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Challenges to national urban policies in the Netherlands

Herausforderungen an nationale Stadtpolitiken in den Niederlanden

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Abstract

Recently, a new consensus about the role of cities as the motors of the regional, national and European economy has emerged. However, there is also substantial evidence that social problems are growing in many cities. Linking economic competitiveness to increasing social inclusion is a crucial challenge for policy-makers at all levels of government. The article intends to shed light on the way the Dutch central government tries to support cities to develop into sustainable, vital, complete and competitive entities. As response to a powerful plea by the largest cities themselves, an integrated policy (linking spatial, economic, social, environmental and safety policies) explicitly focused on cities, was given shape. Prime issues are covenants between central government and each city, based on tailor-made long-term strategies, including measurable objectives. To get a clear picture of the policy's effectiveness – after 13 years of experience – appears to be difficult. Reviewers argue that a lot of aspects could be improved. For the current phase most of these comments have been taken into account.

Kurzfassung

In den letzten Jahren hat sich eine neue Übereinstimmung über die Rolle der Städte als Motoren der regionalen, nationalen und europäischen Wirtschaft herauskristallisiert. Allerdings gibt es auch maßgebliche Anzeichen für eine Zunahme von sozialen Problemen in vielen Städten. Die Verkopplung von wirtschaftlicher Konkurrenzfähigkeit und verstärkter sozialer Integration stellt eine entscheidende Herausforderung für politische Entscheidungsträger auf allen Regierungsebenen dar. Absicht des Beitrags ist klarzustellen, auf welche Weise die niederländische Zentralregierung versucht, Städte bei ihrer Entwicklung zu nachhaltigen, lebendigen, perfekten und konkurrenzfähigen Einheiten zu unterstützen. Als Antwort auf eindringliche Appelle durch die größten Städte selbst wurde eine integrierte – ausdrücklich auf Städte gerichtete Politik – gestaltet (Verbindung von räumlichen, ökonomischen, sozialen sowie von umwelt- und sicherheitspolitischen Bereichen). Maßgeschneiderte Vereinbarungen zwischen der Zentralregierung und jeder Stadt sind Kern dieser Politik – diese Vereinbarungen basieren auf langfristigen Strategien und beinhalten messbare Zielsetzungen. Nach den Erfahrungen von 13 Jahren scheint es schwierig, ein klares Bild über die Wirksamkeit der Maßnahmen zu erhalten. Kritische Beobachter halten viele Aspekte für verbesserungswürdig. Die meisten ihrer Anregungen wurden für die aktuelle Periode berücksichtigt.

1 General introduction, research framework and methodology

Cities – or better: city regions – are the vital economic, cultural, transport and innovation centres of Europe. They function as the motors of the regional, national and European economy. However, many of these motors face substantial problems. Their development is progressively challenged by internal forces (such as processes of social exclusion and spatial segregation, relatively high unemployment rates, high crime rates and heavy traffic congestion) as well as external forces (globalisation, shift towards a knowledge-based and technology-driven economy, increasing mobility of production factors, demographic change, ongoing European integration and heavy pressure on environmental quality). Disparities in socio-economic conditions between neighbourhoods within city regions appear to be considerably higher than disparities between cities or regions in a country (Urban Audit 2004). They form a threat towards a balanced and sustainable urban development and are therefore an impediment on the social cohesion within a country. Apart from social cohesion, the internal and external factors induce cities to operate in an increasingly complex and competitive environment. Urban competition seems to have become the leading principle to determine the future urban system in Europe (Brotchie et al. 1995; Kresl 1995; Cheshire/Gordon 1995; Rondinelli et al. 1998, Deas/Giordano 2002; Parkinson et al. 2004 and many others). Cities need to anticipate and respond efficiently and effectively to opportunities and threats that influence their competitiveness. City governments develop policies to try to meet these challenges, but at the same time higher layers of government pursue policies that influence the position of the cities. Central governments (and regional governments in federal states) draw up financial and policy frameworks that establish the spatial, social, economic and political conditions for cities to design their own policies.

This contribution intends to shed light on the way the Dutch central government tries to foster a healthy development of its cities. For understanding national urban policymaking it cannot be separated from the national context. This context is made up of the pattern of spatial and economic development, the institutional framework and the (national) political debate and political priorities set. As a consequence, the conceptual framework for analysing the Dutch case is made up of those factors that influence urban development, notably European and national context factors, external and international factors that influence urban development and the way in which local parties deal with changes, problems and opportunities (governance). In

this contribution we focus on national urban policies. It is obvious that these national policies on their turn are induced by internal and external changes. At the same time, developments on the local level could have an effect on the national agenda as well. This interaction of levels of policy-making is another issue that will be considered. The Dutch experience could be of interest to national and local authorities abroad. In order to fulfil this, we have tried to be as accurate as possible (within the limits of an article) with respect to the description of strategies pursued in stead of discussing the approaches used in a more theoretical or general way.

This contribution is a case study rather than a theoretical debate on challenging urban development issues (like: “do cities compete or don’t they?”) or urban development strategies. It is for an important based on policy documents and open interviews with key persons of parties (mostly ministries) involved. Its focus is on explicitly formulated city policies; besides, limited attention will be devoted to more general planning policies as far as they have a substantial impact on cities. For a better understanding of the policy approach adopted the contribution starts with some relevant features concerning the Dutch urban context (chapter 2) and an overview of experiences with national urban policymaking in the near past (chapter 3). Chapter 4 is devoted to the showpiece of Dutch urban policy making, the so-called *grotestedenbeleid* (major city policy or GSB for short), a comprehensive policy explicitly concerned with city problems and city challenges. Chapter 5 briefly discusses the influence of the Lisbon Agenda and the Leipzig Charter on Dutch urban policymaking, whilst chapter 6 contains conclusions.

2 Introduction to the Dutch urban context

Urban system

By world standards, the Netherlands cannot boast any genuine major city. However, if we look at metropolitan regions, then the Netherlands counts two regions with more than one million inhabitants (those of Amsterdam and Rotterdam), and three with half a million to one million (those of The Hague, Arnhem/Nijmegen and Utrecht). In 2004, on a total of about 440 municipalities, 25 had more than 100,000 citizens. After a long period of population decline that started in the 1960’s, the four largest cities have shown a moderate population growth since the mid 1980’s (“reurbanisation”), partly the result of municipal border changes and partly a consequence of changing national spatial policy.

The heart of the relatively balanced Dutch urban system is in the Western part of the country, where the “big four” together with their suburbs and some towns of medium size¹, form the polycentric Randstad region. Physically as well as economically, the Randstad constitutes the core of the Netherlands. Six and a half million people live and work here; 50 per cent of GDP is earned on 25 per cent of the national territory. The population density in this part amounts to some 1,000 persons per square kilometre. In the *Vijfde Nota Ruimtelijke Ordening* (Fifth National Spatial Planning Strategy), that passed parliament in 2006, the Randstad is considered “an urban network that possesses potential to compete with major European economic centres”.

Demographic changes in the largest cities

With 16.4 million inhabitants the Netherlands is the 8th country of the EU-27 (in 2007). The last decade the Dutch population has grown with 0.9 million. Ethnic minorities (*allochtonen*² as they are usually referred to) accounted for two thirds of this growth. With 3 million non-native Dutch residents (half of them non-Western) the Netherlands can be considered an immigration country. The four largest cities in particular have experienced a change in their population composition. The ongoing trend is that autochthonous Dutch people migrate to other cities and that people belonging to ethnic minorities (both non-native Dutch and foreign people) continue to settle in the largest cities. In Amsterdam, Rotterdam and The Hague (together 1.8 million inhabitants) one in every three citizens belongs to a non-Western ethnic minority group. In some neighbourhoods within these cities around 80 per cent of the inhabitants are of non-Western origin against less than 5 per cent in other neighbourhoods. This population composition and its consequences for the development of the cities (especially the integration problem) have dominated a great deal of the political and societal debate in the Netherlands during the last decade.

Urban dynamics

In the 1960s processes of industrialisation and urbanisation, reflected in the growth of the largest cities, came to an end. The increased prosperity, manifest in higher disposable incomes, greater mobility and a demand for more comfortable housing and living, determined the transition to suburbanisation in the 1960's and 1970's. The 1970's brought an exodus from the largest cities, stimulated by the then prevailing national policy of allocating housing schemes to a limited number of formally designated growth towns in the vicinity of the core cities, a policy meant to prevent unbridled sprawl. This policy

has greatly influenced the development of the largest cities. Generally speaking, it weakened their position. The resulting migration process was highly selective: the well-to-do left the cities and predominantly low income people, including ethnic minority groups, stayed there or moved in. This selective migration reinforced the social and economic degeneration of, in particular, the older residential neighbourhoods surrounding the city centres. The large-scale renewal of the housing stock since the late 1970's has been tailored primarily to the needs of the low-income groups, thus again reinforcing the imbalance in the largest cities. Dutch major cities appear to be magnets for the underprivileged, immigrants included. Especially the share of middle-income groups is low compared to the national average, while the share of low incomes and people with little or no education is high.

Since the 1980's, a change in national spatial policy in favour of cities, in combination to ‘big-city-friendly’ trends as “the information society” and globalisation, restored the position of the major cities. Despite the problematic situation of the deprived residential neighbourhoods, most city centres remained vital economic centres; partly thanks to large-scale revitalisation schemes (see chapter 3). City centres gained popularity as residential areas among specific groups in society, especially young two-income households and well-to-do seniors.

Housing

Today's housing stock in major cities is insufficient to meet the potential demand for good quality housing. The Dutch housing market is affected by two rigidities: first, the possibility to deduct mortgage rent payments from income before tax, resulting in a substantial loss of national tax income³ and driving up house and land prices, and second, a rigid rent policy comprising an annual amount of 1.8 billion euro of rent subsidies to households that cannot afford the rent of the house where they are living (Ewijk et al. 2006). In Rotterdam, 22 per cent of the households receive ‘rent compensation’ (CBS Webmagazine 26 March 2007). Experts speak of an inflexible housing market, which has its complicating repercussions on urban renewal (VROM-raad 2007). Until now, the government coalition has no intention to change this situation during the present term in office, a major reason being that the consequences of a reform of both policies on the housing market and on income distribution are not clear. This problem will not be solved in the short term, making the spatial-economic mismatch (most jobs in the city being in the hands of people living elsewhere) a problem.

Urban economics

From an economic perspective, the Randstad is made up of two distinctive parts, usually referred to as the “noordvleugel” (northern wing, comprising the regions of Amsterdam and Utrecht) and the “zuidvleugel” (southern wing, the regions of Rotterdam and The Hague). These two parts have developed at different speeds: a strong economic performance in the “noordvleugel”, while the “zuidvleugel” is economically trailing behind (Ministerie van Economische Zaken 2003). Some experts claim that national investments have been biased towards problems in the Randstad. They assert that many promising developments are found outside the Randstad, in cities along the main transport axes to the south and the east of the country. They argue for a vision on the spatial economic development of a much wider area. Such a vision would permit more focused spatial investments and more effective exploitation of economic opportunities (Ministerie VROM website).

During the last decades the Dutch economy appeared to be rather sensitive for economic cycles. The pessimistic economic outlook for the future of the largest cities during the early 1990's was replaced by optimism between 1995 and 2001, when the economy grew with an average of 4 per cent per year. In that period unemployment gradually dropped to one of the lowest in the EU. After 2002 the high economic growth rate disappeared rapidly, leading to one of the poorest economic performances of the EU-15. This development affected the cities in several ways. For instance the Amsterdam office market recorded the highest vacancy rates ever. Unprecedented budget cuts by central government hit the cities too, because national grants, including GSB grants, were reduced considerably. The public sector in general took a step back, leaving former public tasks to the private sector and to local authorities. The traditional ‘welfare state’ model seemed to be gradually replaced by a model in which people have to accept more responsibilities of their own. Since 2005, the Netherlands has experienced a substantial economic recovery and the growth rate is again above the EU-growth average for 2007.

Financial framework

Dutch municipalities are highly dependent (for more than 80 per cent) on state payments. Notwithstanding the strong financial dependence on the state – certainly if compared to German cities –, the role of municipalities has never been marginalised, the reason being that the central government needs the local authorities for the execution of their tasks and policies. It is a matter of participatory rule (Derksen 1996).

3 Experiences with national urban policies in the Netherlands

It is only since the late 1980's that explicit attention has been given to the role of cities, at first notably in spatial policy, later also towards housing renewal, economic revitalisation and social innovation. However, most policies were not explicitly focused on cities, despite the fact that the worst societal problems could be found in cities, particularly in the largest ones. In 1994 a ‘purple’ coalition of socialists, liberals and neo-liberals made the problems of the large cities a priority on the national policy agenda, not the least because of an urgent plea from the four largest cities themselves. That was the start of the *grotestedenbeleid* (GSB) that will be discussed more thoroughly in chapter 4.

Before the 1980's most (territorial) policies were in fact “anti-urban”, because cities were expected to be economically strong enough. Most policy attention was given to economically lagging peripheral regions, following the principle of “equity”. When the national economy was hit by a severe recession in the early 1980's things changed. It was realised that in a globalising world the large cities were more than before the precious engines of the regional and national economy. It should be prevented that they turned into the new problem areas. Therefore the national policy approach changed into a more balanced “equity plus efficiency” approach, paying more attention to deliver the right conditions for economic progress. Before discussing the *grotestedenbeleid* we will briefly summarise some other aspects of national policy that affected the functioning of the cities.

Spatial policy

Since the 1980's national spatial policy stressed the need for economic growth and the role of the market sector. This emphasis on economic growth and international competition has very explicitly put the larger cities in the spotlight. The need for urban revitalisation was stressed, to be effected by outward expansion as well as by restructuring inner-city locations that had lost their functions. When it became clear in the late 1980's that the earlier mentioned (see chapter 2) growth town policy was effectively an ‘anti-city’ policy, the focus was shifted to the major cities and their immediate vicinity. This led to a “compact-city” policy that was to prevent further population decline in the largest cities. Objectives of this concentration policy were to foster a positive economic development of cities and limit the growth of mobility.

Instruments that contribute to urban revitalisation are the *Sleutelprojecten* (Key Projects). With these large scale multifunctional projects central government aims to improve the quality of life in cities and to attract businesses. The Ministerie van Volkshuisvesting, Ruimtelijke Ordening en Milieu (VROM; Housing, Spatial Planning and the Environment) assists in the planning and provides funds if private participants are investing as well. Public-private partnerships are a precondition for state support. The first generation of (about ten) urban revitalisation projects⁴ was realised with mixed success. The second generation is made up of station areas. The advent of the European high-speed railway network creates opportunities for the stations on the nodes of the network. Therefore, the ministry together with the Ministerie van Verkeer en Waterstaat (Transport, Public Works and Water Management) have made € 1 billion available for investments in high-speed railway stations in six cities⁵.

The *Vijfde Nota Ruimtelijke Ordening*⁶ (Fifth National Spatial Planning Strategy) can be considered a structural change in Dutch spatial planning. Local stakeholders⁷ get more freedom to decide on use of land. Top-down policies have been abolished. The idea is that the development of the country's networks of cities is vital for its competitiveness. Economic activity is promoted within six urban networks, the Randstad being one of them⁸. Reliable connections between these networks are a priority, as well as the development of Schiphol airport and the Rotterdam harbour.

Housing policy

Within national spatial planning, the allocation of housing schemes is a prime national policy instrument with direct influence on the spatial structure. Financial support from central government to municipalities for the construction of houses depends on this allocation. Although housing policy is not explicitly urban, the greatest challenges do occur in and around the largest cities. In the (former) *Vierde Nota Ruimtelijke Ordening* (Fourth National Spatial Strategy, called "*Vinex*"⁹) city regions were invited by central government to propose large-scale housing schemes (*Vinex-locaties*). By covenants between the state and city regions, agreements have been made about funding, infrastructure, soil cleansing, et cetera. The implementation and financial responsibility rest mostly with the municipalities. One of the aims was to relax the distorted housing market; distorted, because many high-income households rent cheap dwellings that should come available to lower income households. The idea was to lure higher incomes

to move to these *Vinex* neighbourhoods. Although central government takes responsibility only for the lower income groups, here too, the desired development is dependent on market participation. Despite (or as a consequence of) state intervention in the functioning of the housing market, this market is hit by severe rigidities, leading to a mismatch between demand and supply.

Urban-renewal policy

Urban renewal, which started in the 1970's, was primarily meant to improve the poor housing conditions in the old inner-city districts of mostly the largest cities, where low incomes and unemployment are concentrated. Similar to housing, the national government is financially deeply involved in the large-scale and intensive urban-renewal policy. The original expectation was that the catch-up operation would be completed around the year 2010, but reality shows that urban renewal has become a more or less permanent process, since several post-war neighbourhoods (those with large scale apartment blocks) are becoming obsolete too. Before 1990, the policy was focused on physical rehabilitation. Since the 1990's the attention shifted from 'bricks and mortar' to a more comprehensive approach, taking into account social affairs, employment, health, education, economic affairs, safety, et cetera. Urban renewal activities have now been integrated in the *grotestedenbeleid*.

Traffic and transport policy

The accessibility of economic centres, especially the 'mainports' Schiphol and the Rotterdam harbour, are central to the traffic and transport policy. Because the quality of living is more under pressure in dense traffic areas, the policy was first and foremost directed at cultivating public transport. Investments in regional public-transport networks were supposed to keep the pressure on the road network within acceptable limits. In the latest national *Nota Mobiliteit*¹⁰ (Mobility Report) a major shift from car to alternative forms transport is no longer proposed (owing to lack of results in the past). The main goal has become to reduce congestion by investing in infrastructure, by making better use of the existing road capacity and by limiting access to transport infrastructure¹¹.

4 Experiences with explicit “major city policy”

Pioneering phase: GSB I (1994–1998)

The initiative for the GSB was taken by the ‘major four’ cities in 1994. The recognition that social problems were getting worse, in particular as far as safety, living climate and lack of jobs were concerned, prompted the four largest cities to submit a “rescue plan” to the new “purple” coalition government of socialists and liberals. This coalition indeed made the problems of the major cities a priority concern of national policy. A comprehensive policy was announced, integrating all kind of (already existing) state payments. Within the Ministerie van Binnenlandse Zaken (Ministry of the Interior), a Secretary of State was appointed as coordinator, because this policy was not the responsibility of the Ministerie van Binnenlandse Zaken alone, but cabinet policy involving eleven ministries to a greater or lesser extent¹².

Between 1994 and 1998 an annual sum of about € 1.7 billion was made available, found mostly by combining already existing funds of the participating departments. During this first GSB period, central government made performance agreements (covenants), first with the major four cities and later with 21 additionally selected cities¹³ on five issues: (1) work and economy; (2) youth and safety; (3) (health) care; (4) quality of social and physical living environment; (5) education. On the basis of these agreements, the cities had to produce *action plans*. Because of the relative large unemployment numbers in the larger cities at the beginning of the 1990’s the “work issue” got most of the attention (and finance).

Development phase: GSB II (1998–2004)

After the 1998 elections the second “purple” coalition continued the GSB. The appointment of a special Minister voor Grote Steden en Integratie (Minister of Major Cities and Integration) emphasized the importance of the GSB on the national level (and showed the link between urban problems and integration issues). The budget and the number of policy instruments and objectives increased compared to the first period. Five cities more became eligible for support. GSB II focused on 30 large and medium-sized cities¹⁴ with 9 objectives:

- reducing (structural) unemployment and promoting job opportunities
- strengthening the competitive position of cities
- improving the match between education and labour market

- strengthening the position of urban residential areas on the regional housing market
- improving the (physical) living environment
- improving accessibility of economic activities
- strengthening the social infrastructure
- improving safety
- sustainable regeneration of deprived neighbourhoods.

Besides, three objectives with regard to the delivery process were formulated. Municipalities should try to

- coordinate their urban objectives with neighbouring municipalities,
- realise active participation of citizens, companies and institutes in policy development and execution,
- make use of an integrated area approach for deprived neighbourhoods.

The GSB was streamlined by defining three “pillars”: an economic, a physical and a social pillar. For each pillar a broad special purpose grant should replace the many earmarked grants in order to improve the flexibility of local policymaking. The “work and economy pillar” focused on strengthening the economic vitality in cities. The “physical pillar” made arrangements to improve the quality of the living and working environment in cities and was mainly covered by the already existing urban renewal budget¹⁵. The “social pillar” covered a wide variety of issues like the social living environment, (health) care, education and safety and included a large number of specific grants, provided by five ministries¹⁶.

The cities eligible for GSB-support had to produce city visions for the next ten years, which they had to translate into a long-term development programme. In these programmes the cities indicated the social, physical and economical goals that should contribute to the general GSB objectives and how they were going to obtain these goals. The central government reviewed these programmes after which covenants were negotiated with the cities for the period 1999–2004¹⁷, including the expected performance of the cities. On the basis of these covenants, the national government assigned € 10.3 billion to the implementation of the programmes till 2004.

Political turbulence changed focus of GSB

The murder of the controversial politician Pim Fortuyn – two weeks before the national elections in 2002 – caused a political crisis. His (new) party won 26 seats (out of 150) in parliament. Fortuyn’s ideas have undoubtedly influenced the political priorities of the es-

established parties. The tone in the political debate about integration of ethnic minorities (more obligations), immigration (tougher immigration procedures) and safety (more attention for law and order, less tolerance) changed and affected the GSB. The new coalition of Christian democrats, liberals and Fortuyn's party (LPF), abolished the special Minister voor Grote Steden. However, GSB was continued, a major reason being that the problems of the cities appeared to become even more pressing as the economic situation worsened. Six months later this cabinet resigned, because of continuous conflicts within the LPF party. New elections were held and the LPF lost many of its votes¹⁸. The new centre-right coalition continued to stress the importance of safety and integration issues. GSB came under the (new) Minister voor Bestuurlijke Hervorming (Government Reform) and its focus shifted to safety-, integration- and immigration issues in cities.

Lessons from GSB II as input for the current GSB III

Evaluations of the GSB (Ministerie van Binnenlandse Zaken 2002) by several national knowledge institutions showed that the social-economical position of the GSB cities had improved. In particular the (physical) quality of the living environment had improved, leading to a better population composition (Marlet en Van Woerkom 2005). However, the direct economic stimulation policy was less successful, although unemployment growth was lower in GSB-cities than the national average. Many considered the economic upswing as the major reason (and not the effects of the GSB policy). The evaluation indicated also an increase of crime figures as well as growing feelings of unsafety in the largest cities. The evaluation offered some important lessons for GSB III:

- *Integrity*
Broad special purpose grants (BSPG) should have given the cities more flexibility and responsibility to allocate resources. However, this goal has not been obtained, because only one BSPG was created covering the physical pillar. GSB II has not been able to break down the barriers between the different policy sectors, because the participating ministries were reluctant to bundle their own special grants into broad purpose grants.
- *Result-oriented*
In the long term development programmes the cities had to translate their ambitions into output-objectives. However, the defined output-objectives showed a large uniformity and were difficult to measure as they were rather generally formulated. Furthermore no clear agreements had been made on their accountability.

- *Partnerships*

The evaluations showed that there has not been enough cooperation between the cities and the participating ministries, which has made it difficult for the ministries to evaluate the performance-agreements. The cities themselves were not successful in stimulating stronger involvement of local stakeholders. Residents and professionals working in cities (youth workers, community workers, etc.) were not enough involved in the development and execution of the urban policy.

- *Regional coordination*

Another lesson from GSB II is that cities did not (or did not enough) take the regional scale of many of their problems (like the housing- and labour market and accessibility) into account.

Current "major city policy" (GSB III: 2005–2009)

The evaluation of GSB II led to a revised system of agreements and the addition to the GSB of the themes safety and integration and nationalisation (in a sense of "settling down" in the Dutch society) of ethnic minorities. The mission for GSB III became "to work together on the strength of the cities, whereby visible (and measurable) results have to be achieved with a minimum of bureaucracy" (Ministerie van Binnenlandse Zaken 2004). The three broad special purpose grants became the main building blocks. Within these grants cities are free to spend the money corresponding to their specific needs. There is more freedom for cities to develop their own policies and less red tape thanks to simplified monitoring and evaluation procedures. An "urban dialogue" takes place annually between city and central government about progress on the stipulated objectives.

In GSB III much attention is given to accountability. A precondition for holding cities accountable is that achievable objectives had to be formulated. Therefore a distinction has been made between "outcome" and "output" objectives. Outcome objectives refer to societal effects that remain the ultimate goal, while output objectives refer to concrete measures that can be achieved and that contribute to attaining the desired outcome objectives. With tools such as discussions, administrative ruling and – in extreme cases – a cut in financial grants, the cities will be held accountable.

Like in GSB II, a tailor-made approach has been used. Cities had to formulate their ambitions in updated long-term development programmes, based on a SWOT analysis of the local situation across the full range of the GSB topics.

Objectives GSB III

As mentioned earlier in GSB III the nine (outcome) objectives of GSB II were reduced to five:

1. Improving factual and perceived safety
2. Improving quality of the environment
3. Improving social quality
4. Binding middle and upper income groups to the city
5. Improving the city's economic strength.

On the basis of these objectives central government and the cities have agreed on concrete results. To attain the "outcome" objectives, for each of the three broad purpose grants output objectives have been formulated that can be measured through a number of indicators. For some objectives inter-municipal harmonisation is required. A baseline measurement took place at the beginning of GSB III. An illustration: for the urban economy four compulsory and one optional output objectives plus indicators were defined, such as "reducing the number of outdated industrial sites" (in hectares of renovated sites). Because economic policy is usually a matter of local initiative, the optional objective (to be formulated by the city council in collaboration with central government) seems most relevant here.

For the physical element the focus is on urban renewal. Four policy themes are considered important here: housing (better balance between supply and demand), environmental quality (including public space, green areas, cultural impulse, soil decontamination, noise control and air quality), water and water systems, and access.

Finally, for the social quality dimension seven themes have been jointly identified by the cities and central government: (1) integration and naturalisation; (2) young people, education and training; (3) social care/outpatient addiction treatment and woman shelters; (4) cutting health waiting lists; (5) safety; (6) participation, sport, culture and leisure; and (7) social quality of the home and living environment. In this domain some remarkable indicators have been formulated, like "tackling obesity amongst 0 to 19 year olds".

Financial framework

The financial framework of the GSB III corresponds with the three broad special purpose grants. The table presents the sums that are available during the agreement period.

The table indicates that less money is available compared to GSB II, a consequence of the budget cuts launched by the former cabinet. It is no surprise that

the cities were unhappy with the proposals. However, it is difficult to compare the two periods since the resources of the Ministerie van Sociale Zaken en Werkgelegenheid (Social Affairs and Employment) are no longer in the GSB figures. As from the 1st of January 2005, this ministry did no longer participate in GSB. This is remarkable, as its role was quite considerable during the first two GSB-periods. The ministry decided to make specific arrangements with the cities. In the old situation municipalities would get financial compensation for each person that needed social security. Now the cities can keep part of the state money¹⁹ if they succeed in getting people out of the social security system within twelve months (through education, work-placement, et cetera). The new policy can be considered as a prominent example of decentralisation of responsibilities to cities and goes actually one step further in that respect than GSB III.

The present government has put the (social) problems of cities high on the national policy agenda again. The coordination and organisation of GSB shifted to the newly appointed *Minister van Wonen, Wijken en Integratie* (Housing, Communities and Integration). She has launched the *Actieplan Krachtwijken* (Action Plan Powerful Neighbourhoods), designed as an extra support for 40 neighbourhoods in 18 cities with the most pressing problems. The idea is that more focus is required. To that end a limited number of neighbourhoods and a limited number of issues qualify for this initiative for which € 400 million will be made available annually. An important role (and an annual investment of € 250 million over ten years) is expected from the (social) housing corporations, but one year after the launch of the action plan the ministry and the housing corporations have not yet reached an agreement.

GSB III period (2005–2009): purpose grants, sums available and coordinators

BSPG	Budget in €	Coordinator
Physical aspects	1,091.4 million	Minister voor Volkshuisvesting, Ruimtelijke Ordening en Milieu
Economy	162.1 million	Staatssecretaris van Economische Zaken
Social issues, Integration and Safety	2,577.2 million	Minister voor Bestuurlijke Hervorming; since 2007: Minister of Wonen, Wijken en Integratie (Housing, Communities and Integration)

Source: Ministerie van Binnenlandse Zaken 2004

Future of GSB

A relevant question for central government and the cities is whether to proceed or not with GSB after 2009. Several national knowledge institutions have been asked to present their view on the future of the GSB. The Ruimtelijk Planbureau (Netherlands Institute for Spatial Research – RPB 2006) argues that since its start, GSB has developed from a policy tackling social problems into a policy aiming at stimulating economic growth, with the implicit assumption that this would contribute to tackling social deprivation. Broadly speaking, this assumption appears not to be true. The Sociaal Cultureel Planbureau (Social and Cultural Planning Office – SCP 2006) concluded that although living conditions in the cities have improved, the inequality between population groups has increased. Moreover, the four largest cities trail behind the rest of the Netherlands and the other GSB cities, as far as quality of live concerns.

The Ruimtelijk Planbureau has formulated three options for the future: (1) focus on economic development; (2) focus on fighting social deprivation; (3) bring GSB to a complete stop. It claims that trying to combine the first two options (the integrated approach) has its limits and may lead to inconsistencies and argues that a clear choice is needed: a preference for the first option requires more attention for policies at the regional level, whereas the neighbourhood level is the appropriate level for tackling social problems.

The Sociaal Economische Raad (Social and Economic Council of the Netherlands – SER 2007) claims that due to persistent problems in a limited number of neighbourhoods the need for a major city policy stays on. The SER concludes that GSB should concentrate on tackling persistent and complex bottlenecks in specific neighbourhoods. Moreover, there should be state support to seize opportunities that go beyond the power of individual cities or city regions. Cities should be in a (financial) position to tackle urban problems themselves, without state interference. If state support appears to be inevitable, then cities have to set their priorities and enter a partnership with central government based on a charter in which performance and contra-performance are linked.

All experts cited foresee that the current approach is coming to an end: the magic seems to have worn off. The concentration on 40 neighbourhoods is a signal. Some observers even doubt the benefits of continuing GSB. They argue that a final step could be to combine the three broad special purpose grants into one grant and stop state interference in local policymaking. A coordinating role by central government could be enough. Others however claim that GSB has to be con-

tinued, because the objectives set have not yet been realised. The current coalition seems positive about continuation, albeit in another format, as the 40 neighbourhoods approach shows.

5 Impact of the Lisbon Agenda and the Leipzig Charter on Dutch urban policymaking

The Lisbon Agenda states that cities and regions play an important role in improving the investment and business location climate and the local and regional labour markets (European Commission 2005). The Dutch central government has asked the Sociaal Economische Raad (Social and Economic Council of the Netherlands – SER) how to generate the greatest synergies between the various authorities and between the authorities and other partners so as to increase their involvement in achieving the Lisbon targets. In its advice the SER concentrates on anchoring the “Lisbon ownership” on the level of the GSB-cities (SER 2007). The SER supposes that the contribution of the cities can not easily be isolated from that of other actors, like the state, education and knowledge institutions, and so on. What cities can do is pro-actively try to remain or become vital centres, able to meet the ever-growing requirements with respect to the living, business, cultural and recreational climate. Cities should offer room for entrepreneurship, show economic diversity and dynamism, offer amenities, adequate education and jobs that all together will make the knowledge economy prosper. The SER argues that the Lisbon Agenda does not put the cities or the GSB in a new light. The idea is that aiming for the GSB objectives (striving for vital, complete, competitive cities) contributes to the Lisbon targets automatically.

In 2004 the Ministerie van Economisch Zaken (Economic Affairs) launched a new regional economic strategy, *Pieken in de Delta* (Peaks in the Delta) in line with the Lisbon goals²⁰, although “Lisbon” is only referred to in the light of innovation policy and cross border partnerships. The strategy aims at strengthening national growth capacity by utilising comparative advantages of economically high-potential regions (the “peaks”) rather than solely helping deprived regions to catch up. This “efficiency-above-equity”-approach is a new step in Dutch regional policymaking. Although this policy focuses on regions rather on cities, it is worth mentioning here. With this territorial economic agenda central government wants to contribute to improve the business location climate and the scope for enterprise. *Pieken in de Delta* has become the overall policy framework of the Ministerie van Economische Zaken for (among others) the economic dimension of GSB III.

Similar comments as for the Lisbon Agenda can be made about the Leipzig Charter, an initiative of the German EU-presidency and adopted by all 27 EU-member states (EU 2007). The Leipzig Charter is first and foremost a political document. It doesn't lead to concrete actions. The 27 ministers responsible for urban matters declare that they will bring up urban policy into discussion in their home countries. Within Europe, the United Kingdom, France and the Netherlands have made most progress with respect to integrated and coordinated urban policymaking (Berg, van den et.al., 2007). The Leipzig Charter (message in short: "striving for integrated strategies and coordinated action") builds on earlier initiatives as the "Lille Action Programme" (French EU-presidency; CSD, 2000), the "Rotterdam Urban Acquis" (Dutch EU-presidency; Minister van Binnenlandse Zaken 2004) and the "Bristol Accord" (British EU-presidency; ODPM 2005) and is more or less identical with the intentions of Dutch urban policy. For that reason it will not change national Dutch policymaking. What is new is that Europe is allotted a more important role as is formulated in the Charter that "every level of government – local, regional, national and European – has a responsibility for the future of our cities". Europe should draw up a general framework for urban policymaking, which seems an interesting development, given the fact that until shortly most member states did not appreciate European interference into national urban policymaking, owing to the principle of subsidiarity. This is a hopeful sign for cities all over Europe.

6 Summary and conclusions

The growing belief that large cities are the engines for the regional and national economy together with the troublesome increase of social disparities in these cities, have been prime motives for formulating explicit national urban policies in the Netherlands. Targeted national attention to city development originates from the mid 1980's, when the Dutch economy was recovering from a serious recession, while at the same time the largest cities were suffering from selective deurbanisation processes (loss of inhabitants and economic activities) that greatly influenced their population composition. To prevent cities to develop into the new problem areas, several initiatives were launched aiming to contribute to the economic and social recovery of the cities. Initially, these policies were mainly traditional spatial planning policies or urban (housing) renewal policies, giving priority or special advantages to major cities. In the 1990's a "social renewal policy" was added, aiming at a better integration of all kind of instruments to fight persistent social disadvantages.

But until the 1990's a comprehensive approach, linking spatial, social and economic measures to improve urban structures was missing.

The break-through came in 1994, when the four largest cities did come up with an initiative to influence the national policy agenda. This resulted in the *grotestedenbeleid* (major city policy, GSB), aiming at vital, "complete" cities. After a start-up phase, GSB really took off in the period 1998–2004. In that period the budget and the number of cities involved increased, the number of policy instruments expanded, the accounting system was adjusted and a special minister for cities was welcomed. The ambitions were laid down in 10-year development programmes. A key characteristic of the delivery of this policy is partnership, both partnership between state and city (through covenants) and incentives for city authorities to engage in (public-private) partnerships. Another feature is the attempt to achieve a more integrated approach in the delivery of national urban policies through efforts to synchronize sector-specific policies and objectives from the various ministries at the national level as well as the efforts to fight fragmented implementation at the local level.

Evaluations of this second GSB period show that it was difficult to assess the output of the policy, because measurable objectives were missing. The only demonstrable effect was an improvement of the quality of the living environment. Moreover, GSB-cities were in a better (economic) position than at the start of GSB in 1994, but many of the typical urban problems were still there, especially in the four largest cities. One evaluation indicated that GSB did not bring direct relief to the cities for their problems, but its merit lies in the changing behaviour of central government, stimulating a different approach to meet the challenges of cities (RMO 2001). GSB can thus be considered a pilot for a new modus operandi of the government in which decentralisation, result-driven and business-like are leading concepts.

There were critical comments too. Despite the plea for an integrated approach most participating ministries within GSB kept their own (financial) responsibility and the assumption that increasing economic growth would decrease social problems has not proven to be true. The social gap between those that had been able to benefit from the economic upswing and those that did not, remained the same, or even widened. A substantial share of the benefits of economic growth went to people who work in the city but who do not live there.

The current, third GSB period (2005–2009) has learned from the lessons of GSB II. Much red tape has been reduced through a simplified administration and evaluation system. More than 40 special grants were con-

centrated into 3 broad grants. A dramatic shift in the Dutch political landscape brought urban safety and integration of ethnic minorities on top of the GSB list. Central government and the cities agreed to lay down their ambitions towards a reduced number of measurable objectives. The current GSB reflects the desire to decentralise more responsibilities to the cities. The cities welcome this higher degree of policy freedom to find tailor-made solutions at the local level. At the same time, more decentralisation implies that cities are held accountable for the results of their efforts. It is however too early to observe whether the new approach has been more successful than during the preceding period.

In some ways, the sense of urgency of 1994 seems to be back in 2007, especially in the four largest cities. The rigid Dutch housing market, strongly influenced by the public sector, appears to have complicating repercussions on the revitalisation of deprived neighbourhoods. National knowledge institutions have been invited to give their view how to proceed with GSB after 2009. One message is that more focus is required, because GSB is dealing with too many cities (31!) and too many issues, with the fear for fragmentation. Another analysis suggests that integrating economic and social policies has its limits and did not work properly. It is argued that a clearer choice is warranted between a more regional economic scope and a more local social approach in neighbourhoods. Meanwhile the new coalition government (in charge since 2007) intends to continue the GSB, but in a adapted form. The newly appointed Minister van Wonen, Wijken en Integratie (Housing, Communities and Integration) has selected the 40 most problematic neighbourhoods (out of 140 eligible for GSB-support) in 18 cities that will get extra financial support. However, one year after launching the new action plan the financing (for an important part expected from the housing corporations who own a vast majority of the housing stock in these neighbourhoods) has not yet been settled.

To finish, it should be mentioned that – with reference to the “Lisbon goals” – a remarkable shift has been made from problem-led to opportunity-led (regional) policy. Central government aims to stimulate national economic growth by stimulating region-specific opportunities of national significance. The general opinion in the Netherlands is that the Lisbon Agenda as well as the Leipzig Charter does not put the cities or the GSB in a new light. Aiming at the GSB objectives (strive for sustainable, vital, complete and competitive cities) automatically contributes to the Lisbon goals and is in line with the principles and strategies expressed by the Leipzig Charter.

Endnotes

- (1) Among which the municipalities of Almere, Dordrecht, Haarlem, Haarlemmermeer, Leiden, Zaanstad and Zoetermeer, all with more than 100,000 inhabitants (2003)
- (2) Definition: at least one parent is born abroad
- (3) Estimated at 14 billion euro for the year 2006
- (4) Successful first generation *sleutelprojecten* that were started in the late 1980s are a.o. *Kop van Zuid* in Rotterdam, *Ceramique* in Maastricht, *Nieuw Centrum* in The Hague and *Westcorridor* in Eindhoven. Some others were less successful (*City Project* in Utrecht) or did not take off at all (like *IJ-oever*s in Amsterdam and *Noordrand* in Rotterdam).
- (5) Amsterdam, Rotterdam, The Hague, Utrecht, Arnhem and Breda
- (6) Approved by parliament in 2006
- (7) Municipalities, provinces and private developers
- (8) The others are the cities of Noord-Brabant (including Eindhoven, Tilburg, Breda and 's-Hertogenbosch), Maastricht-Heerlen, Twente (Enschede and surroundings), Arnhem-Nijmegen and Groningen-Assen.
- (9) Approved by parliament in 1993
- (10) *Ministeries van Verkeer en Waterstaat* (Transport, Public Works and Water Management) and *Volkshuisvesting, Ruimtelijke Ordening en Milieu* (Housing, Spatial Planning and Environment), Part of *Vijfde Nota Ruimtelijke Ordening*, 2006
- (11) By introducing road pricing
- (12) The Ministries of *Binnenlandse Zaken* (the Interior), *Volkshuisvesting Ruimtelijke Ordening en Milieu* (Housing, Spatial Planning and Environment), *Economische Zaken* (Economic Affairs), *Sociale Zaken en Werkgelegenheid* (Social Affairs and Employment), *Verkeer en Waterstaat* (Transport, Public Works and Water Management), *Justitie* (Justice), *Volksgezondheid, Welzijn en Sport* (National Health, Welfare and Sports), *Onderwijs, Cultuur en Wetenschap* (Education, Culture and Sciences), *Landbouw, Natuur en Voedselkwaliteit* (Agriculture), *Financiën* (Finance), and *Algemene Zaken* (General Affairs)
- (13) In 1995 15 cities joined the major four cities: Almelo, Arnhem, Breda, 's Hertogenbosch, Deventer, Eindhoven, Enschede, Groningen, Helmond, Hengelo, Leeuwarden, Maastricht, Nijmegen, Tilburg, Zwolle. In 1997 this group of cities was expanded by another 6 cities: Dordrecht, Haarlem, Heerlen, Leiden, Schiedam and Venlo.

(14)

In 1999 Alkmaar, Amersfoort, Emmen, Lelystad and Zaanstad were included in the GSB. After an intensive lobby, Sittard-Geleen became the 31st GSB city in 2006.

(15)

Investeringsbudget Stedelijke Vernieuwing (investment budgets for urban renewal)

(16)

The Ministries of *Binnenlandse Zaken* (the Interior), *Sociale Zaken en Werkgelegenheid* (Social Affairs and Employment), *Justitie* (Justice), *Volksgezondheid, Welzijn en Sport* (National Health, Welfare and Sports) and *Onderwijs, Cultuur en Wetenschap* (Education, Culture and Sciences)

(17)

In 2003 it was decided to extend the covenant period with one year up to 2004.

(18)

The party disappeared completely after the 2007 elections.

(19)

The Ministry calculates this state contribution every year.

(20)

The objective of the Lisbon strategy is to create dynamic and competitive, knowledge-based economies.

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Statistics presented in chapter 2 and 3 are collected from the websites of the Dutch Central Bureau of Statistics (www.cbs.nl and <http://statline.cbs.nl>)

The following representatives of ministries have been interviewed: Mr. Broersma (Justitie), Mr. Cremers (Economische Zaken), Mr. ten Doeschate (Binnenlandse Zaken), Hoogendam (Justitie), Ms. Jongman (Verkeer en Waterstaat), Mr. Levels (Volkshuisvesting, Ruimtelijke Ordening en Milieu), Mr. Meijer (Volksgezondheid, Welzijn en Sport), Ms. Nijhoff (Sociale Zaken en Werkgelegenheid), Mr. Overbeke (Verkeer en Waterstaat), Mr. van Velzen (Financiën), Mr. Bringmann (Binnenlandse Zaken) and a representative of the EU DG Regional Policy, Mr. Dijkstra.

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