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Governing Circular Cities: Hoping to meet material needs and limit environmental impacts in urban areas

Circular economy-oriented local economic development policy in municipalities

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Hundreds of municipalities around the world have made the promotion of the circular economy (CE) a strategic priority. For municipalities, businesses are key partners since their actions significantly influence resource efficiency. This study examines how Finnish municipalities promote CE through local economic development policies that enhance business conditions. Strategic documents from all municipalities were reviewed, identifying 17 that advance CE through progressive economic policies. A five-step content analysis combining deductive and inductive approaches was applied to these cases. Findings show varying goals, but land-use monopoly and the municipality's role as a purchaser emerge as central tools. Responsibilities are distributed across municipal organizations, and implementation is often cross-sectoral. The prevalence of yes/no indicators suggests that promotion and evaluation remain in an early stage. The study provides an overview of CE-oriented local economic development policies and highlights blind spots, while future research could explore perceived benefits and implementation through interviews.

Towards Circular Economy: An Analysis of Opportunities and Challenges to Residential Real Estate Investment Companies

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Circular economy focusses on reduction of environment degradation and shifts towards a take make-dispose model to new practices. Circular economy plays a crucial role within built environments including real estate developments. This thesis aims to study the opportunities and challenges of circular economy in residential real estate investment companies in Finnish context. Four research questions were answered through systematic literature review and empirical findings of interviews. According to the interviewees residential real estate investments in circular economy were defined in themes of Lifecycle of the building, Resource optimization, Waste circulation, Environmental impact reduction and closing the loop. According to the interviews key opportunities were Pilot case studies and Promoting education, training, collaboration, and innovation among stakeholders while the most ranked challenges include High Transition Costs or investment costs, Lack of regulations and policy, Lack of

awareness and knowledge about CE implementations and Lack of Financial support from government. According to the comparative analysis, state owned organizations perceive the opportunities of CE both strategically and structurally, but the private actors look on economic reasoning, operational efficiency and market positioning. In challenges, it needs to coordinate governance system to balance the systemic and long-term interests of the state-owned actors with the market-focused interests of the private actors. Introduction of national level circular economy principles and residential real estate transformation is an asset in sustainable urban development. The derived opportunities and challenges and the steps or measures taken to minimize challenges or maximize opportunities could be used as a model by residential real estate investment companies.

Creating value through issue-focused stakeholder collaboration in the transition to a circular economy

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Stakeholder collaboration has been recognized as crucial in the transition to a circular economy (CE). When such collaboration is successful and inclusive, it enables both value creation for stakeholders as well as developing CE further either in urban, business or other contexts. However, CE-related value creation through stakeholder collaboration has predominantly focused on organization-centric stakeholder approaches—for example, business models and industrial networks—and has adopted a rather narrow and economically oriented view of value. Simultaneously, the issue-focused stakeholder approach in stakeholder theory, which convenes a network of multiple stakeholders around a focal issue to generate innovative solutions and create value for addressing grand challenges, has remained underexamined. These stakeholders include e.g. local government such as city officials, various businesses, research institutions, regional government, developing organizations, and a wide range of civil society representatives.

This article explores the value created through issue-focused stakeholder collaboration within a multi-stakeholder context in a CE. Theoretically, the article builds on stakeholder theory, value creation literature, and CE transition research. The empirical data consists of 26 interviews with CE experts and reveals four different types of value that stakeholders experience to achieve through issue-focused stakeholder collaboration: relational value, novelty value, vitality value, and transformative value. The findings contribute to issue-focused stakeholder theory and CE transition literature by developing an issue-focused value model that demonstrates how collective wisdom generated by wide stakeholder collaboration can address CE challenges while concurrently creating value for stakeholders.

Governing Production and Consumption in Circular Cities

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Local governments play an important role in promoting the circular economy (CE), for example by setting agendas through CE roadmaps and action plans, and by organizing services and maintaining urban infrastructures. In the European context, Finnish local governments possess relatively wide autonomy and resources, and CE has been on the national public agenda since 2016. These features make Finland a relevant empirical setting for examining the antecedents of successful circular city governance. Drawing on four sub-studies and prior literature on CE, circular cities, local governance, and cities as dissipative structures, this dissertation sheds light on how circular city governance impacts urban production and consumption.

The results indicate that city governments primarily expect the closing of material loops in production and consumption to improve environmental sustainability, while other expected benefits remain secondary. The dissertation further shows that impactful circular city governance requires a hybridization of modes of governance capable of engaging multiple institutional logics across the urban circularity governance processes. City governments are particularly willing to collaborate with local enterprises to transform urban production and maximize the positive impacts of CE promotion, whereas efforts and chances to influence urban consumption remain more limited. Finally, the study highlights the need for governance beyond municipal borders, as material flows do not respect administrative boundaries.

By taking a local perspective, the study advances theoretical understanding of circular city governance. For policymakers, it clarifies the rationalities and limitations inherent in CE promotion and presents a range of tools that local governments may employ in their quest to promote circularity.