van de Ven, 1995). Other researchers have pointed to the fragility of European growth coalitions in the face of welfare institutions and protest movements (Lauermann & Vogelpohl, 2017). As a result, most European-based research has concentrated on the forces opposing growth machines. Ironically, the same goes for most of the earlier writings in the U.S., where, according to Kimelberg (2011, p. 77), "researchers take for granted the omnipresence of growth promoters and define their research questions as the degree to which their initiatives are contested by other actors".

More recent scholarship discusses the continued applicability of growth machine theory to contemporary urban governance. Some studies conclude that its relevance has eroded (Been et al., 2014; Donald et al., 2014), while others attempt to modernize classical growth machine theory in the direction of a digital growth machine (Rosen & León, 2022). Nevertheless, a body of new statistical meta-analyses contends that growth machines remain a dominant force in American urban development (Adua & Lobao, 2024; Lens, 2022). However, there remains a lack of case studies focusing on the operations of contemporary growth coalitions themselves, and particularly the strategies employed by them. In addition, there is an overall absence of renewed attempts that seek to apply growth machine theory to contemporary Europe. The present research proceeds to fill this gap in literature by exploring how the regeneration of Kontula as a *European suburb* is driven by a local pro-growth agenda. Whereas growth machines are traditionally identified in American inner city or greenfield development areas (Phelps, 2012), this study challenges that assumption by showing how the context of a socio-economically challenged European suburb enables a coalition to promote land-value capture through an anti-segregation narrative.

Aside from the novelty of examining a European and suburban growth machine, there is more that makes Kontula a relevant case study. In Finnish urban studies, regeneration projects have remained an underexplored topic. Attempts to bring the negative side-effects from growth interests to the question have been scarce despite the popularity of regeneration in Helsinki (Drain, 2024). The case of Kontula goes to highlight how a socio-economically challenged suburb can be particularly prone to the negative effects of growth interests and land-use intensification, as the displacement of local retailers further marginalises groups that are already in vulnerable positions.

Picture 1: Kontula's shopping mall in current form and after the planned land-use intensification. Source: Competition summary, 2020.

While using growth machine theory as a basis, this article frames the Kontula case within a framework of urban regeneration that helps analyse how growth coalition agendas and motivations are embedded in strategic discourse. In particular, this article integrates growth machine theory with Tallon's (2021) urban regeneration framework. Tallon's framework breaks regeneration down into five dimensions: governance, economic aims, cultural objectives, architectural features, and environmental considerations. These categories provide a practical structure for analysing how regeneration is framed and communicated in planning documents. In other words, it allows to examine which aspects of regeneration are emphasized or backgrounded, and how that aligns with the interests of a local growth coalition. By combining Tallon's framework with growth machine theory, this article links growth motivations (land-value capture, elite interests) with planning practices and discursive strategies. In line with this theoretical approach, the research is framed with the following main question:

How does the redevelopment strategy for Kontula reflect growth machine dynamics through its emphasis on specific dimensions of urban regeneration?

2. Theoretical framework

2.1 The city as a growth machine

Urban growth machine theory, developed within the school of American political economy, provides a framework for understanding the mechanisms behind urban land development. Initially introduced by Harvey Molotch (1976) and later expanded by John Logan (2007), growth machine theory maintains that urban development is predominantly driven by a land-based elite that seeks to maximize the exchange value of land through a process of land-use intensification. At its core, the theory argues that otherwise disparate local actors and institutions join hands to form 'growth coalitions' that seek to maximize urban rents, benefiting them through direct ownership. In addition, members of a growth coalition seek to gain profits from local economic growth in the form of increased tax rates and higher consumer spending (Lauermann & Vogelpohl, 2017).

The growth machine theory emphasizes that, while the ultimate aim is financial gain, growth coalitions strategically frame their agendas as promoting the common good of residents (Logan & Molotch, 2007). This is captured by the concept of 'value-free growth,' where growth coalition actors actively seek to frame regeneration discourse positively by highlighting its public benefits and obscuring the underlying private interests (Darrah-Okike, 2017). In this same line, growth machines have become extremely creative tying specific development projects to positively loaded concepts such as civic pride and the advancement of local identity (Kerrigan, 2018). This article adopts the concept of 'value-free growth' and uses it not only to refer to the attempts of coalitions to obscure private interests, but also to refer to their attempts of attaching positive meaning to growth.

Theoretically, the urban growth machine thesis is built on the concept of place, and particularly how place becomes commodified. Place is defined in quite a distinct way: as both socially and economically valued land. The main premise is a fundamental conflict over urban places (Logan & Molotch, 2007). Drawing from growth machine theory, this article uses the dichotomous concepts of 'use value' and 'exchange value' of place. Use value is defined as the value that residents find in a place in their daily social lives. It involves both the cognitive and physical use of place, extending beyond an individual parcel of land to the local neighbourhood. In particular, this reveals itself in the formation of belonging to a local community. Conversely, the exchange value of place refers to the actions that are done by 'place entrepreneurs' to obtain profit from rents. The latter group – consisting of urban elites – is considered as the core of the growth machine and is actively involved in intensifying urban land for profit goals. According to growth machine theory, a push towards the exchange values of land directly interferes with the citizens' use values (Logan & Molotch, 2007). This antagonistic relation forms the foundation of a supposed conflict between local place entrepreneurs and anti-growth movements over urban place. Smith and Floyd (2013) contend that the power dynamics within this conflict are highly asymmetrical, favouring

those actors belonging to the urban elites. Growth coalitions often wield substantial influence over local politics due to their advantageous political standing and the compelling nature of their growth-driven agenda (Kerrigan, 2018).

Despite its popularity in the U.S., academics found difficulty in applying the growth machine lens to European urban studies. Although scholars have searched for growth coalitions, *coalitions de croissance*, and *Wachstumkoalitionen* in European contexts, such formations have never been convincingly identified (Terhorst & Van de Ven, 1995; Cox, 2017). The model of local politics driven by property capital in a partnership structure has not appeared to translate easily. Efforts to transfer the growth machine concept across the Atlantic have frequently fallen short, as the dynamics observed in the U.S. have not manifested in the same way elsewhere. Instead, local politics in many European contexts tended to prioritize social provision, focusing on areas such as housing, education, and public transport. While development politics certainly exist, the power dynamics between the state (both central and local) and property capital have differed significantly (Cox, 2017). Terhorst and Van de Ven (1995), for instance, illustrated this by revealing how pro-growth discourses in the Netherlands are driven by national institutions instead of local coalitions.

2.2 Tallon's framework on urban regeneration

While growth machine theory provides a strong foundation for understanding the economic agendas behind urban development, it needs to be considered within an analytical framework to understand how these agendas are constructed and communicated in policy. To address this, the present study draws on Tallon's (2021) framework on urban regeneration. Tallon's framework provides a set of interrelated dimensions that encompass all the elements of regeneration. This framework helps understand how a growth machine operates in terms of what strategies are prioritized and which ones are backgrounded. In addition to the economic dimension, physical, social, environmental and governance dimensions play a role in regeneration. In the framework, each of these dimensions are divided into subcategories (Table 1). The economic dimension focuses on employment, income generation, and private sector development. The social/cultural dimension includes aspects such as housing, education, public services, and quality of life. The physical/environmental dimension relates to infrastructure, architecture, and sustainability. Lastly, the governance dimension addresses how decisions are made, who participates, and which actors influence regeneration outcomes (Tallon, 2021). These dimensions are not isolated; rather, they interact in complex ways. For instance, economic objectives often rely on physical upgrades to attract investment, while governance structures determine who has the power to influence decisions that affect both social outcomes and spatial change. Tallon's framework is thus valuable not only for categorizing policy goals, but for understanding how they are bundled together to serve specific political and economic agendas.

Dimension	Concern
Economic	Total
	Job creation Income Employment Skills Employability Development
Social/Cultural	Total
	Quality of life Health Education Crime Housing Public services
Physical/Environmental	Total
	Infrastructure Built environment Transport/communications
Governance	Total
	Nature of decision-making Community engagement Other groups Leadership

Table 1 – framework on approaches to urban regeneration. Source: Tallon (2021)

The central challenge of urban regeneration lies in negotiating the relative importance of each dimension (Ciaramella & Dall'Orso, 2021). As urban regeneration is inherently a political process, it mirrors the visions, values, and competing interests of its proponents (Edwards and Imrie, 2015). This competition arises from the diverse mix of organizations involved, spanning public and private sectors, and encompassing both national and local interests, alongside varying community concerns that influence the project's development and execution. Tallon (2021) argues that, in order to create sustainable cities, local governments need to create an integrative vision in which they carefully balance the attention given to each dimension. In theory, a well-balanced regeneration strategy should integrate physical upgrading with inclusive governance, improvements in social welfare, appropriate infrastructure and environmental sustainability. However, in practice, urban regeneration projects tend to reflect the priorities of those driving them (Tallon, 2021).

3. Research methodology

3.1 Research design & data collection

The study employs a qualitative case study approach to investigate the drivers, motivations, strategies and power structures shaping Kontula's urban regeneration process. As explained by Hennink et al. (2020), qualitative research allows for a deep understanding of the research problem, uncovering the underlying meanings and motivations of particular stakeholder groups. Unlike traditional applications of growth machine theory that focus on inner city areas or greenfield development, this research extends the framework to a challenged suburban area that is home to marginalized communities. A case study methodology is chosen for its ability to provide a detailed and contextualized analysis of regeneration in Kontula.

The data collection consists of policy document analysis and semi-structured interviews. Two key documents, the *Competition Program (2020)* and the *Competition Summary (2020)*, were analyzed to understand the strategic objectives behind Kontula's redevelopment. The Competition Program (25 pages) is a briefing report that was drafted to inform the competing architecture offices (see 3.3). The Competition Summary (68 pages) provides a more extensive overview of the entire competition process and was established after its completion. In the results section, the Competition Program is referenced as CR1 and the Competition Summary as CR2. Both documents were written by GSP group, a consulting actor assigned by the City of Helsinki and real estate companies to facilitate and document the public-private partnership.

The interview data presented in this study was collected between December 2023 and February 2024. In total, eight in-depth interviews were conducted with municipal employees, researchers, consultants and architects – all of whom were either directly involved as members of the competition jury, or knowledgeable about the progress of Kontula's competition. Interviewees were recruited using a purposive sampling strategy to focus on expertise as well as to ensure a balance in the variety of public and private actor perspectives. As qualitative research seeks depth over breadth, purposive sampling complements this approach by prioritizing participants who can offer in-depth insights, enhancing the richness and validity of the findings (Hennink et al. 2020). To ensure anonymity, the names of interviewees and identifying details of the interviewees have been omitted. In the results section, interviews are referenced using the format (occupation, date).

Interviews were conducted using a semi-structured approach, involving open-ended questions that addressed the dimensions of Kontula's regeneration including its governance, economic goals, socio-cultural impacts, architectural objectives and environmental considerations. In addition, interviewees were asked to make general reflections on the competition process. In case possible, the interviews were conducted face-to-face, but three interviews were scheduled online due to circumstances. Interviews were transcribed using the Microsoft 365 transcribing tool.

3.2 Data analysis

The objectives and discourses in the policy reports were deductively coded using the dimensions of Tallon's framework on regeneration approaches introduced in the theoretical framework (section 2.2). Tallon's framework proved to be an effective and comprehensive tool for the content analysis on the competition brief and summary. Almost no paragraphs of the policy reports were left uncoded. A quantitative study of the total number of codes assigned to each dimensions gives an overall overview of the focus in both documents (Table 2). The results section discusses each of the dimensions in detail to understand how, and why, the initiators of Kontula's competition are selective in reporting the priorities of their regeneration strategies.

Dimension	Concern	Count
Economic	Total	9
	Job creation	
	Income	4
	Employment	1
	Skills	
	Employability	
	Development	4
Social/Cultural	Total	52
	Quality of life	32
	Health	
	Education	
	Crime	
	Housing	10
	Public services	10
Physical/Environmental	Total	137
	Infrastructure	32
	Built environment	95
	Transport/communications	10
Governance	Total	9
	Nature of decision-making	4
	Community engagement	2
	Other groups	1
	Leadership	2

Table 2 – quantified coding table of content analysis

The interviews were analyzed with NVivo software. The analysis was primarily guided by Tallon's regeneration framework and growth machine theory, which provided a strong conceptual structure for identifying how coalition interests are reflected in discursive and strategic choices. These frameworks informed the initial set of codes, particularly around themes such as land-value capture, governance dynamics, and regeneration dimensions. However, the coding process also incorporated inductive elements, allowing new themes to emerge from the data. For example, recurring references to Kontula's reputation, moral framings of mixing, and concerns about cultural erasure were not explicitly outlined in the theoretical framework, but became analytically significant through their frequency and contextual weight.

3. 3 Case context: Kontula and the regeneration process

Kontula is a suburb located in eastern Helsinki, originally constructed in the 1960s as part of Finland's post-war expansion. It was initially conceived as an exemplary model of suburban planning. Today, it is known for its vibrant multi-ethnic community, a distinct cluster of small businesses, and strong local identity and place attachment (Hewidy, 2022). However, following economic decline in the 1990s, Kontula has become one of Finland's most stigmatized urban areas, associated with unemployment, drug use, and safety concerns. In 2020, the City of Helsinki and five private real estate companies launched an initiative to regenerate the area by proposing a new shopping centre development. A central component of this initiative was an architectural competition, in which design firms were invited to propose visions for the future of Kontula's commercial centre (Hewidy, 2022). The competition objectives and criteria were formalized in two strategic documents, which serve as key sources for this study. These documents offer insight into how the regeneration process was steered, revealing the coalition's strategic priorities, institutional arrangements, and the narratives mobilized to legitimize the project.

4. Results

4.1 Governance

Kontula's regeneration project was organized as a public-private partnership between the City of Helsinki (who owns the land) and five Finnish real estate companies (who own the real estate) (CR1, p4). With both parties holding ownership stakes in the property, the initiative was driven by land-based actors – consistent with the logic of growth machine theory. Together, the two actors were in power to appoint the competition jury responsible for selecting a winning design. They also collaborated in drafting the regeneration agenda and defined its core objectives (real estate official, Jan 30). Each party had equal say in jury appointments, resulting in a ten-member board composed of five City officials and five representatives from the real estate firms (CR2). Notably, the jury's composition reveals a strong technocratic, or elitist, orientation: five property developers and four architects made up the majority. As for the competing architecture companies, they were expected to have "experience and expertise of architecture (…), transport planning, technical and economic affairs" (CR2, p.3). This setup suggests a governance model that focuses heavily on facilitating the economic and physical (architectural) elements of regeneration. The involvement of actors with socio-cultural expertise is particularly missing, apart from one jury member who is in the City of Helsinki's department of public services. Interviewees echoed this concern, describing how the socio-cultural dimension was marginal within the internal decision-making process. One respondent explained:

"We were sent a single ethnographic report on Kontula to study ourselves, but we didn't have any further discussions about how we incorporate this information into the evaluation criteria. I felt myself that the

architects were very specialized and focused on their own area, but didn't know about culture and services" (municipal employee, Jan 17).

Real estate representatives countered this critique, citing efforts to include social perspectives through organized excursions and resident consultations.

"We organized excursions where we had people specialized in the social matter. There was one local with an ethnic background who informed us about the situation in Kontula" (real estate official, Jan 26).
"For the competition program, we interviewed quite many people from the area, including activists and business owners" (real estate official, Jan 30).

However, when asked for concrete examples of how such input influenced the regeneration strategy, no interviewee could recall specific instances. This lack of clarity extends to the official documentation. Neither of the competition reports provide substantive detail about stakeholder engagement. The competition program makes a vague commitment that "the involvement of stakeholders is sought" (CR1, p.4), while the summary report merely states that residents could "submit feedback via the internet" and that "the competition secretary made a summary of the given feedback" (CR2, p.23). Crucially, it remains undisclosed what that feedback entailed, how it influenced the design proposals, or whether it impacted the selection of the winner. One interviewee was particularly critical of this limited approach to participation:

"You have to give residents or entrepreneurs the feeling that it matters that they post feedback. (...) The attitude from the organizers of the competition was very paternalistic and it really didn't look like participation. They were just asking residents for comments on plans that were already designed. They should've asked them what they wanted before the competition started" (researcher, Feb 15).

The policy documents also make no reference to engagement with community organizations, local retailers, or other neighborhood stakeholders. Thus, while the extent to which local input shaped the strategy remains unclear, what is clear is that ultimate authority over the regeneration agenda rested firmly with the City of Helsinki and its real estate partners. This finding supports growth machine theory in the sense that power dynamics are asymmetrical, favoring those actors belonging to the urban elites (Smith & Floyd, 2013).

4.2 Social/cultural

Kontula's regeneration strategy exhibits a selective focus on certain socio-cultural themes, while largely ignoring others. A close reading of the policy documents reveals a striking absence of information on the socio-cultural *status quo* of the neighborhood. Despite the neighborhood's widely known challenges related to unemployment, drug trade and safety (Hewidy, 2022), these issues are not described. Similarly, the area's existing use value – such as its vibrant

multiculturalism, dense cluster of small independent retailers, and strong sense of community belonging – also receive little to no mention.

Instead, the documents adopt an almost ahistorical stance, projecting a vision of the neighborhood that is detached from its current conditions and oriented entirely toward future transformation. This future-facing focus is grounded in the anti-segregation narrative that underpins the strategy. One of the competition's nine main objectives is to "deliver greater demographic diversity" (CR2, p.8), which is to be achieved by "driving up the rate of owner occupation" and "making Kontula a more popular choice for home buyers" (CR2, p.8). As one of the interviewees explained:

"The municipality currently thinks that the average income level in Kontula is too low. Now the whole idea is to attract a new wealthier middle class to the neighborhood, so it's about an anti-segregation strategy, (...) and with that they want to address income segregation" (municipal employee, Jan 17).

In practice, the anti-segregation objective translates into a land-use intensification plan for 70.000 m² of new residential development – an ambitious figure given that the current retail space only totals 25.000 m², with no existing residential buildings (CR2, p.9). The overall emphasis of the regeneration strategy centers on attracting a new, wealthier demographic to Kontula, rather than on addressing the needs of current residents. In attaching positive meaning to growth, the policy documents frame the arrival of higher-income homeowners as a solution to the area's problems, implying that social upgrading will follow from demographic change (CR2, p.15). Interviewees were skeptical of the intentions behind this discourse of value-free growth:

"You can't approach a neighborhood as some kind of social engineering. Then you don't look if the people are doing better for themselves, but you just get a better, let's say, equation. You are not thinking about creating more opportunities in the place" (researcher, Feb 15).

Notably, the documents remain vague on the specifics of the challenges that are often associated with Kontula. For instance, there is no breakdown of which spaces are considered unsafe or what factors contribute to those conditions. Instead, the competition summary opens with a broad claim that "the place is currently physically rundown and in need of an urgent facelift and technical upgrade" (CR2, p.16). The proposed solution is "to develop Kontula in a more positive direction (…) through a substantial increase in new privately financed housing" (CR2, p.15). This aligns with the City of Helsinki's broader anti-segregation agenda, which frames physical redevelopment and the influx of new residents as a solution to spatially concentrated disadvantage. Interviewees emphasized that the City often links social problems in Kontula – such as poverty, substance abuse, and crime – to the concentration of social housing, and assumes that these issues can be resolved through demographic change and physical upgrades to the area:

"As far as I understand, the City of Helsinki often emphasizes that much of the poverty, alcohol problems and crime can be related to the large amount of social housing in the area" (researcher, Jan 25).

"The City itself wants to have more residential buildings and a cleaner shopping center, so that many of the problems disappear" (real estate official, Jan 30).

Importantly, the policy documents are ignorant of the possible negative effects that could result from the targeted land-use intensification. Meanwhile, the interviewees clearly expressed concerns for the future of Kontula's use value after renovation. They were most worried that rising rents would push Kontula's unique cluster of small businesses out.

"As long as the shopping center is in poor condition, these small entrepreneurs can rent a place, but when we redevelop the space, they cannot afford the increased rent anymore. So, you end up with all the bigger chain stores and lose the cultural authenticity" (real estate official, Jan 26).

Interviewees advocated for the broader societal importance of maintaining the retail cluster. The loss of small, independent businesses – such as bars, cafés, and ethnic restaurants – would make Kontula feel less welcoming to marginalized communities. As one interviewee put it:

"If there is a lack of social spaces where they can meet, they stop going there. It's not only about being uncomfortable around a newly introduced middle class, but about the loss of what makes Kontula special: an environment in which marginalized people also belong" (researcher, Jan 24).

Others expressed worry about the erosion of the district's unique identity and atmosphere.

"We need a program to somehow preserve the authenticity of the area. Otherwise, it will just become another piece of Helsinki – not exotic, not authentic. Just another of those malls with chain stores" (researcher, Jan 15).

In sum, whereas anti-segregation is presented in policy documents as something inherently beneficial to the neighborhood, the interviews revealed that it comes with important downsides to the use value of the neighborhood. One interviewee made a sharp analogy of how the competition misleadingly frames anti-segregation as advantageous to the use value of Kontula, while in reality, it primarily serves the growth-oriented pursuit of exchange value:

"Let me tell you about the metaphor of the smoke bomb. The smoke bomb is something that you can raise as a value while hiding something behind it. In the case of Kontula, the anti-segregation strategy is the smoke bomb. Because who on earth can say to you: no, I don't like anti-segregation? Yes, on paper it indeed raises the average income of a neighborhood and shows that the area is recovering. But deep-down, it doesn't help with the common good and it does nothing for the current residents. It is only to have a satisfaction as a politician or as a mayor, that the average income in this area on the chart is recovering. And guess why this helps them? Because it allows them to sell the new houses that they build. It is like the flag is raised that the neighborhood is improving and that it is safe buy an apartment" (researcher, Jan 15).

Even though interviews revealed that the negative effects of anti-segregation are known to researchers and local entrepreneurs in Kontula, it was explained that little is done with their critiques:

"I think that part of the problem comes from the fact that we as researchers don't promote our insights enough. But then again, researchers are not often invited to share their view because the municipality isn't open to our kinds of critique. And since our articles are only accessible for a select few, it's hard to spread the message" (researcher, Jan 15).

"Recently I was asked if I would blame somebody else than the real estate companies and the City for the outcomes of the competition, and I said it would be the entrepreneurs in Kontula themselves, because they are not well-organized. They'd have to start lobbying and capitalizing themselves. They need to make a collective stand, and unfortunately, they are not represented well" (researcher, Jan 15).

4.3 Physical/environmental

With by far the most references (Table 2), physical and architectural criteria form the backbone of the design entries' evaluation in the competition documents. A large part of the jury's assessment is reserved for commentaries on how the new 70.000 m² of residential property is filled in. A central element in this assessment is the economic and material feasibility of the proposed housing construction. It stresses the desire that the "overall solution is cost-effective, easy and feasible, suiting Kontula and its needs" (CR2, p.14). This focus suggests a clear preference for entries that maximize housing capacity while remaining within financial constraints. In the same line of argument, proposals that are either too costly or that divert attention from housing by allocating too much space to non-residential are met with criticism: "in this entry there are relatively more parking spaces than in any other proposals. Too many places compared to the amount of commercial and housing does not make for a good equation" (CR2, p. 38).

This technocratic focus on efficiency and density prompted critical reflections from interviewees. One respondent noted:

"The regeneration project is almost presented as a technical problem of how to get the maximum square meters of housing into a relatively small area. It is crazy to think that they basically treat an area like a building mass topic, instead of a living urban environment" (researcher, Feb 15).

Interviewees were asked to explain why there is this emphasis on the physical aspects of regeneration:

"The reason may be with the fact that the regeneration is strictly presented as an architectural problem (...) the City, of course, is aware of social issues in Kontula, but the architects that they nominated for this competition come from a different world. And especially with an architecture project like this, you want to

be focusing on the potential of the area and achieving something that is cool. Also, if the participating design companies focused on the negatives, they wouldn't win right?" (researcher, Jan 24).

Other interviewees referred to the constraints that the competition organizers faced in speaking more openly about socio-cultural challenges. This has to do with the reinforcement of stigma surrounding the problems in the neighborhood:

"In my view, it's not a negative thing to try and be respectful about problem areas. So yes, it is tempting to ignore the past and look into the potential of the future. But it can also be problematic if we have to ignore the cultural strengths of an area like Kontula because we restrict ourselves to talk about its social problems" (real estate official, Jan 26).

Interestingly, in contrast to the socio-cultural dimension – where existing conditions are largely ignored – the competition documents show a notable degree of appreciation for the current architectural environment. One design entry, for example, is critiqued for lacking "coherence in its relationship to Kontula's dominant 1960's architecture. The authors have chosen not to exploit or utilize the best principles of the 1960's" (CR, p. 26). Significant emphasis is placed on preserving and enhancing the distinctive identity of the modernist shopping center, suggesting that the built environment is seen not merely as a backdrop for renewal but as a key asset in shaping the area's future image. Kontula's architectural legacy is framed as holding both symbolic and aesthetic value, reinforcing the idea that development acts as a vehicle for place branding. In this way, architecture becomes a strategic tool within an urban growth machine logic, where heritage is leveraged to attract interest and investment.

This observation was confirmed by interviewees who explained why economic interests are fundamental in tying architecture to positively loaded rebranding:

"*The City of Helsinki is not going to invest in the shopping mall; they want someone else to do that. (…) Whenever there's a big project like this you have to attract investors, and investors are not interested in problems. They want to have their money back, and to assure that happens, Kontula has to be branded as an attractive place so that people will buy the new houses" (real estate official, Jan 26).*

4.4 Economic

In contrast to the extensive attention given to architectural elements, the competition documents dedicate remarkably little space to economic objectives. As table 2 shows, economic concerns received the fewest number of coded references across the regeneration dimensions. Yet, this absence is not indicative of a lack of economic interests. On the contrary, interview data and theoretical analysis suggest that economic motives underpin the entire regeneration agenda. They are simply obscured behind more publicly acceptable narratives, particularly that of anti-segregation. In fact, the absence of detailed economic justifications may itself be strategic, as part

of an effort to depoliticize what is fundamentally a property-led development agenda. One interviewee explained:

"Of course the City is not going to say publicly that they want to sell houses for profit. You won't read about that anywhere in the strategies. No, they will say that new housing is needed to make the area more livable. (...) again, they are masking what is really important to them" (researcher, Jan 15).

For both the City of Helsinki and the real estate companies involved, the redevelopment of Kontula's shopping center presents a rare opportunity to capitalize on previously undervalued land. Because of the shared ownership of land and property, the two actors anticipate returns from the selling of newly permitted residential space. Additionally, they can expect increased tax rates and higher consumer spending. These are all characteristic of what Logan and Molotch (2007) describe as the pursuit of exchange value. This financial incentive creates a strong motivation to maximize the scale of the regeneration project, which explains the objective to build 70.000 m² of new residential property. Two real estate officials acknowledged that land-value capture was an implicit objective and explained that the competition's main strategy works as follows:

"The basic idea is that you build houses above the shopping center and you sell the housing rights to repair the business spaces. With this, your economic crisis is then saved" (real estate official, Jan 26).
"The City wants this area to generate more income. It's not just about fixing a rundown place – it's about making it productive again, from a financial perspective." (real estate official, Jan 30)

There are, however, more signs that suggest economic incentives are at stake. The competition documents subtly indicate a shift towards accommodating so-named 'anchor renters' (CR1, p. 19) over existing smaller businesses, which are seen as less reliable and financially stable. The competition brief goes as far as to proclaims that "the most attractive anchors are the shopping center's three large hypermarkets: S-market, K-supermarket and Lidl" (CR1, p.19), Interviewees approved this observation, noting that "bigger companies can rent more square meters, and they are stable rent payers making them a safer option for both municipal authorities and real estate investors" (municipal employee, Jan 12). Even the interviewed real estate professionals were open about the intended capturing of exchange value in Kontula's redevelopment:

"The driving force in this project is market power, you know, money. And money wise, these people are not interested in keeping small businesses. They are only interested in – and I'm now simplifying things and telling them quite roughly – maximizing their profits. And then you also have the City of Helsinki who needs to earn its money in some way" (real estate official, Jan 26).

This raises the question which one of the economic incentives identified by growth machine theory is leading in Kontula's regeneration – land-value capture, increased tax rates or higher consumer spending. Interviews shed light on this issue by commenting on Kontula's suburban geography, particularly its limited viability as a competitive retail center. One interviewee observed that "the

Kontula shopping area won't be able compete with the nearby Itis, which is one of the biggest malls in the Nordic countries. (…) Kontula is also very far away from the city center, so it will not attract as many customers" (real estate official, Jan 30). This highlights an important constraint: the local growth coalition does not see Kontula's future in terms of retail-driven development. Instead, its economic potential lies in the transformation of land into 70.000 m² of residential property – which in the suburban context is a more dependable vehicle for value capture.

The interviewee further reflected on Kontula's suburban location and its implications for retail displacement. "We definitely talked about rising rents in the area, but we thought that it's really difficult to develop Kontula in a very gentrified way. The rents will always be lower than in other parts of Helsinki" (real estate official, Jan 30). This suggests that regeneration actors view the risks of social backlash from land-use intensification as relatively minimal, not because those risks are absent, but because the peripheral location would supposedly moderate them. Hence, Kontula's suburban location may have directly contributed to the competition's lack of acknowledgement for retail displacement risks. Given that Kontula is home to marginalized groups who rely on the multi-ethnic community of small businesses for social inclusion, affordable services, and everyday support, this oversight is significant. It reveals how assumptions about suburban rent ceilings are used to downplay the economic vulnerability of existing communities. This allows the growth coalition to sidestep accountability for displacement while advancing a redevelopment agenda rooted in exchange value rather than social equity.

5. Discussion

The findings of this study reveal how growth machine dynamics can manifest in a suburban European context, challenging long-standing critiques of the theory's limited applicability beyond the U.S. urban model (Cox, 2017; Terhorst & Van de Ven, 1995). While scholars have argued that centralized planning and welfare institutions in Western Europe mitigate the emergence of pro-growth coalitions (Lauermann & Vogelpohl, 2017), the case of Kontula illustrates how such alliances can still form when the right combination of land ownership, political opportunity, and financial incentive align.

In line with insights from growth machine theory, Kontula's regeneration project is driven by a land-based elite that consists of architects and real estate professionals. The shared ownership structure between the City of Helsinki and the five private real estate firms created a mutually beneficial setup in which both parties could profit from land-use intensification. The marginalization of stakeholder involvement further supports growth machine logic (Rodgers, 2009). Although the policy documents gesture toward public engagement, the mechanisms were limited and superficial. Interviewees described the participatory efforts as symbolic, with limited transparency about how feedback was used – if at all – in shaping the outcome.

Growth machine theory is most concretely supported by the coalition's objective to build 70.000 m² of new residential property to the existing retail spaces. Since both actors own part of the property, the sale of building rights enables them to capture the increase in land value. This demonstrates how the exchange value of land drives urban development (Logan & Molotch, 2007). In interviews, stakeholders consistently pointed to economic motivations – predominantly land-value capture – as primary drivers behind the project. Yet these aspects were conspicuously absent from the formal documents. As Farahani (2017) notes, growth coalitions have an interest in presenting redevelopment as a neutral planning exercise while concealing the political economy behind it.

The argument can be made that this focus on land-value capture is partly enabled by the suburban geography of Kontula itself. First, because of its perceived lack of retail competitiveness, the coalition's economic incentives are directed towards the transformation of land into residential property. For them, this is the most reliable way of securing economic returns from regeneration. Second, following the same line of argument, the coalition does not expect that regeneration would lead to rising rents and displacement because of the suburban context. The possible downsides to land-use intensification that were pointed out by interviewees, such as residential and retail displacement, were left out of the strategy making. By prioritizing the future attraction of higher-income residents and large retail tenants, the competition documents framed regeneration as a pathway to economic revitalization without adequately addressing the risks of marginalization and exclusion of current residents and small business owners. In addition, there is a risk that the regeneration efforts could inadvertently worsen social inequalities, further alienating vulnerable groups who find belonging in the multinational community and cluster of small businesses. The omittance of considering socio-cultural aspects underscores growth machine's tendency of prioritizing exchange value over the use value of place (Logan & Molotch, 2007).

The anti-segregation strategy adopted by the coalition is used both as a justification, and as a tool for capturing exchange value. First, it provides a progressive rationale for transformation that is difficult to oppose in public discourse. By framing demographic change and social mixing as inherently beneficial, the coalition is able to pursue a redevelopment agenda that primarily serves its economic interests while shielding itself from criticism. This echoes growth-machine theory in the sense that 'value-free growth' is promoted – in this case, through an anti-segregation ideology (Darrah-Okike, 2017). Second, the anti-segregation narrative is an instrument for place-branding: it signals that Kontula is on an upward trajectory, improving in safety, image, and economic potential, thus making it more attractive for higher-income residents and investors. Hence, Kontula's current status as a socio-economically challenged suburban neighborhood may have contributed in pushing through a growth agenda. As one interviewee noted, the anti-segregation narrative functions like a "smoke bomb," deflecting attention from the social consequences of redevelopment while signaling confidence to the housing market.

Altogether, the findings from Kontula show how the growth machine thesis can be effectively applied to European suburban regeneration. Not only are the theoretical characteristics visible, such as strategic elite cooperation, pursuit of exchange value, depoliticized planning discourse, and justification through value-free growth, they are also adapted to fit the suburban context. Kontula's geography, its stigmatized reputation, and its underutilized land make it a fertile ground for growth coalition activity. The study demonstrates that even in the Finnish planning context – where centralized governance and social equity are often seen as safeguards – urban regeneration can still become a vehicle for elite-led value capture.

6. Conclusion

This article has examined how growth machine dynamics unfold in the regeneration of Kontula, a socially and economically challenged suburb of Helsinki. It has shown that the City of Helsinki and five private real estate companies formed a strategic partnership that collectively drives a regeneration agenda centered on land-value capture. While official planning documents frame the project in terms of anti-segregation and architectural improvement, the research shows that the sale of building rights plays a decisive but obscured role. Core features of growth machine theory are reflected in the coalition's aim to intensify land use through housing construction, its control over decision-making, and the use of rhetoric to justify growth. The study also demonstrates how suburban characteristics – such as spatial stigma, peripheral location, and perceived low displacement risk – further enabled the coalition to pursue economic intensification without openly confronting the social risks associated to land-use intensification.

Theoretically, this study contributes to the ongoing debate on the relevance and adaptability of growth machine theory by demonstrating its explanatory power in a European suburban context. While the theory has often been critiqued for being too specific to the urban political economy of the U.S. (Cox, 2017), this research affirms that its foundational dynamics can be observed under different institutional conditions. Even within a Nordic planning tradition – characterized by strong public-sector involvement, consensus-based decision-making, and welfare-state goals (Drain, 2024) – growth coalitions emerge when municipal authorities and private landowners align around shared economic interests in land development. In the case of Kontula, this is evident in the collaboration between the City of Helsinki and private real estate actors around densification and land-value capture.

Furthermore, the article offers new insights into the spatial flexibility of growth coalitions. By focusing on a suburban case, it challenges the prevailing assumption that growth machines primarily operate in central urban areas or greenfield areas (Phelps, 2012). The Kontula case shows that the suburban periphery can be a strategic site for value capture, particularly when its land is perceived as underutilized, and when the area is regarded to lack retail competitiveness. This

suggests that suburban areas may not just be late adopters of growth machine dynamics but may in fact offer unique opportunities for coalition-led intensification.

This study also extends growth machine theory by introducing the role of anti-segregation discourse in legitimizing growth agendas with positively loaded narratives. The use of an anti-segregation narrative in Kontula reflects what growth machine theorists have called value-free growth, but it also raises new questions about the structure of moralizing narratives in contemporary urban governance. While existing growth machine theory only identifies the justifying narratives of civic pride and advancement of local identity (Kerrigan, 2018), an anti-segregation strategy ties multiple of these concepts together into a larger rationale. Anti-segregation discourse allows coalitions to deflect critique while reinforcing the legitimacy of growth-oriented policies. It thereby functions not only to obscure the pursuit of exchange value, but to actively enable it by associating redevelopment with widely accepted societal values. This research suggests that growth machine theory must pay closer attention to how contemporary coalitions mobilize progressive discourse into broader narratives.

Another important contribution is that this study reveals how planning instruments can act as tools for embedding coalition interests. The use of an architecture competition to guide the regeneration process illustrates how growth objectives can be structured into seemingly neutral and technical frameworks. Rather than relying on informal lobbying, the coalition in Kontula shaped the agenda through formal planning procedures, jury selection, and design criteria that privileged architectural rebranding and financial feasibility. This approach helped the coalition to closely align with growth objectives and limited the possibility for alternative visions of regeneration to emerge. The research highlights how planning mechanisms themselves can serve as sites of power, not only in terms of outcomes but in determining whose knowledge, values, and priorities are recognized in the first place. This suggests a need for further theoretical engagement with how growth coalitions operate through their institutional design and expert-driven planning processes.

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