

## New directions in Amsterdam city making

Amsterdam's development history is usually divided into periods that are clearly visible in the cityscape. Thanks to the well-known 'growth rings', which have been deposited as sediment layers around the medieval core since the sixteenth century, the city is legible as an art history book written in stone. But there is something else hidden behind this external appearance: a history of city making. A succession of working methods, alliances, financing, land policy and ideological motives, which in turn resulted from changes in society and economy, new technical possibilities and the geographical context.

In the second half of the twentieth century, a fundamental shift took place roughly every twenty-five years in Amsterdam city building. 1945, 1970 and 1995 were landmark years. And it could very well be that 2020 will be added to this list. We can draw inspiration from the way new directions were found in the past. And inspiration is needed, because Amsterdam's urban development practice will have to reinvent itself in the coming years. Four themes are central: 1) the search for other forms of value creation, 2) a central role for citizens, 3) the way in which Amsterdam directs spatial development and finally 4) a greater interdependence with the national government and the region.

### Three previous transition moments

In 1995, State Secretary for housing, Enneüs Heerma, cut the financial ties between the public housing corporations and the government. This so-called 'Grossing operation' marked the definitive end of the national government's dominance in housing, that had started in 1901. In the run-up to 1995, experience with market forces in housing development had been gained throughout the Netherlands, and also in Amsterdam. Out of these humble beginnings, the current Amsterdam public-private development practice arose, with initial troubles and failures. This was accompanied by the discovery of a new model of value creation and greatly changed power relationships within the administrative civil service apparatus. A completely new form of internal organization was created. It's fitting that the characteristic bridge that connects the new IJburg district with the rest of Amsterdam is named after Heerma. After all, it was in this project that the public-private partnership (PPP) between the municipality of Amsterdam, the privatized public housing sector and large market parties reached its zenith.

Twenty-five years have passed since the Grossing operation. But before we look at the present, we make another leap of twenty-five years back in time, from 1995 to 1970. On 7 July 1970 ground was broken on the Rhijnspoorplein for the construction of the East line of the metro. At the same time, the first Corbusian-style 'honeycomb' housing projects were completed in the new Bijlmermeer district. What was supposed to have been Amsterdam's definitive step into the future, turned out to be the swan song of the functionalist city. Since the lab coat clad engineers of the Public Works Department had their famous General Expansion Plan (AUP) adopted by the city council in 1934, Amsterdam had changed beyond recognition. The industrial city, predominantly working class, was no longer. What developed instead was city with a strong services sector, specialized in finance, trade and media, with an irresistible attraction to highly educated young people.

It was those young people who, through years of intense neighbourhood activism and street protesting in the ten years after 1970, thoroughly destroyed the Amsterdam planning apparatus. This veritable planning machine, the proud Public Works Department, builder of extensive garden cities in New West, Buitenveldert and Bijlmermeer, creator of ingenious traffic plans and green structures, designer of the IJtunnel and an ambitious metro plan, was finally dismantled in 1980.

Interestingly enough, the heyday of Public Works lasted exactly twenty-five years as well. Because only during the post-war reconstruction period from 1945 onwards to 1970, 'urbanist' Cor van Eesteren and his Public Works colleagues were able to realize their vision from 1934. While the implementation of the AUP had started in the years before the Second World War, the first results in Bos en Lommer and Rivierenbuurt were unmistakably marked by commercial motives. Private building companies provided the intended functionalist slabs with traditional brick facades adorned with stained glass windows and bays. The floor plans were just as traditional as twenty years earlier. Only after the war, as part of the government-led rebuilding programme, could the AUP be carried out as envisaged.

It meant the end of the richly detailed expressionist housing schemes from the interbellum period. This was partly an effect of increasing construction costs, due to scarcity of materials and higher wage costs. But the government-financed public housing was also based on a sober standard and cheap building production. Standardization and mass production were explicit goals of the New Building movement, of which the AUP was an exponent. The engineers of Public Works initially were *en sync* with the spirit of the times. They gratefully made use of new legal means such as the reconstruction plan to clear parts of the existing city. However, the economy of the city began to change from the 1950s onwards. The AUP was an expansion plan for an industrial city with a fairly homogeneous, mostly working class population. The plan and its implementation, with monofunctional garden cities, industrial areas and an American-style "City" with large office buildings, soon became hopelessly old-fashioned. The discrepancy between the idea of good housing and the city of the future from the AUP and the needs of society became too large.

After 1970, the way in which the city was built changed. No longer top-down driven by Public Works engineers, but in close collaboration with neighbourhood committees and under the leadership of the municipal Housing Department. What did not change was the financing. Housing remained a core responsibility of the government for the entire period from 1945 to 1995. The central government, that is. Until 1970, Public Works drew up the plans for where and how to build. The Housing Department then took over this role. Urban development became a heavily subsidized form of neighbourhood work. Civil servants dressed in woolen sweaters and sandals on the one hand frequented 'Quota meetings', where large sums were allocated by the national government for the renewal of existing neighbourhoods, and on the other hand they discussed with residents and activists in smoky community centres how exactly that money would be spent. The promise of urbanization by independent citizens, a spearhead of the squatters' movement and other neighbourhood activists, was smothered in a flood of government subsidies for urban renewal.

The changed municipal focus after 1970 from city expansion and large scale urban renewal to small scale urban renewal and rehabilitation also fits another, more general trend. A higher standard of living and the rise of the car ensured that the major cities were losing population throughout the Western world after 1950. People and companies looking for more space vacated cities and moved into the wider region. The focus of housing shifted to suburbs. Companies concentrated on easily accessible spots along the new national motorways and around train stations. Urban development in Amsterdam was increasingly a matter of city management. A deconcentration of administration and civil services matched this. In 1991 the city was divided into 16 boroughs, completing the deconstruction of the Amsterdam city planning apparatus.

### **Brave new market**

When in 1995 the central government withdrew from public housing, this did not mean that citizens could move to the centre of city making. The city first had to look for a new financing model for urban development. There was citizens' initiative to be sure, but this was mainly limited to parts of the existing city. In neighbourhoods such as Jordaan, De Pijp and Oud-West, heritage organisations and private homeowners comprised to a full blown private urban renewal movement. They refurbished buildings, made room for new groups of residents and entrepreneurs. Taken together, it was a huge wave of renovation, which was invaluable for the vitality and appeal of Amsterdam. The boroughs responded with a strong commitment to more quality in public spaces, largely paid for by a new parking tax that brought in tens of millions yearly.

In the 1980s, the city gradually became attractive again to new groups. There is a well-known story about the municipality's first information market for owner-occupied homes in the South Church. Hardly any visitors were expected, but 10,000 people showed up during the opening weekend, forming queues far into the adjoining square. Large-scale public-private development kicked off soon after. Development of new parts of the city, through expansion or transformation of old docklands, still happened with institutional partners. These were no longer just public housing corporations - although they continued to play a major role in the social programmes in many neighbourhood and in urban renewal - and the money no longer came from the national government. Major investors such as banks and pension funds saw opportunities for return on investment that the city offered. A building boom followed throughout the Netherlands. However, it was the City of Amsterdam, being one of the largest landowners in the Netherlands, that made a fortune at the same time. Instrumental in this was the local leasehold system. After the introduction of the leasehold system in 1896, Amsterdam had gradually acquired ownership of almost all land around the city centre. Leasehold was intended as a spatial management instrument and as a means to allow society to benefit in the long term from an increase in land value, which after all, also partly resulted from public investments. After 1995, however, it became, above all, a means to quickly skim off market value.

That this was to be a lot of value - expressed in money - became clear in the years following the Grossing operation. A euphoric mood took hold of the Amsterdam urban planning sector. Large amounts of money flowed into the municipal coffers from office development on vacant sites around the main train stations Sloterdijk, Amstel, Bijlmer and Zuid and in business parks Amstel III and Riekerpolder. The Land Development Department transferred these proceeds into a 'equalization fund', from which large investments in amenities and infrastructure could be made and non-profitable housing projects could be supplemented. Within a few years the neighbourhood workers from the Housing Department had swapped their sandals for leather Italian shoes and were attending the real estate event Provada. The Housing Department emptied out and was finally disbanded. The time of the Land Development Department had come.

### **The project machine**

The Public Private Partnership process took shape in a well-oiled project machine. Commissioned by the Land Development Department and under the direction of a newly established Project Management Department (PMB), the city built development projects designed by the Spatial Planning Department (DRO). Project-based working was enshrined in the Plaberum (Planning and decision-making process for spatial measures), in which clear phasing with decisions and program and financial control options were distinguished for each project. Steering the development of the city at the structural level had lost much of its allure since the fall of Public Works. Making choices on an urban scale was simply not necessary. So much money came in from development projects

that almost anything was possible. In addition, there was plenty of space in the city to intensify with homes and offices and to find space for infrastructure and urban functions.

At first, the rapid development of the city did not give reason to reverse the decentralization of administrative control and the civil services. Development took place in large area projects that fell directly under the aldermen and mayor. Examples were the Eastern Docklands, IJburg, Nieuw-Sloten and Zuidas. In these large projects spatial and architectural quality could be maintained internally. The Spatial Planning Department, established as a department within Public Works in 1928 to shape and monitor the development of the city as a whole and as part of the wider region, increasingly became the design office of the Land Development Company and PMB. Attempts to revive steering at the structural level failed because of internal municipal administrative power relations and the decentralized governance system

Ironically, the twenty-five years after 1995 were at the same time the only period in which Amsterdam was really able to pursue an independent spatial planning policy. For the past 150 years, there has been endless debate in the city with regard to development directions and important infrastructure, but the national government ultimately decides. The North Sea Canal, Central Station, which was placed by prime minister Thorbecke in the harbour, instead of at Leidseplein, the ring rail line, the national airport Schiphol and the connecting rail line, the orbital motorway A10, the new towns in the Flevopolder, they determined the development of the city to a high extent. Amsterdam could do nothing but follow. But between 1995 and 2020, Amsterdam managed to build two metro lines, a large urban expansion in the IJmeer (IJburg) and a new business centre on the Zuidas with relatively little help from the national government.

Usually, it is impossible for a city without serious tax revenues to independently build expensive infrastructure such as metro and tram. The fact that Amsterdam nevertheless could, has strongly influenced the city's attitude towards the national government. The message became something like: we don't need you at all, we'll do it ourselves. The left-wing 'republic of Amsterdam' opposite the right-wing periphery cabinets in The Hague. But as the investor's wisdom goes, past results offer no guarantee for the future.

### **Limits to growth**

The model of public-private partnership in project-based land development and the new success of the city as place of living and working have been provided with a solid narrative base in the Structural Vision of 2011. However, the Structural Vision did not quite meet all expectations as urban design guide. In 2003, an earlier development-oriented structural plan, called *Choosing Urbanity*, was offered to the city council. Part of this plan was an impressive series of new projects, largely located along the IJ, in the Western Harbours and in the zone between the pre-war and post-war city along the A10 orbital. In addition, development was proposed in allotment gardens and sport fields on the outskirts of the city. The adoption of this structure plan in the city council failed utterly. A public gallery full of angry allotment gardeners and sporting club members forced the alderman to remove the map with new projects from the structural plan during debating of the vision in the city council.

The Structural Vision from 2011 was a new attempt in sorts. The vision presented a very strong narrative about the rise of the knowledge economy, new urbanity and associated development directions. What was missing was a cohesive urban design translation of those directions. The elaboration was supposed to happen in land development projects. However, this was delayed until 2015 due to the financial crisis. Then, all current, new and earlier projects were merged into

one implementation strategy under the title *Space for the City*. The plan for *Space for the City* was almost the same as the project map from *Choosing urbanity*. However, times had changed. The new appeal of the city had perpetuated itself and expressed itself in a structural annual population growth of more than 10,000 inhabitants. After the crisis, there was an explosive growth in international tourism and lastly a very strong increase in employment. This led to a demand for a sharp increase in the number of homes per project and to more efficiently distribute scarce public space in the existing city. Finally, from 2017 onwards it became clear that the impact of climate change and the energy transition on the city was much larger than previously realized.

All this was exacerbated by the fact that since 1995, 'easy' development locations had almost all been developed. Undeveloped land in municipal ownership near national transport hubs, for many years the driving force behind Amsterdam's spatial development, had become scarce. Building new projects in allotment garden parks and other extensively used greenery was increasingly untenable socially and politically. The city would mainly have to be made in transformation areas. This new generation of projects offered ample spatial opportunities for quality, but yielded much less and more unpredictable land revenues. It was a new restrictive reality that did not immediately translate into new modesty. A left-wing city government, which took office in 2018, did so with an ambitious programme. The city should by 2030 be gas-less and climate neutral by 2050. 80% of new housing was to be labelled as low or medium rate rent. New metro lines were needed. The city centre would become largely car free. Urban development was to become much more of a democratic and inclusive enterprise.

Also in 2018, the North/South metro line started its service. In the 1990s, devised to strengthen the position of the city centre against the developments along the IJ and the Zuidas, the line came just in time to help ease the enormously increased pressure on the infrastructure and public space in the inner city. But in the past two years it has become clear that this one mega-investment is not nearly enough.

### **The city unleashed**

Amsterdam in 2020 is a city that has joined the top rank of international metropolises. But the city can hardly keep up with the growth associated with this new found status. The Structural Vision had the ambition to add 70,000 homes to the city by 2040. A large package of investments in quality of the city was part of that building operation: an East/West metro line, a completed ring metro line, a car-free inner city, metropolitan landscape parks, the tunnelling of the A10 orbital at Zuidas, high-quality 'metropolitan spots' in all parts of the city, bridges over the IJ. If the current building pace is maintained, the number of 70,000 homes will have been built in 2022. But none of the major investments from the Structural Vision have been realized.

Meanwhile growth and regional integration is continuing unabated. An extreme concentration of people, employment and activities is taking place in and around the city centre, while housing and extensive urban functions to a large extent end up in the region. This further increases the functional interdependence of the city and region. The concentration of people and functions in and around the city centre leads to an increasing demand for housing and business space, a struggle for existing space and a sharp rise in the market value of real estate. Moreover, the dynamics are more fleeting and faster. This volatile development seems to be characteristic of all cities that have successfully positioned themselves as places of investment, consumption and production in a globalizing world. The vulnerable balance between continuity and renewal is in danger of being disturbed, if it not already has.

The dynamics associated with this volatilization of the city is not just something negative. It is also oxygen for the urban fire. Amsterdam today is, compared to twenty years ago, a fantastically vibrant, unleashed city. There are so many places where people come together, where interesting things happen. Places where people not only consume, but where they produce. Where new ideas and concepts are developed because people are inspired by each other and by their knowledge and culture. And people and companies come to Amsterdam because the city has something to offer them. Opportunities for development, for joint value creation. For love and life.

Amsterdam is the most important international hub in the Netherlands. The city forms a node where international flows of people, information, knowledge, goods, money and data converge. Mass in numbers and diversity is of crucial importance for this node function. There is no urban region in the Netherlands that can take over this function from Amsterdam. There is therefore no foundation for the idea that deconcentration of growth to the south and east of the Netherlands can be an alternative to concentrated growth in and around Amsterdam, as is sometimes proposed. Amsterdam is the main demographic and economic engine of our country. Immigration and internationalization related to this are major challenges for Amsterdam. But they are also essential for the country as a whole.

Locked within its borders, within twenty years the Netherlands could turn into an aging backwater, which is no longer able to maintain the current quality of life. *Verelendung* is a real threat. The current inability to make public investments in education, infrastructure and energy transition is a major risk in this light. No degree of state austerity is sufficient to compensate for the budget deficits looming in the future. The Netherlands must remain part of the international mainstream of people, knowledge and information. Amsterdam as an attractive and vital city is indispensable for this.

#### **A return on investment issue**

So the problem is not the migration of people and businesses to the city. It is two other related developments that are problematic: capital seeking to gain access to the city in search of returns and a declining societal return on urban development.

There is something very peculiar to contemporary capitalism. Interest rates are so low that non-moving capital loses its value. That is why more than ever before money is searching for new possibilities to make more money. Value that is collectively generated in cities - the production of services, knowledge, skills, culture - has an irresistible attraction on global capital flows. We see this reflected in the popularity of investing in urban real estate. But also in the attempts of the platform economy to get hold of a part of the urban cake. Airbnb is disrupting the housing market so that value can be skimmed off. Uber and Lyft do the same with urban mobility. Google with public space. Gorillas and Getir in retail. Collective goods that have been built up over generations - affordable public housing, public transport, public spaces, public services - are undermined in a short time.

The image of the market as a partner, as a cornucopia, as a driver of dynamics has changed since the financial crisis. For this not only market parties are to blame. Many of them are of good will and hope to make a positive contribution to the city. They are often investors who work with 'our' money. Keeping up pension funds and investing savings is also a matter of public interest. The circumstances have simply changed in such a way that the mutually beneficial method of the public-private partnership no longer delivers the desired results. Short-term value creation through skimming market value by the government no longer yields enough to realize our

ambitions and leads to an erosion of the city. While the city is growing faster than ever and money seems to be in unprecedented supply, the conclusion still is that the golden years of Amsterdam's urban development are over.

### **The legitimacy issue**

The fact that working with the market no longer leads to collective quality is related to ever advancing globalization. Another consequence of the increasing international integration of our country and city is the crumbling of the local decision-making power. We are a representative democracy, where deliberation by chosen representatives leads to a widely accepted course for the future. However, the legitimacy of this administrative system is under pressure due to the transfer of control from the local and national level to the international level. Non-governmental organizations such as companies, lobby clubs and think tanks have also gained increasing influence, which they are enforcing through legal channels. All too often these parties do not take any local responsibility and public control is impossible. The question is to what extent our elected representatives still have decision-making power over a joint future. A growing unrest and discontent can be felt in society, with the democratic system itself at risk of losing support.

Maybe the solution for this emerging legitimacy crisis lies not at the international level, but can be found locally. The local strengthening of control offers a counterbalance to the growing influence of international partnerships, companies and NGOs. The desire to get a grip on capital trying to gain access to the city in search of returns can coincide with this. Control starts with ownership and leads to a stronger sense of responsibility and local bonding. The city must position itself firmly in relation to the ongoing internationalization. Not by going against it, but by making smart use of it. The term 'resilient cities' is on the rise. As an international metropolis, Amsterdam must be resilient in order not to lose its footing. This means that we curb flows of capital, people and information and use them for the collective good. Profiting is subject to conditions, reciprocity is a starting point for living together, digital information is public property and not a revenue model and means to power.

### **New directions**

In summary, since the financial crisis came to an end, we have not been able to control value creation in the city and at the same time use it to achieve public goals. Short-cyclic value creation and extraction, in combination with rapid internationalization, lead to erosion of the city. Value skimmed by the government from land revenues is insufficient to compensate for this erosion and to steer the growth of the city in the right direction. All this can be felt in all sorts of ways. In the growing unease about the fleetingness associated with the enormous numbers of tourists, expats, international companies and students. In the alienation people experience. In the extremely high prices of homes and workplaces, caused by the concentration of people and activities, but also by the flood of large and small investors who plunge into the Amsterdam real estate market. In the unwillingness of investors to go along with the high demands that the municipality sets with regard to affordability and sustainability, in the fervent attempts of project managers to keep turning land development projects into revenue machines by maximizing built programmes. In the poor quality in size, floor plans and architecture of the affordable homes realized. In the inability of the city to invest in much-needed amenities, public and green spaces and new infrastructure. In the overdue maintenance of quays and bridges that has become a major problem in just fifteen years and that costs billions to solve.

The city and the municipal spatial development sector have to break the impasse. At least four changes are central:

1. From short-cyclical market value skimming to broad, long-cyclical value creation
2. From public-private partnership to public-collective partnership
3. From project machine to urban quality planning
4. From the Republic of Amsterdam to the Greater Amsterdam National Program

We have only been exploring what these changes mean and how they can take shape. The following are therefore only outlines for a new way of working and organizing. Above all, it is an invitation to question assumptions, to contribute ideas and to further investigate.

### **1. New ways of creating value**

PPP and the current practice of skimming land value have brought Amsterdam much. But the system now provides insufficient quality and revenues. Leasehold was once conceived as a spatial planning instrument and to allow society to profit from long-cyclical value creation. We should look at it value creation in that way again. The city can act as an intermediary between capital in search of returns and real estate development. In practice, that would mean that the municipality can provide loans to develop real estate on municipal land. This yields a long-term return on real estate, as is already being obtained from the leasehold. Because the city owns the land and loans money for development this opens up the possibility to work with new partners wherever possible. Collectives and commons that focus on the development of living and working spaces could be interesting parties.

### **2. Citizen central**

The desire to create value in a different way offers the prospect of fulfilling the promise of the 1970s. The legitimacy of our democratic system is under discussion because of the transfer of decision-making power from the local level to the international level and non-governmental organizations. International agreements, dependencies and the growing power of companies and NGOs could be counterbalanced at the local level. We are still only experimenting with ways in which this could work. There is already plenty of experience with so-called commons. Citizens, organized in collectives or cooperatives, could partly take over the role of the market. Building groups, housing cooperatives and work collectives can play a significant part in the development of the city. They could build affordable rental homes and work spaces that bring back some continuity to the unleashed dynamics of Amsterdam. Democratisation works in different ways at different levels. In dialogue with the city, we must make long-term planning choices and focus our efforts. At the level of neighbourhood and street there is room for more direct and short-term co-creation.

### **3. Urban planning at city level**

The energy transition, climate challenges, increasing pressure on living and working space and a scarcity of resources lead to insoluble dilemmas at the project level. Moreover, projects are much smaller and more diverse than before the financial crisis. Guaranteeing consistency between projects, taking advantage of opportunities and making choices at the level of the city as a whole has therefore become a necessity. This is all about the overall structure of the city and general ideas on urban and architectural quality. Commissioning, decision-making power and responsibility for this must be firmly placed with the city council, which sets and adjusts course continuously and in close cooperation with the city. In practice, discussions about spatial claims, important infrastructure and development directions are still too often conducted within and between projects. But projects cannot judge their own worth. And the responsibility for urban infrastructure such as a bicycle bridge to Zeeburgereiland or a metro between Isolatorweg and CS does not belong with projects such as Sluisbuurt and Haven-Stad. Just as well as these projects



cannot be made responsible for their financing or for the citizen participation attached. Regulating this in a different way requires re-thinking of how the Amsterdam spatial sector is organized, how funds and financing work and about roles and responsibilities.

#### **4. Amsterdam as a national project**

Metropolises are magnets worldwide for young talent and international companies. For a rapidly aging country like the Netherlands, Amsterdam plays an indispensable role as a demographic and economic magnet. The times that Amsterdam was able to grow on its own accord, and more or less against government policy, are over. Without help from The Hague and without regional commitment, serious further growth of our city is impossible and unwanted. City and State must therefore set a common goal; whereby urban growth is assigned a clear value for the Netherlands as a whole. Amsterdam will have to seek cooperation with the region, and in any case with the municipalities in the larger agglomeration. In addition to governance on the metropolitan regional scale, this Greater Amsterdam forms a promising basis for further regional cooperation. Smart investments in the energy transition, urban quality such as greenery, public space, facilities and sustainable mobility and the coordination of urban development with these investments are paramount.

#### **Finally: urbanism in the 21st century**

Building the city is a cultural act. Each generation searches for new directions and expresses in its own way the collective value that characterises every city. There is a great social desire towards a stronger commitment to the collective value of the city. In doing so, it seems logical to look back at how this took shape in the 20th century. But working methods, solutions and elaborations from yesteryear no longer automatically fit in with today's challenges and our hyper-diverse society. We are confronted with trends, transitions and disruptions to which we are still only discovering the answers. It is great that in doing so we can partner up with a committed and skilled populace. If we manage to activate society as a spatial creative force and if we find creative and sustainable solutions to urban issues, then we can truly speak of new directions in Amsterdam city making. If we at the same time succeed in adding a growth ring to our city that does justice to its architectural legacy, we will achieve something grand.

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