



*Nieuwe centra in Nederland; het krachtenveld in de arena van de stedelijke ontwikkeling*

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# New urban centers in the Netherlands

## Summary



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What led me to embark on a study of the emergence of new urban centers in the Netherlands was a question that had puzzled me for some time. On the one hand, the Netherlands had become highly urbanized since the end of World War II; witness the extensive residential areas and business estates. On the other hand, the normal central city functions and facilities are sparse; the assortment of these functions in the new urban expansion areas is clearly incomplete and the market range of the services is limited. Obviously, the policy of the public authorities was not aimed at creating viable new centers; rather, they sought to strengthen the position of the city centers and to hinder the establishment of retail businesses on the edge of town.

In spite of government policy, many new commercial centers have emerged. So far, very little has been published on their development, though. Moreover, when starting this study, it was still unclear where in the Netherlands these new centers were located and how their functional composition and urban form had been shaped. Furthermore, virtually nothing was known about the relative power of the diverse actors, the forces that eventually gave rise to these new centers. An urge to shed light on these issues precipitated this investigation of new centers in the Netherlands. For this purpose, new centers were defined as *the largest concentrations of city-center functions in an urban region containing multiple functions as well as services for an area larger than the district of the centre itself where no urban center had been present in the past.*

I had assumed that the development of new centers in the Netherlands is (and was) the result of an uncoordinated and segmented policy process. Earlier research on those new centers has demonstrated that the package of city-center functions is all but complete. This is disconcerting because the new centers could surely play an important role in the urbanization of the Netherlands, given their multifunctional character and their potential for intensive land use. This paradox led me to formulate my central research problematic as the gap in knowledge about the emergence of new centers in the Netherlands. To explore this problematic, the following core research question was formulated: *which power relations between the actors involved in urban development have determined the existing supply of real property in the new centers in the Netherlands?*

The investigation consisted of a literature review, a 'survey' of new centers in the Netherlands, and four case studies, providing material to test two hypotheses derived from the regime theory advanced by Clarence Stone.

### Conceptual Model and Hypotheses

Clarence Stone defines an 'urban regime' as follows: "the informal arrangements by which public bodies and private interests function together in order to be able to make and carry out governing decisions." Even though a local government possesses administrative authority, it lacks the resources and the legitimacy to operate effectively without the support and cooperation of important private-sector parties. Within the complex urban system, the actors therefore seek out partners who control complementary, essential resources.

There are additional considerations, such as the influence of the electorate. A regime is an informal but relatively stable coalition that has access to institutional resources but does not have a comprehensive control structure. The key participants in urban regimes are the government and the private sector. In addition, there are intergovernmental regimes, which are characterized by close cooperation and mutual dependence among various public authorities and with private parties.

From this regime theory, I derived a conceptual model that could possibly explain the nature of the supply side in the emergence of new centers in the Netherlands. It is grounded in the strong financial dependence

of local authorities on the State from the end of World War II through the 1970s; this tie explains the strong influence of national policy. In that period, the State based its national spatial planning principles on Christaller's Central Place Theory. Presumably, that is why the planning of new centers during this time followed the premises of that model. That assumption inspired the first hypothesis: *"Because of the strong (financial) influence of the national government over the administration of the cities during the 1950s and 1960s, new centers were created during this period containing an array of city-center functions positioned in between those of a city center and a district center with respect to their composition and size."* This hypothesis has been tested by conducting two case studies of new centers that were realized during this period: Leyweg Center in The Hague and Kanaleneiland Center in Utrecht. For the sake of their electorate, local authorities make an effort to provide jobs, housing and services. But since the early 1980s, the financial support that local jurisdictions receive from the State has diminished significantly. In response, the local authorities have turned to the private sector, forging coalitions to stimulate investment (the entrepreneurial government). Regime theory posits that this trend would give the private sector increasing influence. Obviously, the objective of the private sector is to promote those forms of urban development that minimize risk and maximize yield. This dual objective can be attained by building offices, but especially by building retail shops. So doing would supposedly result in a relatively large proportion of retail shops in the new centers. This provides the background for the second hypothesis: *"The share of the retail sector in the new centers that have been developed since the 1980s is relatively large because the (financial) influence of the private sector in urban development had increased greatly at that time."* This hypothesis has been tested by conducting two case studies of new centers that were completed during this period: Nieuw Laakhaven in The Hague and Leidsche Rijn Center in Utrecht.

## Conclusions

Sixty-eight new centers have been established in the urban regions in the Netherlands. In addition, thirteen new centers are in the planning stage or under construction. There is a positive correlation between the number of inhabitants of an urban region and the number of new centers, which implies that most of the new centers are to be found in the Randstad. The majority are situated in between residential areas, somewhat removed from the network of expressways. This choice of sites can be explained by the fact that most new centers are destined to serve the residents of the new urban expansion areas. Consequently, their functional profile is dominated by shopping and leisure facilities, along with government organizations, welfare agencies, and educational institutions. Employment opportunities are much less prominent. The new centers in the urban regions of the big cities are arranged in concentric rings around the inner cities. However, this does not imply that the most remote centers are the latest additions. The new centers are functionally different from the city centers. What differentiates them is their more limited number of functions but also the presence of fewer facilities with a wider range than the local district, city, or region. This implies that the level of centrality of the new centers is lower than that of the city centers. In addition, they are characterized by a narrower multimodality and mix of functions. Persistence of such functional differences between the new centers and the city centers implies that there is still a significant hierarchical ordering in the polycentric networks of the Netherlands. Yet the degree of polycentrism is increasing. It is remarkable that the number of different functions in the first generation of new centers is no larger than in the more recently completed ones. Probably, that is because of the number of functions also reflects the type of new centers that were completed in different periods, each with its own specific functional characteristics.

The first generation of new centers consists of borough centers that were created during the post-World War II reconstruction. At the time, the State played a highly centralistic and directive role. The completion of the second generation occurred during the time of the 'concentrated-deconcentration' model, which was characterized by extensive suburbanization. New centers were built in the new towns ('growth

centers') to service the residents of these suburban areas. The third generation of centers emerged during the period of suburbanization, when large numbers of people settled in the villages around the cities. This led to a transformation of some of these village centers, from the seventies on, into new centers. That period was also known for the compact city policy and the renewal of the inner cities. A fourth generation consists of centers created in transitional locations in the epoch of deregulation. During this period, the role of the State diminished and the regulation regime became more flexible. Meanwhile, the impact of actions by the private sector grew. Notably, during this period university sites were expanded into full-fledged campuses, whereby also these complexes became new centers.

The growth of new centers occurs either on the basis of planned site development or as incremental growth. The type of development may be expected to correspond to the type of the new center. It is likely that borough centers and the centers of the new towns as well as those of the transition locations initially emerged as planned entities, whereas the new village centers and those on university campuses were mainly incremental in nature.

As the case studies reveal, the initiative to develop a new center emanates from the local authorities' ambition to strengthen the spatial-economic position of their cities, which entails increasing the number of dwellings, jobs, and facilities. To achieve this objective, the local authorities entered into coalitions of convenience with the State, neighboring municipalities, and other interests. On the one hand, these arrangements were meant to help expand the municipal territory; on the other hand, they could generate additional financial means to cover budget deficits in land development. Local authorities also sought out formal cooperation with private parties to finance the construction of the desired projects. The objective of these private parties was to generate a profit through the completion of these real property projects. The completion of the new centers was thus a means to achieve an objective shared by local authorities and private parties. It was mostly the local authorities who carried out the planning of the new centers. The participation of the developers, investors and the main users in the planning process was mostly geared to increasing the commercial value of the resulting centers.

The cities of The Hague and Utrecht were proactive in setting the direction of their urban expansion, even though part of this development was envisioned on the territory of neighboring municipalities. The choice of a location for their new centers was also determined by the city politicians and their civil service staff. An important consideration was to locate these centers within their own municipal boundaries. Especially the local civil servants had a decisive voice in the planning process. The State, in contrast, had barely any influence on the development of the new centers. It delegated that responsibility to the provinces. The latter made an attempt to become actively involved in the planning, but in the end their efforts came to nought. The same can be said of (the influence of) the urban regions. During the post-World War II reconstruction, the private parties and end-users could hardly exert any influence at the initiation stage of new centers. But their influence was clearly greater in the new centers that were completed during the period of deregulation.

### **Testing the Hypotheses**

The specifications for the foreseen composition and size of the Leyweg Center and Kanaleneiland Center positioned them somewhere between the level of the city center and that of nearby district centers. Yet this intermediate status was not due to State influence on the cities' administrations. It was the cities themselves, rather than the national government, that determined the profiles of these new centers. Although at the time, the cities were financed from the national budget, the influence of the State was limited. Moreover, the State had not yet been engaged in spatial or retail planning. This implies that the first hypothesis must be rejected. It can be reformulated as follows: "Because of the lack of a national policy concerning spatial and retail planning during the 1950s and 1960s, and because earmarked

contributions from the national budget for the realization of real property for retailing did not exist, local authorities were the main actors determining the emergence of new centers.”

The amount of space allocated to the retail sector in the new centers was relatively large during the period of deregulation, but this was not only the effect of the increased (financial) impact of the private actors. Also the municipalities promoted more retailing to increase the yield of their land development activities. They pushed to increase the floor space for shopping in both Nieuw Laakhaven and Leidsche Rijn Center so as to improve the bottom line of the balance sheets of their investments in land improvement. Also the second hypothesis must be rejected; it can be reformulated as follows: “Because the local authorities needed to steadily increase the income from their own sources after the 1980s, they aimed, in conjunction with the private parties, to generate an optimal yield from their urban development activities, which accounts for the relatively large share of retailing in the new centers created during this period.”

## Reflection

Until 1960, spatial policy hardly existed; development was not directed by the principles underpinning the concept of a retail hierarchy formulated by Christaller. The planning and realization of new centers was exclusively a matter of local concern and resulted from the notion of a ‘balanced district’. A distinction was made between district and neighborhood centers, but boroughs existed only as administrative entities. It was thus decided to realize the new Leyweg Center and Kanaleneiland Center as district centers rather than fitting them to the level of the borough. One consequence was that specific functions serving the entire city or the borough were not necessarily located in these centers but were dispersed along the main traffic arteries. Their location outside the new centers is also related to the contemporary monocentric character of the cities and to the application of the principles of functionalism, which called for the separation of residence, work, and retailing. The dispersal of these functions explains why the Leyweg Center and Kanaleneiland Center are predominantly service centers rather than centers of employment. The case studies in this investigation deal with two periods: before 1960 and after 1980. Because spatial and retail planning policies did not belong to the remit of the national and provincial authorities until after 1960, one may wonder about the impact of policy on the creation of the new centers between 1960 and 1980. To answer such questions, supplementary research is needed.

During the period of deregulation as well, the initiative to develop new centers was taken by local authorities, while the State kept its distance. The municipalities devised the initial specifications and the (overall) urban design. Private parties now exerted substantially more influence on the specification of the plans than they had earlier during the reconstruction period. The local authorities entered into cooperative agreements with them to finance and complete the intended urban development. To secure their participation, the developers clearly followed the lead of the proposals that had been set forth. It was only after the cooperation deals were signed that the developers started pushing for a more market-based model. The main ingredients of that model were lower land prices and reduced risks. Sometimes they drove a hard bargain. But that strategy was not limited to the private parties. The municipalities had learned to play the game too and sought cooperation with the property developers. The main end-users could also exert influence on the plan specifications. But the influence of the investors remained limited (with the exception of Corio).

It is surprising that the local authorities were able to maintain a strong influence on the specifications for the new centers during this period of deregulation. Several explanations may be advanced for this. First of all, the new centers are such large and complex projects and carry such big risks that market parties were reluctant to initiate them. Secondly, hefty operational deficits were projected for the planned new centers, so active involvement of the local authorities was required. A third factor is the impression that deregulation affecting urban development proceeded slowly. Consequently, municipal civil servants maintained their directive behavior for a long time. A fourth explanation is steeped in the entrepreneurial government model. During the period of deregulation, the municipalities received substantially less

transfer payments from the State, which forced them to tap into other sources of income. On the one hand, they sought to establish coalitions of convenience with the State; on the other hand, they sold off land. This allowed the municipalities to pursue an optimal balance in their land management. While they favored high-yield functions like retail and offices, they also expanded the projects. During this period of deregulation, the municipalities behaved as if they were commercial entities. A potential danger lurks in this strategy. The main concern is that the expansion of the capacity was generally not based on market research, but the developers were strictly held to the agreed program. This bind prevented the market parties from exerting a correcting influence. If such situations were to occur at a large scale, they could cause a disruption in the real property market. This is an important point of concern, especially in light of the enormous excess supply of office space and shops produced during the past decades, which has brought about the current level of vacancies. It is not far-fetched to believe that this overproduction was not only the result of the actions of the private parties but that it was also brought about by the decisions of local government. The involvement of the local authorities not only poses a threat of market disruptions but can also hamper the execution of its public oversight responsibilities.

During the post-World War II period, government policy was hardly concerned with the creation of new centers. Instead, it was aimed at strengthening the position of the inner cities. Given this frame of mind, it is remarkable that a large number of new centers were completed after all. Throughout the reconstruction period, the addition of new centers was rarely seen as a threat to the strong position of the historical center. At the time of the deregulation, however, the competition between the new centers and the inner cities had become an issue. The local authorities preferred to promote the renewal of the inner city. To further this goal, it was not unusual for the local authorities to slow down the development of a new center. The problem did not emerge in the municipalities at the edge of the urban region or in the growth centers, where the new center was also meant to function as the principal center of the municipality (i.e., in Zoetermeer near The Hague or in Houten near Utrecht). But in those cases, the issue of competition did arise in relation to the (new) centers in adjacent municipalities. In such situations, that threat could conceivably be reduced if the planning and programming of the main features of the new centers were to be carried out by a higher-tier authority.

It should be noted that the creation of the new centers was not a goal in itself. Rather, these centers resulted from the ambition of the municipalities to strengthen their spatial-economic position through the (re)development of their territory. This explains why the new centers were located within the municipalities' pre-existing or newly annexed territory. Because these decisions were made at the local level, there was insufficient coordination of the location choices at the level of the urban region. Thus, relatively many new centers were created at short distances from each other. The resulting spatial pattern has contributed to the fragmentation of central city functions in the suburban zone, spreading them over a large number of new centers. In addition, many central city functions have been dispersed to solitary sites outside the new centers. Consequently, most new centers in the Netherlands are small. At that scale, they cannot benefit fully from the advantages that would come with a substantial concentration of functions in the new centers, such as compactness, economic synergy, differentiation of residential environments, high-quality logistic systems, liveliness, social safety, and sustainability. From this perspective as well, one wonders whether it would have been better if the planning and realization of the main features of the new centers had been taken up by an authority at a higher tier than the municipality.

The starting point for the future is the current spatial pattern of new centers. As the market shifts from a supply-side to a demand-side model and the share of internet commerce keeps growing, it is not likely that the new centers will be faced with a need to implement large-scale (expansion) programs. However, that does not imply inertia. Given the growth of the urban regions, additional central city functions will be needed. To reduce the dispersal of these city-center functions throughout the urban region, it is important to weigh the options at the level of the urban region or the province before deciding which of the (new) centers would be the most suitable locations for them. Such deliberation is especially important when the objective is to improve the agglomeration economies, the functional diversity, and the attractiveness of a

limited number of (new) centers. At the same time, pursuit of this objective may make a major contribution to the international competitiveness of the Dutch urban regions.

In the Netherlands there are relatively many new centers with a predominantly service-oriented function. Even so, most of the research and theory-building on the (creation of the) new centers has focused on the new centers that are distinguished by their employment function. But the new centers may provide both services and jobs. Therefore, when formulating theory about new centers, it is important to link the agglomeration effects (both centrifugal and centripetal forces) to the service function of cities. As the literature tends to focus on the autonomous growth of cities, the issue of real property development remains underexposed. Yet as the results of the case studies show, the local authorities have been proactive in dealing with the challenge of a growing population and economy through the development of real property. Their policy efforts have generated sufficient basis to support the creation of new centers. It is against the background of these considerations that another explanation for the creation of new centers in the Netherlands may be advanced: "New centers in the Netherlands are the result of local authorities' ambition to strengthen the spatial-economic position of their cities by being proactive in dealing with the growth of the population and the economy and by linking this development to the centrifugal forces in play in the urban region."

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