



Lessons from 150 years of inter-municipal residential planning

*An ex-post evaluation of factors that
determine the dynamics of inter-municipal
decision-making on residential planning*

Thesis MSc SEPAM

Laura Wytema 1305700

Delft, University of Technology

Faculty of Technology, Policy and Management

24 juni 2015



Project details

Title: Lessons learned from 150 years of inter-municipal residential planning

Subtitle: An ex-post evaluation of factors that determine the dynamics of inter-municipal decision-making on residential planning

Author: L.W. Wytema

Study number: 1305700

Email: laurawytema@gmail.com

Graduation section: Policy, Organisation, Law and Gaming

Study programme: System Engineering Policy Analysis and Management

Faculty: Technology Policy and Management

University: Delft University of Technology

Graduation committee:

Chairman: Prof. dr. ir. M.G. (Marja) Elsinga

First supervisor: Ir. H.W. (Herman) de Wolff

Second supervisor: Prof. dr. E. (Ellen) van Bueren

Company supervisor: Ir. P.P. (Peter) van Bosse MRICS (Fakton)

Preface

The moment I enrolled into the pre-master of SEPAM and set foot in my new faculty of Technology, Policy and Management, it felt like coming home. Leaving the creative peers of Industrial Design Engineering behind, I found 'my kind of people' at Curius. Inspiring lectures on network theory, systems and gaming, opened up a new, complex yet sharp and logical world. Around the same time I entered into local politics. For four years I lived two intertwined lives: I learned what I was doing, and I did what I just learned. I truly enjoyed the parallelity, studying and playing 'an actor' in a 'policy network'.

My fascination with our complex world, especially in the field of urban planning, has led to this final piece. This thesis is the finish of the Master of Science Systems Engineering, Policy Analysis and Management. I won't lie; the trajectory towards this report was a challenge. Yet at the same time it was extremely educational, surprising, comical, inspiring and insightful. I have started my professional life in the same discipline. Everyday I enjoy my new baggage of knowledge.

Before you start reading, I would like to thank all who have supported me during writing. Herman de Wolff, for sharing your enormous enthusiasm for this discipline and coaching me through the whole journey. Peter van Bosse, for giving me the opportunity to see spatial wheeling and dealing in real life. Ellen van Bueren and Marja Elsinga for providing ideas, feedback and motivation. Linda, for cooking those delicious meals. Lilian, for that cozy and crazy year. Ludiek, 't Klooster, OWee, TB'ers & D66 for making my student days one big party. Thomas, my love. Iris, greatest sister in the world. Mom and Dad, for making this study possible. Thanks!

Laura Wytéma

June 24th, 2015, Amsterdam

Summary

Research problem

Maintenance and improvement of spatial quality and public housing is a major responsibility of Dutch municipalities. Traditionally, the activities of municipal land development agencies (*grondbedrijven*) contributed to these policy goals. But as a result of past six years' weak performance of the housing market, the agencies' contributions have turned into a financial burden. This puts a strain on municipalities' policy goals. This thesis explores one possible strategy for improving the financials of municipal land development agencies: inter-municipal cooperation on residential planning (*woningbouwprogrammering*). In order to solve the problem of oversupply of new housing, collective action is desirable: coordination of the regional production of housing. But how? Throughout history, governance of residential planning has evolved as a consequence of societal and market developments. Different governance structures have been in force to manage housing production, reflecting the housing market and views on market intervention of past times. Institutional regimes are unique and inextricably linked to the periods during which they were in force. They can never be reproduced, since society, demographics, the structure of the housing market and legislation have evolved. Each unique historical context had different consequences for the dynamics of inter-municipal cooperation on residential planning. As it appears that today's context has not been studied yet, the research problem of this thesis is formulated as follows: insight is desired into the capacity of Dutch municipalities to cooperate on residential planning under current institutional and market circumstances.

Research questions and approach

In order to focus the study, the following main and sub questions have been formulated:

What factors have previously determined inter-municipal decision-making concerning residential planning, and how can inter-municipal cooperation be used as a mean to manage regional supply of new housing?

Part 1: <i>Study design & theory</i>	<ol style="list-style-type: none"> 1. What is a suitable theoretical perspective for the study of inter-municipal residential planning? 2. What analytical framework can be used to explain the practice of inter-municipal cooperation on residential planning?
Part 2: <i>Empirical study: institutional analysis</i>	<ol style="list-style-type: none"> 3. To what extent does the structure of the policy network facilitate inter-municipal cooperation on residential planning?
Part 3: <i>Empirical study: case studies</i>	<ol style="list-style-type: none"> 4. What factors explain the outcomes of the inter-municipal cooperation on residential planning?
Part 4: <i>Prescriptive study</i>	<ol style="list-style-type: none"> 5. Given the current legal context, how can lessons learned from the empirical study be used to facilitate inter-municipal management of regional supply of new housing?

Table 0-1: Research parts and sub questions

The empirical study has been split into an institutional analysis and two case studies. Figure 0-1 represents the coherence between the parts of the research.

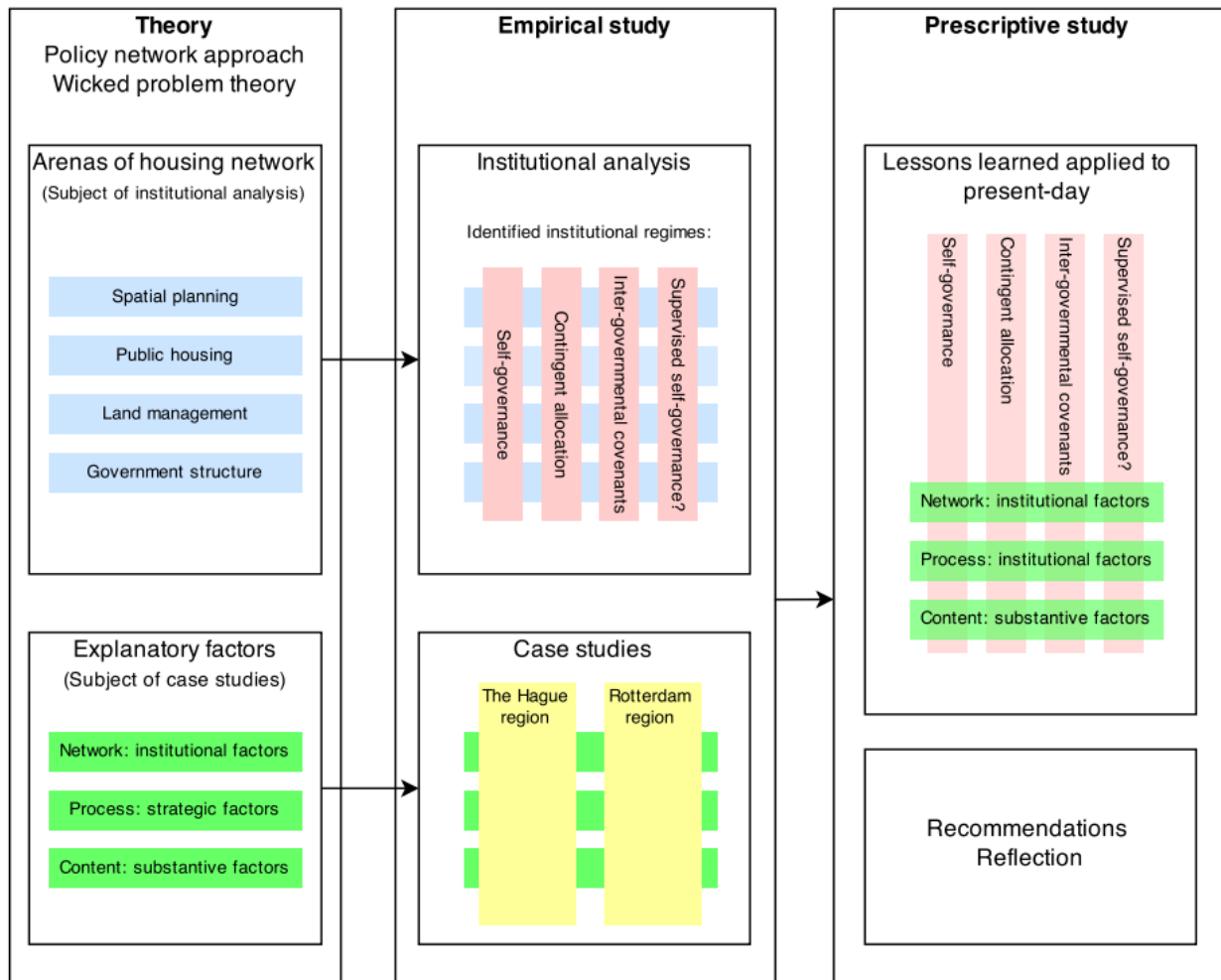


Figure 0-1: Research sequence

Theoretical perspective

This thesis chooses the multi-network approach as the theoretical perspective to analyze inter-municipal residential planning. This perspective incorporates the influence of institutional and economic change, as well as the individual actors that are guided by and simultaneously shape institutions. The policy network approach of Kickert, Klijn, Koppenjan and Van Bueren (1997, 2003, 2004) is used as the analytical framework to address the wicked problem of residential planning. The main concepts of this approach are policy networks and policy arenas in which policy games take place. The policy network of this thesis is the housing network. The policy game is the process of inter-municipal cooperation on residential planning.

Findings institutional analysis

During the institutional analysis, seven periods have been identified. The following list characterizes each period:

1. Absent state (1850-1900), during which there was no policy network and municipalities did not cooperate on residential planning.
2. Foundations of policy (1900-1940), during which important legislation with regard to spatial planning and housing was introduced. However, inter-municipal cooperation was minimal as no government held decisive powers on the level of the region.
3. Reconstruction era (1940-1970), during which the state structure became centralized and higher-level governments implemented a sophisticated subsidy system of top-down residential planning.
4. Complex subsidy cycles (1970-1983), during which governments struggled with the complexities and financial burden of the planning system and failed to implement new forms of regional governance.
5. Preparing VINEX (1983-1995), which was characterized by decentralization waves and implementation of VINEX and the city province.

6. VINEX execution (1995-2005), during which the implementation of the city province failed, yet the execution of VINEX went well.
7. End of national policy (2005-present), during which the financial crisis hit, national government left the responsibility for residential planning to lower-level governments, and obligatory regional organizations was repealed.

Since the policy network of housing has undergone substantial transformations, the legal facilitation of inter-municipal cooperation has changed as well. In order to discuss different degrees of cooperation, the seven periods that were discussed in previous chapters have been categorized into four institutional regimes with recognizable institutional features. In order answer the question to what extent the structure of the policy network facilitates cooperation, this study has evaluated three factors:

- Whether the *network composition* includes institutionalized interdependencies between municipalities, like for example covenants or joint responsibilities;
- Whether the *reward structure* incentivizes municipalities to cooperate;
- Whether *inter-municipal interaction* is facilitated by formal institutions, such as periodical consultation.

Having identified four institutional regimes, a comparison could be made. The regime of inter-governmental agreements appears most facilitating and encouraging with regard to inter-municipal cooperation on residential planning. The regime of self-governance on the other hand provides the least support for cooperation. The results are summarized in the following table:

Period	Start	End	Network composition	Reward structure	Inter-municipal interaction	Institutional regime
Absent state	1850	1900	- -	- -	- -	Self-governance (1850-1940)
Foundations of policy	1900	1940	-	-	-	
Reconstruction era	1940	1970	-	-	+/-	Contingent allocation (1950-1983)
Complex subsidy cycles	1970	1983	+/-	+/-	+	
Preparing VINEX	1983	1995	+	+/-	+	Inter-governmental covenants (1983-2009)
VINEX execution	1995	2005	++	++	++	
End of national policy	2005	today	-	--	+/-	Supervised self-governance (2009-today)

Table 0-2: extent to which inter-municipal cooperation on residential planning was facilitated by the network composition, reward structure and chance to interact

Findings case studies

Since the regime of inter-governmental agreements appears most promising towards inter-municipal cooperation, two cases in the context of this regime have been studied and compared: The Hague region (*Haaglanden*) and Rotterdam region (*Rijnmond*) between 1990 and 2005. Its results underwrite the usability of the generic explanatory factors from the policy network approach. Impasses, breakthroughs and learning abilities can be explained by examination of shared institutions, the presence of process management and the presence of shared perceptions on problem formulations and solutions. Conflicting values, perspectives and strategies are the ultimate causes of deadlocks in decision-making. Deadlocks often follow from clashing core values. The case studies found two municipal core values in particular.

- Municipalities prefer conservation and protection of autonomy (control within its borders) above the scaling up of spatial competences. They only give up a part of the autonomy if there is a substantial compensation (in the form of grants) in exchange for cooperation. Or when they are legally forced to work together, for example through the Joint regulations Act (*wet gemeenschappelijke regelingen*). When the entire autonomy of a municipality is threatened by a proposed municipal redivision, municipalities are willing to give up substantial authorities, as long as they are not (partly) swallowed by a neighboring municipality. It is notable that in both cases small neighboring municipalities were quite mistrusting towards the intentions of the central municipality (The Hague and Rotterdam).
- In both cases 'fair sharing', distribution of tasks and subsidies based on externally validated input parameters, was a prominent theme. Municipalities invested time and money into objectifying parameters, prior to negotiating the VINEX, so that neighboring municipalities were unable to benefit from e.g. a profitable locations or smart calculation methods.

Table 0-3 summarizes the outcomes of the case studies: success and failure factors that influence the course of inter-municipal decision-making on residential planning.

	Success factors	Failure factors
Institutions	<ol style="list-style-type: none"> 1. Compulsory institutional learning: higher-level governments oblige municipalities to establish shared institutions that increase compatibility of policy arenas and the stability of the network composition 2. Higher-level governments create cooperative reward structure that encourages inter-municipal cooperation. Subsidies coupled to performance targets as incentives for progress. 	<ol style="list-style-type: none"> 1. Tendency to disentangle the policy network if establishment of shared institutions is not obliged by higher-level governments.
Process	<ol style="list-style-type: none"> 1. Inter-municipal organization functions as a content and process manager, facilitating joint analysis and regular interaction. 2. Presence of process-type agreements that structure interaction and information gathering, following compulsory implementation of institutions. 3. Threat of command and control by higher-level governments to enforce creation of shared institutions. Especially threat of limiting municipalities' autonomy. 	<ol style="list-style-type: none"> 1. Municipalities' pursuit of conflicting, non-cooperative strategies as a result from divergent perceptions 2. Unreliable behavior by higher-level government: capricious decision-making makes the future institutional context unstable and unpredictable. Results in opportunistic behavior of municipalities.
Substance	<ol style="list-style-type: none"> 1. Unbundling of roles of decision-makers and experts through <ol style="list-style-type: none"> (a) establishment of a regional civil service and (b) outsourcing research to academics and advisory firms 2. Bundling of activities: mediation by an expert who creates mutual understanding for problem perceptions and substantive variety. Bundling of process and substance management. 	<ol style="list-style-type: none"> 1. Inability to break through cognitive fixations on problems and solutions, resulting in dialogues of deaf, advocative analysis and unilateral decision-making.

Table 0-3: Success and failure factors for inter-municipal cooperation on residential planning

Recommendations to municipalities and provinces

The case studies showed the usefulness of inter-governmental covenants. Therefore, inter-municipal cooperation should be based on 'bottom-up' self-governance with involvement of higher-level governments. The cooperation results in inter-governmental covenants with detailed agreements on residential planning. Strong and continuous involvement of the province is needed, since municipalities are dependent on its spatial authorities. Such involvement is even more important in case of a non-existing or non-functioning inter-municipal organization.

In order to establish this ideal regime, the recommendations of this chapter refer to the identified success factors with regard to institutions, process and substance. The most important factor is compulsory institutional learning, that motivates municipalities to interact and formulate new rules and targets. Still, the core principle of this regime is self-determination. If municipalities prove they can formulate regional policies on their own, they are not subject to imposed provincial decisions. The natural process and content manager is still the Wgr-based inter-municipal organization, despite its weakened legal position.

The province includes the obligation of an inter-municipal covenant on housing production in its provincial regulations (*provinciale ruimtelijke verordening*). By ratifying a covenant, the province agrees to not to react (dismiss) to land use plans that fall within the scope of the agreements. The province controls the quantitative supply of new housing by means of its spatial legal instruments: the structure vision and restrictive provisions in the provincial regulations. In addition, the *Ladder voor Duurzame verstedelijking* (Sustainable Urbanization Scale) can be used. The inter-municipal covenant is not only a derivative from provincial policies and regulations, it also functions as input.

The following table summarizes recommendations that contribute to inter-municipal cooperation as described above. Some recommendations are addressed to municipalites, others to provinces.

	Responsible government	Recommendation
Institutions: network management	Municipalities	<ul style="list-style-type: none"> - Maintain established consultative structures (overlegstructure) - Establish durable, periodically updated, inter-governmental covenants on residential planning
	Provinces	<ul style="list-style-type: none"> - Create artificial dependencies, such as: <ul style="list-style-type: none"> o Compulsory institutional learning; o Creation of a joint reward structure - Support the maintenance of established consultative structures
Process management	Municipalities	<ul style="list-style-type: none"> - Establish periodic consultations and moments of formal decision-making (process-type agreements) - Appoint an independent regional process manager - Create peer-review and conflict-regulating mechanisms - Expand the regional agenda to other policy areas and consider up-scaling
	Provinces	<ul style="list-style-type: none"> - Expand the regional agenda to other policy areas and consider up-scaling - Be reliable and consequent - Formulate a hierarchical measure as fall-back option (unilateral command & control) - Act as a process manager in case municipalities fail to cooperate
Content management	Municipalities	<ul style="list-style-type: none"> - Maintain or establish a joint civil service for content management - Manage content through unbundling roles of decision-makers and experts
	Provinces	<ul style="list-style-type: none"> - Provide (and fund) experts and content

Table 0-4: Recommendations for stimulating inter-municipal cooperation on residential planning

Recommendations for future research

This research has focused exclusively on governments. To what extent other actors influence the inter-municipal cooperation has not been studied. As a consequence, a substantive part of the complex reality of inter-municipal cooperation has been ignored. Municipalities are not only bound by agreements with each other and higher authorities, but also to agreements and contracts with housing associations, market participants, funders and other stakeholders. Future research may focus on the following themes.

- How do the specific legal and financial conditions (land ownership, participation in PPPs, spatial ambitions) influence municipalities' strategies;
- To what extent are developers and housing associations involved in drafting a regional housing program; before, during and after the negotiations.

Table of Contents

Project details	2
Preface	3
Summary	4
List of tables	13
List of figures	14
1 Introduction	16
1.1 Motivation	16
1.1.1 <i>Global crisis and Dutch housing market</i>	16
1.1.2 <i>Financially troubled municipalities</i>	18
1.1.3 <i>Need for regional coordination of new housing supply</i>	20
1.2 Problem formulation	21
1.2.1 <i>Regional gap</i>	21
1.2.2 <i>Continuous disagreement on the structure of public administration</i>	22
1.2.3 <i>Methods to fill the administrative vacuum</i>	23
1.2.4 <i>Solution must fit Thorbecke's house</i>	24
1.2.5 <i>Post-2000 research</i>	24
1.3 Goal and relevance	25
1.4 Questions and report structure	25
1.4.1 <i>Main question and subquestions</i>	25
1.4.2 <i>Structure of the report</i>	26
2 Theoretical perspective.....	28
2.1 Scope and definitions	28
2.1.1 <i>Definition of residential planning</i>	28
2.1.2 <i>The scale of a region</i>	28
2.1.3 <i>Level of aggregation</i>	28
2.1.4 <i>Market intervention</i>	29
2.2 Residential planning as a wicked problem	30
2.2.1 <i>Multi actor network theory</i>	30
2.2.2 <i>Definition of a wicked problem</i>	30
2.2.3 <i>Substantive uncertainty</i>	31
2.2.4 <i>Institutional uncertainty</i>	32
2.2.5 <i>Strategic uncertainty</i>	32
2.3 Central policy problem	33
2.3.1 <i>Short- and long-term policy goals</i>	33
2.3.2 <i>Multiple views on the same regional housing market</i>	33
2.3.3 <i>Central problem: regional control of oversupply</i>	34
3 Analytical framework	35
3.1 Policy network approach	35
3.1.1 <i>Approach to deal with wicked problems</i>	35
3.1.2 <i>Main concepts of the policy network approach</i>	35
3.2 Housing policy network	39
3.2.1 <i>Structure of the housing network</i>	39
3.2.2 <i>Policy arena of spatial planning</i>	39
3.2.3 <i>Policy arena of public housing</i>	40
3.2.4 <i>Policy arena of land policy</i>	40
3.2.5 <i>Policy arena of the government structure</i>	40
3.3 Hybrid policy network	40
3.3.1 <i>Unitary state</i>	41
3.3.2 <i>Autonomy and co-governance</i>	41
3.3.3 <i>Centralization, decentralization and the right to do so</i>	41
3.4 Set up of empirical study	42
3.4.1 <i>Set up institutional analysis</i>	42
3.4.2 <i>Use of case studies</i>	43
3.4.3 <i>Set up case studies</i>	43
4 Absent state 1850-1900.....	46
4.1 Public housing 1850-1900	46
4.2 Structure of public administration 1850-1900	47
4.3 Spatial planning and land policy 1850-1900	47
4.4 Institutional context 1850-1900	48

4.4.1	Network composition.....	48
4.4.2	Reward structure	48
4.4.3	Inter-municipal interaction	48
5	Foundations of policy 1900-1940	49
5.1	Public housing 1900-1940	49
5.2	Structure of public administration 1900-1940.....	49
5.3	Spatial planning 1900-1940	50
5.3.1	Development of spatial-legal instruments	50
5.3.2	From 1930: implementation of regional spatial plans to solve regional questions	51
5.4	Land policy 1900 - 1940.....	51
5.4.1	Decentral land policy 1901 – 1925 and establishment of first municipal land agencies	51
5.4.2	From 1926: central land price limit policy aimed at affordable housing	52
5.5	Institutional context 1900-1940	53
5.5.1	Network composition.....	53
5.5.2	Reward structure	53
5.5.3	Inter-municipal interaction	53
6	Reconstruction era 1940-1970	54
6.1	Public housing 1940-1970	54
6.1.1	1945-end 50s: reconstruction of economy is top priority.....	54
6.1.2	1945 – 1970: development of the first planning and programming system	54
6.1.3	1960 – 1970 Liberalization attempts fail due to economic circumstances.....	54
6.2	Spatial planning 1940-1970	55
6.2.1	The rise and emancipation of spatial planning – drastic redistribution of powers.....	55
6.2.2	Planning for population growth and migration	56
6.3	Structure of public administration 1940-1970.....	56
6.3.1	House of Thorbecke prevails – regional layer is rejected	56
6.3.2	Two exceptions: complex industrial areas Rotterdam and Eindhoven	57
6.4	Land policy 1940-1970.....	57
6.4.1	Dissatisfaction with the land price limit system: too generic.....	57
6.4.2	New system: centralization of land cost judgement	58
6.4.3	Land market monopolized by municipalities: active land policy	58
6.5	Institutional context 1940-1970	59
6.5.1	Network composition.....	59
6.5.2	Reward structure	59
6.5.3	Inter-municipal interaction	59
7	Complex subsidy cycles 1970 – 1983	60
7.1	Public housing 1970-1983	60
7.1.1	From 70s: public housing regarded as a permanent government task	60
7.1.2	Planning and programming system with regional scale	60
7.1.3	End 70s: dissatisfaction with the complex, ad hoc and expensive system.....	61
7.2	Spatial planning 1970-1983	62
7.2.1	From blueprint to negotiation planning.....	62
7.2.2	Third memorandum: groeikernen.....	62
7.2.3	Start of a new spatial discussion: call for a fourth memorandum	63
7.3	Land policy 1970-1983.....	64
7.4	Structure of public administration 1970-1983.....	64
7.5	Institutional context 1970-1983	65
7.5.1	Network composition and reward structure	65
7.5.2	Reward structure	65
7.5.3	Inter-municipal interactions.....	65
8	Preparing VINEX 1983 – 1995	66
8.1	Spatial planning 1983-1995	66
8.1.1	Changing spatial planning policies: from SSG-1983 to VINEX	66
8.1.2	VINO and VINEX.....	66
8.2	Public housing 1983-1995	67
8.2.1	Dispute: decentralization to region or province?	67
8.2.2	Decentralization as means to cut budgets and introduction NKS	67
8.2.3	Pilot projects to create support for decentralization (mid 80s).....	68
8.2.4	The practice of planning lists and little inter-municipal cooperation (1985-1990).....	68
8.2.5	Nota volkshuisvesting in de jaren 90: further decentralized system	69
8.2.6	Market-oriented approach and liberalization.....	69
8.2.7	VINEX negotiations replaced the annual planning and programming cycle	70
8.3	Land policy 1983-1995.....	71
8.3.1	Begin 80s recession and reorientation on land policy	71
8.3.2	Subsidy based on performance instead of plans	71
8.3.3	VINEX negotiations on expected land development deficits	72
8.4	Structure of public administration 1983-1995.....	72
8.4.1	New Joint regulations act 1984.....	72

8.4.2	<i>Montijn and the BON-memoranda</i>	73
8.4.3	<i>Implementation of the Kaderwet in verandering</i>	74
8.5	Institutional context 1983 – 1995	74
8.5.1	<i>Network composition</i>	74
8.5.2	<i>Reward structure</i>	75
8.5.3	<i>Inter-municipal interactions</i>	75
9	VINEX execution 1995-2005	76
9.1	Structure of public administration 1995-2005	76
9.1.1	<i>Accelerated trajectory Rotterdam</i>	76
9.1.2	<i>In search for a variant with political support</i>	76
9.1.3	<i>Extension of the Kaderwet – no new proposal for city provinces</i>	76
9.2	Spatial planning 1995-2005	77
9.2.1	<i>VINEX in force</i>	77
9.2.2	<i>Failed Vijfde Nota</i>	77
9.3	Public housing 1995-2005	78
9.3.1	<i>Delayed VINEX housing production</i>	78
9.3.2	<i>VINEX actualization: VINAC agreements</i>	79
9.3.3	<i>Mensen Wensen Wonen and Grotestedenbeleid</i>	80
9.3.4	<i>End of object subsidies: ‘integral’ subsidies for urban improvement</i>	80
9.4	Land policy 1995-2005.....	81
9.4.1	<i>Positive results of land development</i>	81
9.4.2	<i>Possibilities for settlement of public services</i>	81
9.4.3	<i>Covenant municipal land policy</i>	82
9.5	Institutional context 1995-2005	82
9.5.1	<i>Network composition</i>	82
9.5.2	<i>Reward structure</i>	82
9.5.3	<i>Inter-municipal interactions</i>	83
10	End of national policy 2005-present	83
10.1	Spatial planning and structure of public administration 2005 – present	83
10.1.1	<i>Wgr expanded and Wro in preparation</i>	83
10.1.2	<i>Support for regional entities diminished</i>	84
10.1.3	<i>Separate consideration of regional spatial authorities</i>	84
10.1.4	<i>Positive evaluations Wgr-plus regions</i>	85
10.1.5	<i>Repeal of Wgr-plus status</i>	85
10.1.6	<i>Central government quits national spatial policy</i>	86
10.1.7	<i>Provincial implementation of SVIR</i>	87
10.2	Public housing and land policy 2005 – present.....	88
10.2.1	<i>Execution of Woningbouwafspraken 2005-2009</i>	88
10.2.2	<i>Supervisory vacuum during and after the financial crisis?</i>	89
10.2.3	<i>Transition: from pushing production to planning for demand</i>	89
10.2.4	<i>Land development act</i>	90
10.3	Institutional context 2005-present	90
10.3.1	<i>Network composition</i>	90
10.3.2	<i>Reward structure</i>	91
10.3.3	<i>Inter-municipal interactions</i>	91
11	Conclusions institutional analysis	92
11.1	Categorization of periods into institutional regimes	92
11.2	Institutional regime of self-governance 1850-1940	92
11.3	Institutional regime of contingent allocation 1940-1995	93
11.4	Institutional regime of inter-governmental covenants 1995-2009	93
11.5	Towards supervised self-governance 2009-today	94
11.6	Input for case studies	95
12	Case Haaglanden	97
12.1	Haaglanden network and its problems in 1988	97
12.2	Round 1: 1992-1997	98
12.2.1	<i>Interactions in the arena of public administration</i>	98
12.2.2	<i>Interactions in the arenas of spatial planning, public housing and land policy</i>	101
12.3	Round 2: 1997-2001	103
12.3.1	<i>Interactions in the arena of public administration</i>	103
12.3.2	<i>Interactions in the arenas of spatial planning, public housing and land policy</i>	106
12.4	Round 3: 2002-2006	107
12.4.1	<i>Interactions in the arena of public administration</i>	107
12.4.2	<i>Interactions in the arenas of spatial planning, public housing and land policy</i>	107
12.5	Impasses, breakthroughs and assessment of outcomes.....	108
12.5.1	<i>Institutions</i>	108
12.5.2	<i>Substance and process</i>	110
13	Case Rijnmond	112

13.1	Rijnmond network around 1990.....	112
13.2	Round 1: 1990-1995	112
13.2.1	<i>Interactions in the arena of public administration</i>	113
13.2.2	<i>Interactions in the arenas of spatial planning, public housing and land policy</i>	113
13.3	Round 2: 1995-1997	114
13.3.1	<i>Interactions in the arena of public administration: summer 1995 – February 1996</i>	114
13.3.2	<i>Interactions in the arena of public administration: spring 1996 – 1998</i>	115
13.3.3	<i>Interactions in the arenas of spatial planning, public housing and land policy</i>	116
13.4	Round 3: 1997-2005	117
13.4.1	<i>Interactions in the arena of public administration</i>	117
13.4.2	<i>Interactions in the arenas of spatial planning, public housing and land policy</i>	118
13.5	Impasses, breakthroughs and assessment of outcomes.....	119
13.5.1	<i>Institutions</i>	119
13.5.2	<i>Process and substance</i>	119
14	Conclusions case studies.....	120
14.1	Institutional factors	121
14.1.1	<i>Compulsory institutional learning</i>	121
14.1.2	<i>Cooperative reward structure</i>	122
14.1.3	<i>Disentanglement of the network</i>	122
14.2	Strategic factors.....	123
14.2.1	<i>Regional organization as process manager</i>	123
14.2.2	<i>Process-type agreements</i>	123
14.2.3	<i>Command & control</i>	123
14.3	Substantive factors.....	124
14.3.1	<i>Unbundling roles of decision-makers and experts</i>	124
14.3.2	<i>Bundling activities: Mediation and consultation</i>	124
14.3.3	<i>Cognitive fixation</i>	125
15	Putting lessons learned into today's practice	128
15.1	Use of past success factors in current legal context	128
15.1.1	<i>Current legal context of housing network</i>	128
15.1.2	<i>Regulation and hierarchical involvement is necessary; pure self-governance is no option</i>	128
15.1.3	<i>Aim for regional management through inter-governmental covenants</i>	129
15.2	Recommendations concerning the institutional context.....	131
15.2.1	<i>Create artificial dependencies: compulsory learning and joint rewards</i>	131
15.2.2	<i>Maintain existing consultative structures such as Wgr-arrangements</i>	132
15.3	Recommendations on process management	133
15.3.1	<i>Establish periodic consultations and moments of formal decision-making</i>	133
15.3.2	<i>Appoint an independent regional process manager</i>	133
15.3.3	<i>Create peer-monitoring and conflict-regulating mechanisms</i>	134
15.3.4	<i>Formulate a hierarchical fall-back option and be reliable</i>	134
15.3.5	<i>Expand the agenda to other policy areas and consider up-scaling</i>	135
15.4	Recommendations on content management	136
15.4.1	<i>Manage content through unbundling roles of decision-makers and experts</i>	136
15.4.2	<i>Establish or maintain a joint public service</i>	136
16	Discussion of study limitations.....	138
16.1	Research questions.....	138
16.2	Literature study	138
16.3	Case studies as a research method.....	138
16.4	Use of network theory.....	138
16.5	Recommendations for further research	139
16.6	Concluding note.....	139
17	Bibliography	140
1	Appendix: multi-actor network approach.....	147
1.1.1	<i>Background of multi-actor theory</i>	147
1.1.2	<i>Network society</i>	147
2	Appendix: explanatory factors	148
2.1	Substantive factors and content management.....	148
2.1.1	<i>Substantive causes for impasses and breakthroughs</i>	148
2.1.2	<i>Management of substance, preventing 'negotiated nonsense'</i>	148
2.1.3	<i>The roles of experts and stakeholders are both bundled and unbundled</i>	149
2.1.4	<i>The process proceeds from substantive variety to selection, preferably leading to goal intertwinement</i>	149
2.2	Strategic factors and process management.....	149
2.2.1	<i>Social-strategic cause for impasses and breakthroughs</i>	149
2.2.2	<i>No (acknowledgement of) dependencies, no interaction</i>	150
2.2.3	<i>Process management and process design</i>	150
2.3	Institutional factors and network management	151

2.3.1	<i>Institutional causes for impasses and breakthroughs</i>	151
2.3.2	<i>Management of institutions</i>	151

List of tables

Table 0-1: Research parts and sub questions	4
Table 0-2: extent to which inter-municipal cooperation on residential planning was facilitated by the network composition, reward structure and chance to interact	6
Table 0-3: Success and failure factors for inter-municipal cooperation on residential planning	7
Table 0-4: Recommendations for stimulating inter-municipal cooperation on residential planning	8
Table 2-1: Areas of policy related to residential planning	29
Table 2-2: wicked financial and legal situations of a municipality	33
Table 3-1: factors that explain the course of policy games and management techniques to reach breakthroughs. Sources: Klijn, Koppenjan (2004), Van Bueren et al. (2003), De Bruijn et al. (2003).....	37
Table 4-1: Institutions that structured the policy arena of public housing of 1850-1900	46
Table 4-2: Institutions that structured the public administration of 1850-1900	47
Table 4-3: Institutions that structured the policy arenas of spatial planning and land policy of 1850-1900	48
Table 5-1: Institutions that structured the policy arena of public housing of 1900-1940	49
Table 5-2: institutions that structured the public administration of 1900-1940	50
Table 5-3: Institutions that structured the policy arena of spatial planning of 1900-1940	51
Table 5-4: Institutions that structured that policy arena of land policy 1900-1940	53
Table 6-1: institutions that structured the policy arena of public housing of 1940-1970	55
Table 6-2: Institutions that structured the policy arena of spatial planning of 1940-1970	56
Table 6-3: institutions that structured the public administration of 1940-1970	57
Table 6-4: institutions that structured the policy arena of land policy of 1940-1940	59
Table 7-1: Institutions that structured the policy arena of public housing of 1970-1983	61
Table 7-2: Institutions that structured the policy arena of spatial planning 1970-1983	64
Table 7-3: institutions that structured the policy arena of land policy of 1970-1983	64
Table 7-4: institutions that structured the public administration of 1970-1983	65
Table 8-1: institutions that structured the policy arena of spatial planning 1983-1995.....	67
Table 8-2: institutions that structured the policy arena of public housing of 1983-1995	71
Table 8-3: institutions that structured the policy arena of land policy of 1983-1995	72
Table 8-4: institutions that structured the public administration of 1983-1995	74
Table 9-1: institutions that structured the public administration of 1995-2005	77
Table 9-2: institutions that structured the policy arena of spatial planning of 1995-2005	78
Table 9-3: institutions that structured the policy arena of public housing of 1995-2005	81
Table 9-4: Institutions that structured the policy of land policy of 1995-2005.....	82
Table 10-1: institutions that structure the public administration and policy arena of spatial planning of 2005-present.....	88
Table 10-2: institutions that structure the policy arenas of public housing and land policy of 2005-present	90
Table 11-1: extent to which inter-municipal cooperation on residential planning was facilitated by the network composition, reward structure and chance to interact	92
Table 14-1: conclusions case study: succes and failure factors for inter-municipal cooperation on residential planning	121
Table 15-1: recommendations for successful inter-municipal cooperation on residential planning	130
Table 15-2: recommendations on network management.....	131
Table 15-3: recommendations on process management.....	133
Table 15-4: recommendation on content management	136
Table 16-1: legal and financial backgrounds of fictional municipalities A, B, C and D.	139
Table 2-1: actor strategies in policy network games. Source: Klijn and Koppenjan (2004)	150

List of figures

Figure 0-1: Research sequence	5
Figure 0-1: Report overview: Part 1 - Theory.....	15
Figure 1-1: property transactions and consumer confidence in the Netherlands 2007-2014. Source: CBS, edited by Bouwkennis (2014).	17
Figure 1-2: Price index Dutch housing stock. Source: Kadaster, edited by Vereniging Eigen Huis (2013).....	18
Figure 1-3: real estate system with development industry, asset market and space market. Source: Geltner and Miller (2001)	19
Figure 2-1: Areas of policy related to residential planning.....	28
Figure 2-2: Identification of a wicked problem. Source: De Bruijn (2008)	31
Figure 3-1: analytical framework Klijn, Koppenjan and Van Bueren (2003).....	38
Figure 3-2: inter-municipal cooperation on residential planning in four policy arenas.	40
Figure 0-1: Report overview: Part 2 - Emperical study	45
Figure 9-1: housing production in comparison with policy targets. Source: CBS, edited by RIGO (2006).....	79
Figure 11-1: Report overview: Part 3 - Case studies.....	96
Figure 14-1: Report overview: Part 4 - prescriptive study.....	127

Part 1 Study design

Part 1 introduces the subject of this thesis. It explores the aims of this study, as well as the research approach. Chapter 2 chooses a theoretical perspective and chapter 3 presents the analytical framework that is used during the research.

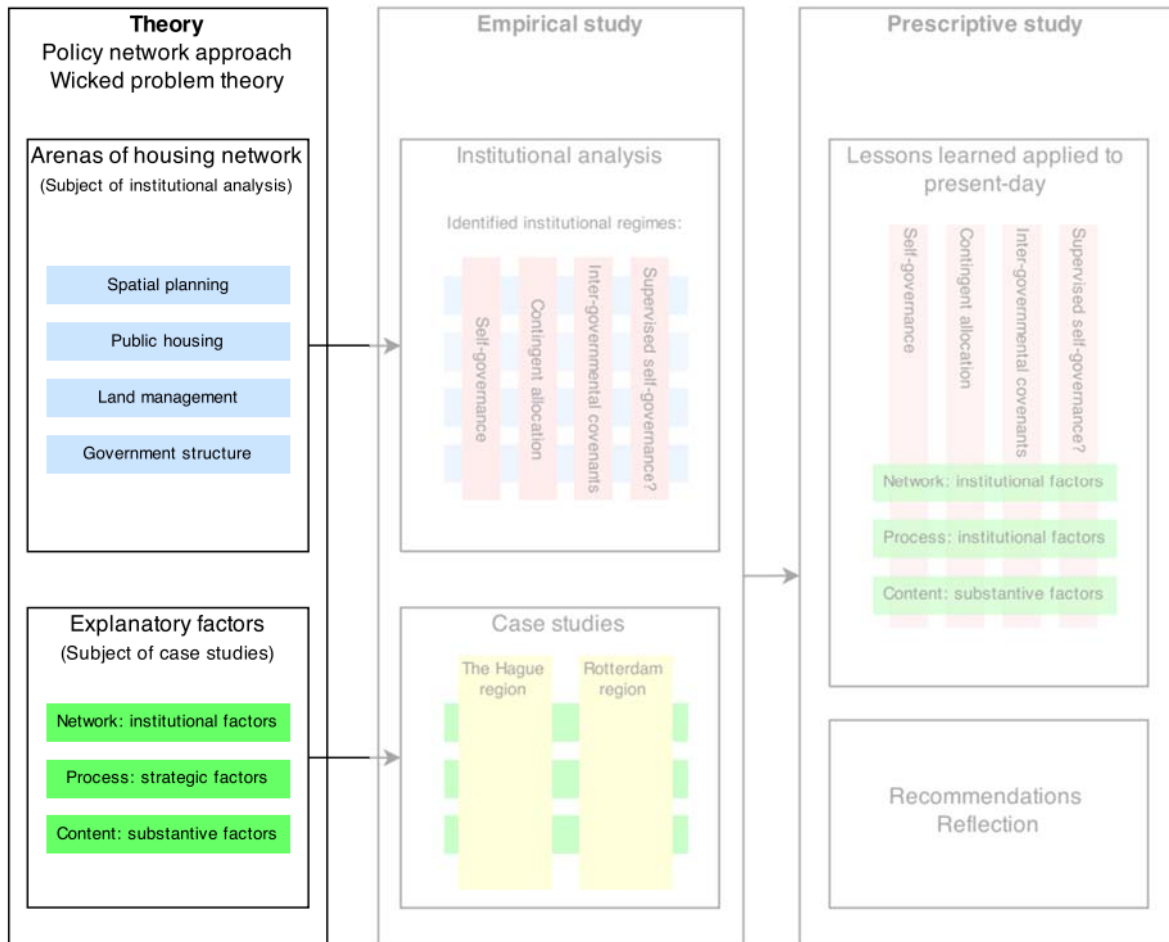


Figure 0-1: Report overview: Part 1 - Theory

1 Introduction

Improvement of qualities and public housing is a major responsibility of Dutch municipalities. Traditionally, the activities of municipal land development agencies (*grondbedrijven*) contributed to these policy goals. But as a result of past five years' weak performance of the housing market, the agencies' contributions have turned into a financial burden. This puts a strain on municipalities' policy goals. This thesis explores one possible strategy for improving the financial status of municipal land development agencies: inter-municipal cooperation on residential planning (*woningbouwprogrammering*).

Section 1.1 establishes the motivation for this thesis. Since the housing market surpasses the scale of a single municipality, policy-makers regard inter-municipal cooperation on residential planning as a possible policy solution to tackle financial problems related to municipal land development. Section 1.2 explains the problem this thesis aims to address. Policy-makers express they lack insight into factors that determine municipalities' capacity to cooperate on residential planning. Available studies on inter-municipal cooperation apply to earlier periods, which entail different policy problems and different institutional contexts. Therefore, the studies' applicability to the present-day situation needs investigation. Section 1.3 explores the societal and scientific relevance of this study. Based on these contributions, the goal of this thesis is defined. The concluding section lists this study's research questions and outlines the report structure.

1.1 Motivation

Section 1.1.1 treats how the global crisis has led to an imbalance of supply and demand on the Dutch housing market. Section 1.1.2 discusses how this imbalance has negative financial consequences for municipal land development agencies, hence municipal policy goals. Section 1.1.3 discusses measures that either have been taken or are being considered by municipalities to secure the financial position of their land development agencies. One of these measures is regional coordination of residential planning.

1.1.1 Global crisis and Dutch housing market

The global financial crisis and subsequently implemented policy measures have led to an imbalanced housing market in the Netherlands (Sonette 2010, Elsinga et al 2011). Even though this report does not aim to cover all complexities of the crisis and its aftermath. It provides an introductory sketch.

The 2008 crisis started with defaulting mortgage-backed securities (MBSs) and collateralized debt obligations (CDOs) (Economist 2014). In previous years, many Americans who could actually not afford a loan, obtained (second) houses. American banks engaged in irresponsible mortgage lending to 'subprime' American borrowers. When the American housing market declined, many subprime mortgages defaulted. Trust between financial institutions evaporated as complex securities, backed by the now defaulting mortgages, turned out less worthy than previously assumed. As the capital market suffered, a global economic recession emerged. Many nations needed to bail out their banks to prevent bankruptcy. These bail-outs pressured public spending, hence the national economy. Also, because of the banks' financial problems, their ability to provide credit decreased, thus slowing down the 'real' economy. Consumer confidence dropped. Alarmed by the extent of the crisis, policy-makers implemented new voluntary regulatory standards on bank stress testing, market liquidity risk and capital adequacy. These standards are also known as the Basel Accords. The new requirements further burdened banks, who have become more stringent with regard to lending mortgages to consumers. Next to the Basel Accords, the Dutch national government has implemented legislation with regard to lending. For example, the maximum amount that can be borrowed is set on 110% loan-to-value, and granting of interest-only mortgages is prohibited. Since the Dutch real estate market is largely driven by consumer confidence and the availability of credit, it was hit severely. After all, credit is needed for consumers who need a mortgage. Housing developers who need pre-financing for their development project.

The Dutch housing market has performed poorly for several consecutive years. The weak state of the housing market is shown by several parameters, such as the longer period to sell a house, the declined number of granted building permits, property transactions and the drop of property values (see CBS, Statline). The consumer confidence rate is strongly correlated with the number of transactions on the housing market. Consumer confidence determines whether consumers are willing to purchase a house, or wait for better times. After a deep plunge in 2007, confidence has not recovered fully yet, despite recent positive signals about the housing market (Elsinga et al 2011, Bouwkennis 2014, and NOS 2014). Together with the confidence rate, the number of transactions has dropped by roughly a third, compared to the peak in 2008.

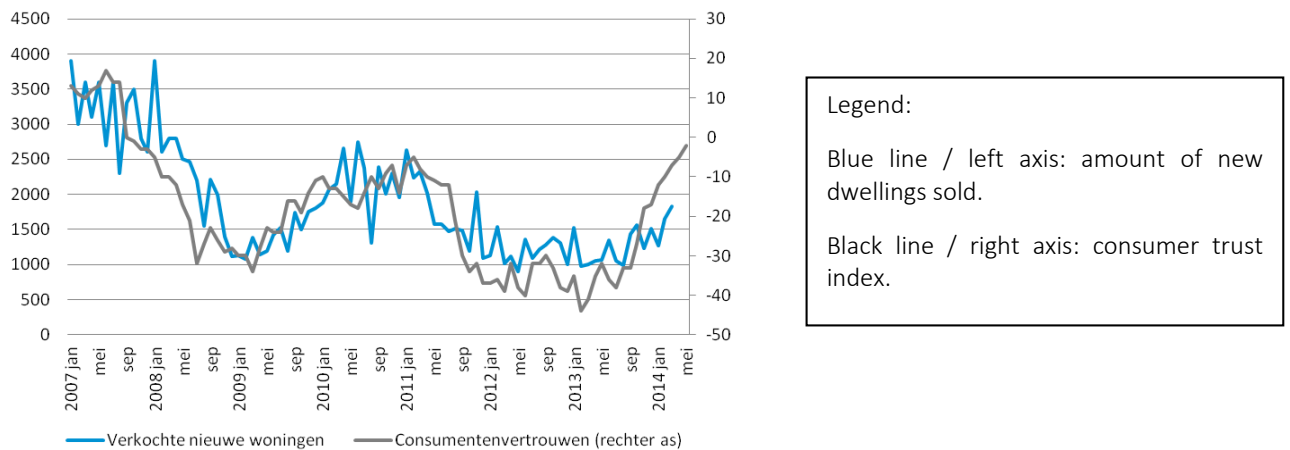


Figure 1-1: property transactions and consumer confidence in the Netherlands 2007-2014. Source: CBS, edited by Bouwkennis (2014).

The Dutch market can be characterized as a unified market (*doorstroommarkt*), which means that it is highly dynamic in prosperous economic situations (Dol et al 2010). From the 90s till 2008, many houses were developed at the 'upper side' of the housing market. Through a series of households that move up the housing ladder, on the bottom new 'room' for entrance of households emerges. A unified market reacts strongly to conjuncture, so the Dutch housing market was hit relatively hard compared to countries with shorter migration chains (*verhuisketens*) (Dol et al 2010:2). As a result of the decreased consumer confidence and declined financeability, the demand for new residences has declined. In addition, due to the decline in house prices, in 2012, 1 million households have a mortgage that exceeds the market value of their residence, leaving them with a surplus debt (*restschuld*). The households are financially 'trapped', as they can only move by accepting a substantial loss. As many households decide not to sell their house for a loss, the migration chain breaks.

As for the supply of housing; during the past few years there were still many new houses in the pipeline. Residential development projects followed from plans and pre-investments that were made before the crisis. Also, many houses of the existing stock were put up for sale. While demand dropped, supply remained stable. The Dutch housing market became imbalanced. For a full account on the explanations for the housing crisis, see Dol et al (2010), Elsinga et al (2011) and Haffner and Van Dam (2011).

Prijsindex Bestaande Koopwoningen (Kadaster)

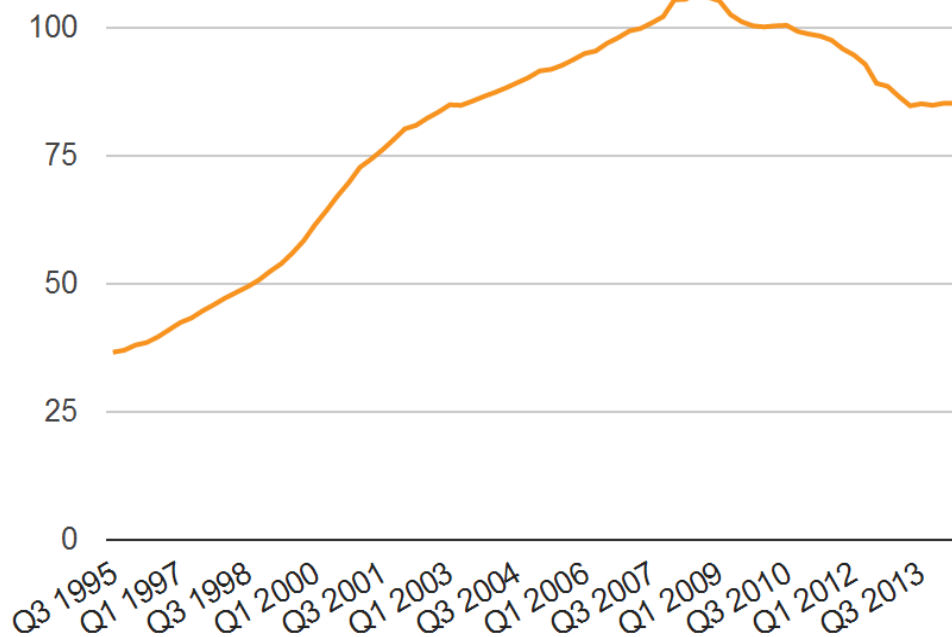


Figure 1-2: Price index Dutch housing stock. Source: Kadaster, edited by Vereniging Eigen Huis (2013)

1.1.2 Financially troubled municipalities

Municipalities have suffered from the imbalanced housing market. First, this section explains the relation between the housing market and the residential development industry. Second, it discusses the consequences of recent market developments for municipal land development agencies.

Haffner and Van Dam (2011), inspired by Geltner and Miller (2001), regard a house as a capital good and a consumption good. The owner regards the house as an investment (capital), while the occupant 'consumes' the service of accommodation, the space. An owner-occupier fulfills both roles at the same time, being a tenant of his own property. Following this rationale, two sub markets of the housing market can be distinguished: the space market (consumption) and the asset market (capital). The third sub market is of significance for this thesis: the residential development industry. This industry includes both the real estate development and the land market.

The residential development industry and the housing market, which consists of the space and asset market, are interrelated. All three sub markets are influenced by the institutional context and social-economic and demographic developments. The housing market is a stock market, which means that about 5-10% of the transactions exist out of newly-constructed dwellings (Meens 1998, Boelhouwer 2005, CBS 2014). On the short term, the supply of accommodation services is determined by the size of the stock. Due to the long time-to-market, supply is very inelastic (Priemus 2000). On the longer term, the size of the stock, hence the supply of accommodation services changes by adding new houses and demolition. As a consequence of this inelasticity, the price for of the new supply is determined by the price-levels of the existing dwellings, instead of the other way around, which is assumed in neo-classical price theory (Haffner and Van Dam 2011:46). The addition of new dwellings has a very limited effect on over-all price development of housing (CPB 2007). Therefore, if a developer aims to sell new dwellings, he needs to consider the price-level of the stock in order to be competitive. This mechanism worked to developers' advantage during the nineties and early 2000s. However, after the crisis, the downside of the mechanism became visible. While the house prices fell, development costs remained relatively stable. Profit margins came under pressure, especially in the upper segment (Elsinga 2011). Also, the composition of demand altered. Consumers asked for cheaper houses, and part of the demand shifted from the owner-occupied sector to the rental sector.

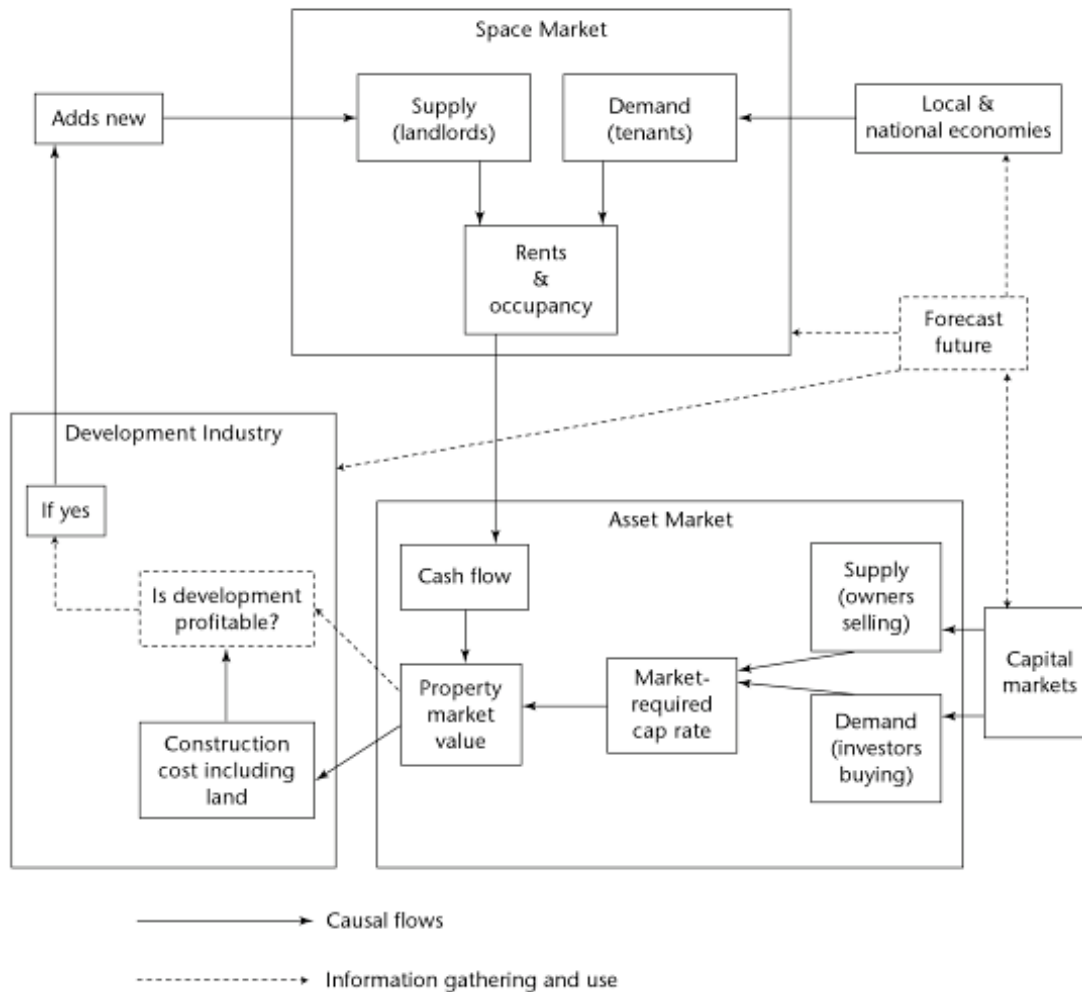


Figure 1-3: real estate system with development industry, asset market and space market. Source: Geltner and Miller (2001)

For long, many municipalities pursued active land policy (*actief grondbeleid*). This means that municipal land agencies bought and developed land for the purpose of providing sufficient housing. Before the 90s, municipalities developed land based on costs (*kostprijbenadering*). During the nineties, the national government stimulated a market-oriented approach in which the residual value approach (*residuele grondwaardemethode*) became common. This approach means that the land value is the outcome of the real estate selling price (*verkoopprijs, Vrij op Naam*) minus over-all building costs (*stichtingskosten*). During the 90s and early 00s, house prices rose faster than development costs, which made land development highly profitable. Large-scale development became in some municipalities, not all, an extra source of income. With the gains, public services such as infrastructure and public parks could be financed.

The pursuit of active land policy has brought many municipalities into financial problems (see Deloitte reports 2010-2013). The market for new houses has not (yet) restored to pre-crisis levels. This has had two important effects on municipal land development:

- The market absorption rate of new houses has plummeted: the number of new houses sold each year has dropped dramatically, which increases the duration (*looptijd*) of land development, hence the costs of financing (*financieringskosten*). Land development is pre-financed by loans that are paid off by the income of sales. As sales (income) have been delayed, municipalities have to pay interest for a longer period.
- The demand shift on the housing market has pressured house prices between 2009 and 2014. As a result of the residual value method, land profits (*grondopbrengsten*) have declined. In many cases, pre-

investments like land purchase and site preparation (*bouwrijp maken*) outweigh the prospected income. Therefore, these investments have to be written off, which harms the municipal budget.

Because of these two mechanisms, municipalities have suffered severe losses from land development. Municipalities are legally forced to write off losses and reschedule land development projects. Two types of losses can be distinguished: direct losses on land development with a deficit, and indirect losses because of evaporation of future profits. Direct losses cause an acute issue. Accounting rules force municipalities to register 'foreseeable future losses' (BBV 2014). This means that if it is demonstrable that the sales prospects will never materialize, the municipality has to compensate itself for evaporated future income that was meant for cost recovery. A provision has to be registered on the balance: the booking of financial means that can be used when the future loss occurs. They have to be accepted all at once, thus pressing other municipal expenses such as maintenance of public space. Therefore, other municipal policies that are not even related to housing development have come under strain. Many municipalities have cut budgets since the crisis (VNG 2012). Sector organizations such as Bouwend Nederland, Nederlandse Vereniging van Makelaars, and NEPROM have expressed their deep concerns (Bouwend Nederland 2013; NVM 2013; NEPROM 2013).

Deloitte exposed the financial sufferings for four consecutive years. The accountant was commissioned by the Ministry of the Interior and Kingdom Relations (*Ministerie van Binnenlandse Zaken en Koninkrijksrelaties*, abbreviated BZK) and the Association of Dutch Municipalities (*Vereniging van Nederlandse Gemeenten*, abbreviated VNG). In 2013 Deloitte stated that losses in municipal land agencies add up to €4,0-6,0 billion. The amount of €3,3 billion has already been written down on the balance. It is assumed that the remaining €0,7-2,7 billion of losses still has to be registered (Deloitte 2013). The handicap of these reports is that they do not take into account lands that are being developed by commercial developers, nor public-private partnerships. So, in fact nobody knows the exact mismatch of supply and demand nation-wide.

Because housing demand is not significantly influenced by the supply of new housing (CPB 2007), municipalities can do little to alter demand. Even though some municipalities try for example starter loans (*startersleningen*) (Deloitte 2010), this thesis does not treat these attempts. The only 'parameters' a municipalities can control, are linked to supply of new housing. A developer can in theory alter the composition of the supply (e.g. cheaper houses), the quantity (less houses) and the planning (less transfers a year). In practice, there are of course many obstacles that hinder intervention, such as contracts with third parties and legal conditions for state aid and competition.

In reaction to the forecasts, many municipalities have already taken measures. According to Deloitte, their actions were primarily focused on rescheduling the sales of sites, and lowering sales prices (Deloitte 2013:4). Municipalities are reluctant to actually down-size residential plans in terms of quantities. The accountant fears that a so-called bow wave (*boeggolf*) will emerge as forecasts remain too optimistic. Deloitte questions whether this 'wave' is realistic, as the accountant does not expect the demand for prepared sites to rise again soon. While in some cities like Amsterdam house prices are again rising, in most of the Netherlands, there is still a wide gap between pre-crisis prices and current prices. Amidst this dark prospect, Deloitte advises governments to search for projects that still can be developed. It also calls for cooperation with both commercial developers and other municipalities in the region.

1.1.3 Need for regional coordination of new housing supply

Management of housing production has always been a municipal responsibility, despite stimulation and close monitoring by higher-level governments. A municipality has the main instruments that are needed for land development, such as the land use plan (*bestemmingsplan*) and control over the municipal land development agency. Through its spatial planning instruments, the municipality is the only supplier of residential land. The market cannot 'produce' residential land as it cannot change the purpose (*bestemming*) of land, even if it is privately owned. However, this public 'monopoly' does not mean that municipalities do not experience market effects. They experience the effects of their neighboring municipalities' land policy choices (Hulst 2000). The scale of the housing market is perceived as sub regional, which means the market covers multiple municipalities (EIB 2013). The report shows that half of all movements, to existing and new houses, occurs within a radius of 2 to 4 km. It also presents that 80% of all new habitants of newly built housing have moved from a location within 9 to 13 kilometer. The latter radius surpasses the scale of many municipalities, proving there is a regional housing market.

The regional scale implies that policy decisions which concern house-building projects in one particular municipality affect – at least to a certain degree- the neighboring municipalities. The building activities of one municipality influence the room for maneuver of other municipalities. The demand for houses is finite, as a result of which a region can only ‘absorb’ a finite number of new houses in a year. If that amount does not match with the number of new houses for sale, there is oversupply. Some policy-makers warn for intra-regional competition that leads to ‘cannibalism’ (Binnenlands Bestuur 2010). As a result of oversupply of new housing, municipalities experience competition between their own and neighboring municipalities’ development projects. The problem of ‘cannibalism’ on the new housing market can be described as a ‘tragedy of the commons’ (Ostrom 2005). In order to solve the collective problem of oversupply, collective action is desirable: regional coordination of new housing supply. In the Central government expects lower governments to manage the regional market for new housing as well. Provinces have officially been tasked by central government to monitor and supervise regional housing production and municipal finances. Especially if municipalities fail to harmonize residential plans on a regional scale. In the pamphlet *Actieagenda voor de Bouw* (2012), the authors make an urgent appeal to municipalities to take regional action. They observe that regional residential planning is failing and blame it on the lack of expeditious regional decision-making:

In de praktijk blijkt dit [regionale programmering] evenwel gemakkelijker gezegd dan gedaan. Dit hangt samen met het ontbreken van niet-vrijblijvende, snelle regionale politieke besluitvorming met betrekking tot programmering, sloop en nieuwbouw. Hoewel in een aantal regio's, die worden geconfronteerd met krimp, met betrekking tot verschillende deelmarkten (woningbouw, kantoren, winkels, bedrijfstreinen) eerste initiatieven worden ontplooid, is van een doorbraak op dit gebied nog geen sprake. Dat komt mede doordat provincies op dit punt hun nieuwe rol (het stimuleren van gemeentelijke samenwerking en het doorhakken van knopen) nog onvoldoende waarmaken. (Actieagenda van de Bouw 2012:20)

This fragment shows that the Actieagenda authors hold provinces responsible for regional decision-making, at least to a certain extent. Nevertheless, the authors do not answer the question *why* regional decision-making is (perceived) sluggish and what regional governance should be like. Neither do they discuss the role of the most important decision-makers on the subject of residential planning: municipalities.

1.2 Problem formulation

This section explores the problem that forms this thesis’ core: the need for insight into factors that make inter-municipal cooperation either a success or a failure. Section 1.2.1 explicates the ‘regional problem’ of coordination as identified in existing public administration literature. Section 1.2.2 discusses that the solution of regional problems has always been subject to fierce debate. Section 1.2.3 gives a short overview of the legislator’s organizational options to address the regional problem. Section 1.2.4 shows that policy-makers nowadays prefer an organizational solution that does not include the establishment of a new governmental tier. Section 1.2.5 concludes that despite policy-makers’ belief in inter-municipal cooperation as a solution, little post-2000 academic research has been conducted on the subject.

1.2.1 Regional gap

Existing literature describes the ‘regional problem’ mainly as a matter of misfitting scales of administrations. According to Hulst (2000) and Magone (2003), there is great consensus amongst academics about the origins of the so-called ‘regional gap’. The main cause for the regional issue is defined as the discrepancy between the scale of the local administration on the one hand, and the scale of social processes on the other hand. Even though the size of administrative bodies has increased over the past decades, the scale of social processes has increased faster (Ten Heuvelhof, 2003).

Hulst (2000) identifies two consequences, of which the latter is most important for this thesis: pressure problems (*draagvlakproblematiek*) and planning and coordination problems. The problem of pressure refers to the economic inability of local governments to provide public services as they are too small. They do not have the (financial) means, staffing and knowledge to perform certain tasks, and therefore tend to cooperate with neighboring municipalities to increase capacity. Examples of joint public services are fire departments (Veiligheidsregio’s), public health services (*Gemeenschappelijke GezondheidsDienst, GGD*) and garbage processing, which is often organized in a joint regulation (*Gemeenschappelijke Regeling*).

Hulst and Montfoort (2007: 13) illustrate the problem of planning and coordination as follows:

In general, administrative structures at the local level became under-bounded, i.e., they got smaller than the activity space of their inhabitants (Bennett 1993: 7-8). As a consequence, there was a sharp increase in the externalities of local policy making. Local decisions to invest in business parks, public housing, secondary education, health facilities and infrastructure have an impact beyond the territorial boundaries of the community. At the same time, municipalities frequently have to deal with the consequences of their neighbors' decision making. The strong interdependencies between large-scale social processes in an ever more complex society and between corresponding interventions of local government require policy making on a scale that exceeds the territorial scale of even the larger communities.

The nature and dynamics of planning and coordination problems and joint service delivery problems differ (Hulst and Montfoort 2007). As residential planning is mainly a matter of coordination and planning, and to a lesser extent enhances the operational execution of services (*gemeenschappelijke uitvoeringsorganisatie*), this thesis does not aim to provide a general explanation for all forms of inter-municipal cooperation. That is why this study does not consider the working of joint service. The nature and dynamics of planning and coordination problems and joint service delivery problems differ (Hulst and Montfoort 2007).

Surprisingly, this thesis finds that most literature that is written on the perceived administrative vacuum pays little attention to the actual policy problem that the organizational reform is supposed to solve. Though fields of policy are mentioned – residential planning, infrastructure, education, employment –, some crucial references to the institutional context of cooperation are lacking.

1.2.2 Continuous disagreement on the structure of public administration

Whereas the origin of the regional problem is quite undisputed, there is disagreement on how to address problems of scale and capacity. In an ideal situation, the territorial scale of housing processes is exactly the same as the administrative scale. The obvious question that comes to mind is why the legislator –viewed as architect of the structure of public administration, having the ultimate legislative power- does not simply fit the size of administrative bodies to the scale of the encountered policy problems. Yet, in practice it seems hard to optimize this scale. Since 1850 there has been a public debate on the perfect structure of public administration, which has not led to a satisfying organizational solution until present-day. (Hulst 2000, Allers & Fraanje, 2011, Commissie-Geelhoed, 2002, Janssen-Jansen 2004:55).

In the public opinion, there is an administrative vacuum between province and municipality. In the Dutch structure of public administration there are three administrative tiers with different territorial scales, namely the State, province and the municipality. In the popular speech the Dutch structure of public administration is called the House of Thorbecke, after the draughtsman of the Dutch constitution. Hereafter, this popular concept will be used in this thesis. One would expect that a higher administrative tier automatically takes over the responsibility for policy problems that exceed the scale and capacity of a lower administrative tier. This phenomenon is called centralization, with its opposite decentralization meaning a shift towards lower administrative tiers. For some reason –yet unclear to this author before conducting the study- the legislator never saw the province as the natural supervisor that could deal with supra-local problems. Hulst (2000:6) describes the historically weak position of the Province in the political debate on the administrative organization of the Netherlands:

“In de eerste plaats behoort een volwaardig en sterk lokaal bestuur tot de grondslagen van ons bestuurlijk stelsel. (Eijlander 1996:55) Dat betekent dat elke mogelijke inbreuk op de gemeentelijke autonomie of op het bestaande gemeentelijk takenpakket kritisch wordt gezien. De wetgever heeft daarin lang niet altijd een belemmering gezien om zaken te onttrekken aan het gemeentelijk domein en deze toe te delen aan organen van rijksbestuur. Maar inperking van de gemeentelijke autonomie ten gunste van de provincie blijkt veel lastiger te liggen. De provincie - en daarin ligt de tweede oorzaak - werd en wordt niet beschouwd als de bestuurslaag die als vanzelfsprekend verantwoording draagt voor regionale vraagstukken. Hoewel de provincie in de organieke wetgeving op gelijke wijze wordt behandeld als de gemeente wordt zij niet als een volwaardige medespeler beschouwd in het samenspel tussen de drie bestuursniveaus. Dat gold vroeger – wij verwijzen naar het betoog van kamerlid Smidt naar aanleiding van een voorstel tot wijziging van de provinciewet, waaruit een diepgeworteld wantrouwen blijkt tegenover de provincie als bestuursorgaan. Dat geldt ook nu nog, al komt de aversie tegen de provincie thans niet meer voort uit de angst voor de terugkeer van republikeinse verhoudingen, maar uit de vrees voor een te grote bestuursdichtheid (Derksen 1995:54) of is zij gebaseerd op de vermeend geringe politieke legitimiteit van het provinciaal bestuur. Het gevolg van het feit dat de provincie niet als het bestuursniveau geldt dat op natuurlijke wijze de verantwoordelijkheid krijgt voor aangelegenheden die

de schaal van de gemeente overstijgen, is dat er ten aanzien van beleidsvraagstukken die spelen op regionaal niveau een bestuurlijk vacuüm ontstaat, althans er een reguliere bestuurlijke actor ontbreekt.”

This administrative vacuum is also acknowledged by Korsten (2000:7), who not only names the regional gap, but also speaks of the ‘wedged city government’. However, Hulst wrote his dissertation in 2000. It seems that with the Structuurvisie Infrastructuur en Ruimte (2009) the position of provinces has drawn more attention from the legislator. Whether the province’s position has altered and strengthened over the past decade is a subject of this study.

1.2.3 Methods to fill the administrative vacuum

Given the House of Thorbecke as a starting point and acknowledging the existence of this ‘administrative vacuum’ as Hulst puts it, three methods to address the regional problem by adjusting the administrative organization to the territorial scale of the policy problem can be found in the literature:

- Decrease the size of provinces or establish a province *within* a province – often a so-called city province;
- Increase the size of municipalities by merger or annexation;
- Form a standing organization between the province and municipalities;
- Engage in voluntary cooperation without changing or establishing governmental tiers (governance).

Looking back in time, it is clear that the original House of Thorbecke is quite persistent. Provinces hardly changed over decades. The number of municipalities did actually decrease: from 1141 in 1916 (Van der Meer 2006) to 403 in 2014 (CBS 2014). In spite of the decrease, policy problems that ‘fall’ into the regional gap have not been canceled out, as noticed in section 1.1. A handful of successful annexation examples can be found. However, annexations that are purely motivated by residential planning rarely occur. Often, there they mostly happened during the first half or the twentieth century. With regard to the first and third method, many attempts to establish an organizational form between municipality and province have failed or were abandoned when the fear of ‘a fourth layer’ grew too strong. This struggle is illustrated by the findings of the Commissie Geelhoed (2002):

“Aan ambitieuze plannen tot ingrijpende renovatie van Thorbecke’s drielagenstructuur heeft het niet ontbroken. Sinds de jaren zestig is de bestuurlijke organisatie het object van studies, blauwdrukken en politieke voornemens geweest. Voor zover deze al tot uitvoering kwamen, bleken de resultaten ervan even marginaal als vluchtig. De herhaalde pogingen tot de constructie van een partiële, gewestelijke tussenverdieping tussen de gemeentelijke en provinciale bestuurslagen hebben tot opmerkelijk weinig blijvends geleid. De vraag waarvoor dit architectonisch geknutsel nu een oplossing moest bieden werd daarbij zelden helder gesteld, laat staan beantwoord. De constructies dienden, eenmaal tot stand gebracht, zelf hun bestaansreden te rechtvaardigen: moesten zij van bovenaf coördineren en arbitrerend of waren zij slechts het kader waarbinnen de intergemeentelijke afstemmingsproblemen tot een oplossing konden worden gebracht? In het ene geval gaat het om een taak voor het middenbestuur, dat met de provincies al voorhanden was. In het andere geval gaat het om een aangeklede vorm van intergemeentelijke samenwerking, waarvoor geen zware nieuwe constructies nodig waren.”

Korsten (2000) illustrates the capriciousness of the political debate by comparing reorganization proposals with shaky ice floes:

“Bestuurlijke reorganisatievoorstellen van de rijksoverheid hebben vanaf 1945 in Nederland meestal schipbreuk geleden. De reorganisatiediscussie kreeg iets van het springen over ijsschotsen: een sprong op de schots van mini-provincies of naar de schots van gewestvorming, of een sprong naar de regionale gebiedsautoriteit of naar intergemeentelijke samenwerking. Schotsen bleken wankel; geen Minister van Binnenlandse Zaken kon er zich lang op handhaven. Van ‘oude’ voorstellen werd door volgende kabinetten meestal afstand genomen. Ze werd ingetrokken en vervangen door een nieuw voorstel.”

Witte (2002:14-15) even reproaches policy-makers with ‘historical unconsciousness’, illustrated by the reorganization processes of Rijnmond region:

“Wie zich verdiept in de geschiedenis van de regiovorming Rotterdam, zal tot zijn verbazing constateren dat er veelal sprake is van een herhaling van zetten. De problemen waartegen men aanloopt zijn, om een Rotterdamse uitdrukking te gebruiken, zo oud als ‘de weg naar Kralingen’. Dezelfde valkuilen, dezelfde

oplossingen, dezelfde bezwaren doemen telkens weer op. Het lijkt wel of beleidsmakers, politici en bestuurders hier nauwelijks beseft van hebben. Althans die indruk wekken zij. Het verleden schijnt een ballast te zijn. Er is hier sprake van historische bewusteloosheid.”

1.2.4 Solution must fit Thorbecke's house

Being tired of the failed reorganization attempts, today's politicians seek for an administrative 'solution' that can exist without harming the original Thorbecke structure of public administration. There is an increasing interest in the workings of inter-municipal cooperation. How can the existing policy instruments be put to good use?

The research field of *voluntary* inter-municipal cooperation is relatively new and uncultivated (Hulst and Montfoort; Bryan and Wolf 2010: 102). In public-administrative theory and amongst policy-makers, there are two main schools of thought: those who preach government solutions and those who believe in governance solutions. The former focuses mainly on administrative reform, thus proposing solutions 'along the constitutional line'. These solutions restructure the public administration by either introducing or abolishing administrative tiers, or by shifting power between tiers. The latter focuses on governance, which means that all affected governments cooperate, each actor using its own resources and powers. The wavering attitude towards government and governance is characteristic for Dutch politics.

To this author, there appears to be a lack of literature on voluntary, yet supervised inter-municipal cooperation. The majority of international literature about inter-governmental cooperation concerns federal systems (see for example Bolleyer 2006, Agranoff 2004). It is for that reason that the applicability of these studies on countries with a unitary structure of public administration -such as the Netherlands- is questionable. Chapter 2 treats the characteristic features of the Dutch structure of public administration and its consequential intergovernmental relations.

1.2.5 Post-2000 research

As a result of municipalities' land development troubles, there is a societal need for insight in the right organization of inter-municipal cooperation on residential planning. As far as could be found during a quick scan of academic literature, there is only a handful of academics that have conducted long-standing research on the specific topic of inter-municipal cooperation with regard to residential planning in the Netherlands. Among these scholars are Hulst, Fleurke, Montfoort, Jansen-Janssen, Raat and Boogers. Their emphasis was mainly on cooperation on public housing; less on spatial planning and land policy. Most of the scholars' research has its origins in the period that there was great political belief in the merits of regional governance: during the 1990s. See for example the series of research by Fleurke and Hulst (1990, 1995) and Raat (1996-1998).

It is widely acknowledged in both political and academic circles that the institutional context, as well as region-characteristic circumstances are of great influence on a region's cooperative capacity. Institutions steer interactions and constitute powers, and both local and economic circumstances limit decision-making options. (Koppenjan and Klijn 2004, Hulst 2000, Agranoff 2004). Since the nineties, the institutional setting has changed drastically. New legislation has been implemented, housing associations have been liberalized, financial steering has altered, and the housing market has shown great heights and depths. As stated, since the financial crisis inter-municipal cooperation finds itself again in the spotlight.

Yet despite change of economic circumstances and institutions, it seems like none of these scholars has re-evaluated the performances of the regions they studied during the mid-nineties. After the failed implementation of the city province, the political interest in institutionalized inter-municipal collaboration has gradually declined. Between 2000 and 2010, no studies were conducted that systematically study multiple inter-municipal cooperations at the scale as it was done in the mid-nineties.

Why is there so little literature on joint residential planning? Is it the earlier mentioned 'historical unconsciousness' or did policy-makers and academics not feel an urge to study and solve regional problems during the 2000s? Witte (2002:15) warns that reflection on regional processes in general – not in particular residential planning - is not very popular amongst policy-makers:

“Noch het falen van de reorganisatie van het binnenlands bestuur, noch het grotendeels mislukken van de regiovorming Rotterdam zijn onderwerp geweest van een serieuze historische reflectie. Beleidsmakers en bestuurders laten het beleidsleren zo'n beetje links liggen. Het is niet iets waarmee je kunt scoren dus doen we er zo weinig mogelijk mee. De ogen van de politiek en het bestuur zijn gericht op de potenties van het heden en de toekomst.”

Though it is easy to believe Witte's theory of political unwillingness, this thesis suspects there might be other explanatory factors to the perceived failure of inter-municipal cooperation. Throughout history, governance of residential planning has evolved as a consequence of societal and market developments. Different governance structures have been in force to manage housing production, reflecting the housing market and views on market intervention of past times. Each unique historical context had different consequences for the dynamics of inter-municipal cooperation on residential planning. As it appears that today's context has not been studied yet, the research problem of this thesis is formulated as follows. Insight is desired into the capacity of Dutch municipalities to cooperate on residential planning in recent institutional and market circumstances.

To summarize the above, the following problem is formulated:

insight is desired into the capacity of Dutch municipalities to cooperate on residential planning in recent institutional and market circumstances.

1.3 Goal and relevance

As mentioned in the previous sections, there is a need for insight in Dutch municipalities' capacity to cooperate on joint residential planning in today's institutional and economic context. This thesis aims to gain an understanding in the factors that determine a region's cooperative capacity. Since having insight in these factors does not automatically lead to better cooperation, translation into practical recommendations follows. It is taken into account that power and resources are spread amongst many actors, so there is not one single actor that can just single-handedly implement some utopian policy solution. Therefore, the goal of this thesis is to provide policy-makers of different governmental tiers with guidelines how to put their available instruments and resources to good use in order to facilitate inter-municipal cooperation on residential planning.

The societal relevance can be explained as a two-stage rocket. This thesis' subject, inter-municipal cooperation, is subservient to the aim of unburdening municipalities from the losses of their land development agencies. Both the immediate cause, the mismatch of supply and demand on the housing market, and the consequential need for inter-municipal cooperation on residential planning establish this thesis' societal relevance.

Scientific relevance

This thesis adds a factor that is considered to be of importance with regard to decision-making processes: institutional change. Not only the institutional context, but also the assumed effect of the *change* of the institutional context is taken into account. Many authors seem to take the institutional context with its legislation and subsidy schemes as a given, as if it was a static unity: a never changing institutional constellation. Conversely, it is interesting to see the impact of contextual change to the municipalities' capacity and willingness to cooperate. With the prospect of change of the institutional context, actors might behave different in comparison with a situation in which the institutional context is relatively stable. Therefore, not only periods of relative institutional stability will be mapped out, also periods of great contextual changes will be investigated: the 'in between' periods. It also takes time before a collective of municipalities is adapted to a new institutional context. By figuratively threading previous studies and the post-2000 evaluation that will be conducted, it is intended to reveal not only differences between (the effects of) various institutional constellations, but also the effect of a changing institutional context. Because of this threading, part of this study takes place on a meta-level. It builds upon very extensive studies conducted by previously mentioned authors, who generously provided me with their piles of reports.

1.4 Questions and report structure

Now that the occasion and problem of this thesis have been clarified, questions need to be formulated in order to focus the research. The order of the questions is linked to the sequence of components that form this report, namely the study design, empirical study and solution design. This section links the questions to the nature of this thesis' subdivisions.

1.4.1 Main question and subquestions

Derived from the research goal, the following main question is formulated:

What factors have previously determined inter-municipal decision-making concerning residential planning, and how can inter-municipal cooperation be used as a mean to manage regional supply of new housing?

Study design: development of a theoretical foundation

In order to describe the phenomena that will be studied during the empirical study, a theoretical framework needs to be composed. The first subquestion is aimed at substantiating the choice for the analytical framework. When the analytical framework has been chosen, the second question leads to a rough filling-in of its main theoretical concepts, as the generic framework needs to be applied to this thesis' subject.

1. What is a suitable theoretical perspective for the study of inter-municipal residential planning?
2. What analytical framework can be used to explain the practice of inter-municipal cooperation on residential planning?

Empirical study: the institutional context and practice of inter-municipal planning

The empirical study is divided in two parts. As inter-municipal residential planning will be considered a multi-actor decision-making process, first the institutional context of the process needs to be analyzed. First, the institutional analysis considers formal inter-municipal institutions that structure the policy network. Also the role of higher-level governments is examined, as it is expected that inter-municipal decision-making is influenced by central government and provinces.

3. To what extent does the structure of the policy network of housing facilitate inter-municipal cooperation?

Next, the course of inter-municipal cooperation will be analyzed through two case studies, with use of the analytical framework. After the comparative case study, the following question can be answered.

4. What success and failure factors explain the outcomes of the inter-municipal cooperation on residential planning?

Conclusions: facilitating inter-municipal cooperation in today's context

Based on the derived insights regarding the dynamics of inter-municipal cooperation, the first part of the main question can be answered: factors that influence the success of inter-municipal residential planning. The second part applies to the current context, and leads to the following subquestion:

5. Given the current legal context, how can lessons learned from the empirical study be used to facilitate inter-municipal management of regional supply of new housing?

1.4.2 Structure of the report

This report is divided in four parts: the study design, the institutional analysis, the case studies and the solution design.

Part 1: study design

The study design outlines the approach and the theoretical perspective that is used to interpret data. This first chapter introduces the topic of this thesis. It elaborates on the goal of the research project, substantiated by its social and scientific relevance. Chapter 2 explores the theoretical perspective on inter-municipal residential planning. It substantiates the choice for the multi-actor network approach. As residential planning is a catch-all concept, the chapter provides a definition. To conclude it defines residential planning as a wicked problem. The analytical framework (chapter 3) is the instrument that will be used to conduct the empirical study: the institutional analysis and the case studies.

Part 2: institutional analysis

Chapters 4 to 10 contain the institutional analysis of the policy network. If historical information is available, the practice of inter-municipal cooperation is treated. The chapters are built up from a description of institutional developments in four distinguished policy arenas, followed by a brief discussion of the entire institutional context during a certain period. Chapter 11 concludes the institutional analysis. By discussing the different periods, this chapter assesses what legal institutions facilitated inter-municipal cooperation.

Part 3: case studies

The findings of the institutional analysis form input for the case studies that consider the practice of inter-municipal cooperation. Chapter 12 and 13 contain the case studies of Haaglanden region and Rijnmond region. Chapter 14 compares both case studies and extracts success and failure factors for cooperation.

Part 4: prescriptive study

The prescriptive study places the study's findings in today's context. It examines which of the four identified institutional regimes is best suited to facilitate inter-municipal cooperation in the context of today's state structure, laws and housing market. This part concludes with a discussion on the validity of the findings.

2 Theoretical perspective

This chapter first defines the concept of inter-municipal residential planning. Second, it discusses the choice for multi-actor network theory to study real world phenomena. Third, this chapter treats the wicked nature of inter-municipal residential planning. It elaborates on the institutional, strategic and substantive uncertainties of decision-making on residential planning.

This chapter answers the following sub question: what is a suitable theoretical perspective for the study of inter-municipal residential planning?

2.1 Scope and definitions

There are many interpretations of the concept of residential planning. This section treats this thesis' definition, as well as its related areas of policy and levels of aggregation. To conclude, residential planning is considered a form of market intervention.

2.1.1 Definition of residential planning

Residential planning, or *woningbouwprogrammering* in Dutch is, at least in the Netherlands, considered a public task. This thesis defines residential planning as:

The decision-making on the desired housing production within the sphere of influence of the government, thereby taking into account quantities, segmentation, housing typologies and living environment (woonmilieu) projected over a specific period.

Residential planning touches various areas of policy in which there is traditionally great dissension. Planning has a spatial aspect, as it must be decided where to build and in what spatial configuration: urban planning (*stedenbouwkunde*). Who to build for, hence what types of houses are needed are typical issues of the field of public housing (*volkshuisvesting*). Subsidization of either housing or the subjects that rent or buy houses plays an important role. Since residential development involves development and transactions of land, land policy (*grondbeleid*) is relevant.

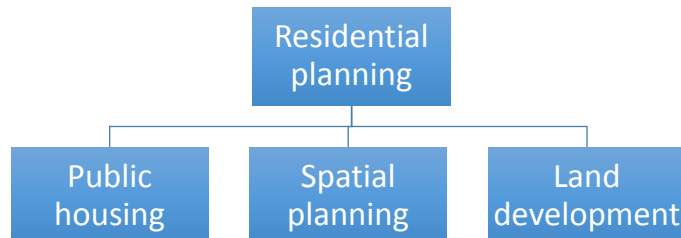


Figure 2-1: Areas of policy related to residential planning

2.1.2 The scale of a region

Inter-municipal residential planning is the coordination of housing production at the scale of a region. This means that planning surpasses the scale of the municipality, thereby involving multiple municipalities. The exact scale of the region is difficult to define, hence subject to a classic debate in regional studies. See for instance Vazquez et al 2012 for an entire book about *Defining the spatial scale in modern regional analysis*, or the life-long academic contributions of influential region-specialized professor Paasi. There are many academic approaches, referring to for instance migration patterns (*verhuisbewegingen*), the daily urban system, or the public administrative organization of a region. The scale of the housing market is often measured in terms of migration patterns. It is found that 80% of the migrations take place in a radius of approximately 5 kilometer, within or between neighbouring municipalities (EIB 2013). However, the scale of regional public administrative entities is often larger, thus covering multiple subregional housing markets. This thesis uses the scale of the housing market, unless noted otherwise – like when treating regional governments or joint regulations (*gemeenschappelijke regelingen*).

2.1.3 Level of aggregation

Residential planning is a very generic concept. Scholars and policy-makers often omit their own definition of residential planning, thus complicating comparative analysis of documents. It is important to note that the definition of residential planning can vary widely with regard to level of aggregation, so it leaves room for policy

interpretation. Higher-level governments set production targets or distribute issued quantities over multiple provinces, regions, municipalities or even specific construction sites. For example, during the sixties the central government steered on the level of municipal locations, whereas the central government currently does not even set production targets for the whole country. It now leaves residential planning to provinces and municipalities.

There is also variation in projection periods. Phasing of housing production can be projected for multiple decades (for instance national plans) or for as detailed as a quarter (within municipal land agency's housing project). Policy instruments vary with regard to phasing. For instance, a bestemmingsplan expires in ten years, while subsidy regulations are often (re)drafted each year.

Policy on public housing (national, provincial or regional) can leave room for interpretation, thus granting more autonomy to municipalities, or it can be rather stringent. For example, the 30%-70% rule for the proportion of social housing/private sector during the VINEX-period was absolutely imperative for municipalities, required by the central government. On the other hand, further interpretation of the distribution of housing typologies, prices and qualities was free, as long as the 30-70% rule was respected.

According to *this* thesis, the activity of inter-municipal residential planning in its *most far-reaching* form covers the following aspects:

Spatial planning	Public housing	Land policy
A regional plan marks development areas (<i>ontwikkelsegebieden</i>), yet it does not specify plots (<i>kavels</i>). It plans main infrastructure, not individual streets in neighbourhoods.	A regional housing programme states: <ul style="list-style-type: none"> - segmentation (rent/owner-occupied, social/commercial), - price categories, - quantities, - housing typologies. Phasing (<i>fasering</i>): ranging from one to five years.	Municipalities agree on : <ul style="list-style-type: none"> - land price, - settlement between development areas, - method of calculation (<i>grondprijssystematiek</i>).
Side arrangements: monitoring, evaluation-agreements, etc. In the past decades, programming and settlement agreements were related to distribution of object and land cost subsidies.		

Table 2-1: Areas of policy related to residential planning

As a result of its multi-faceted character, residential planning is hardly captured in one single policy document that is agreed upon by all involved parties. On the contrary: residential planning agreements are scattered over amounts of memoranda, covenants, contracts and internal documents of multiple governments. As the *content* of inter-municipal cooperation often remains rather vague, this thesis aims to be explicit about what aspect the regional agreements refer to: the specific mixture of spatial planning, public housing and land policy.

2.1.4 Market intervention

Residential planning, being a public task, can be viewed as market intervention. As well as being specific about the chosen level of aggregation, it is needed to be specific about exactly *what* is planned, by who (which authority), and for who (which target groups).

To what extent should the state intervene in the housing market? Ekkers (2008) uses a continuous scale to illustrate the debate. On the one side there is the liberal non-interventionist vision, in which every individual needs to take care of its own housing. On the other side there is the socialist vision in which the state owns or controls all housing, thus eliminating the market. In real life, neither of these extreme models exist. However, both extremes are of great importance, since politicians continuously ask themselves whether the state should withdraw and 'let the market do its work'.

Ekkers (2008:52) consecutively distinguishes three dimensions in which state ruling replaces market mechanisms. The first dimension is that the state can influence the distribution of housing. It revolves around the issue who can under what circumstances live in certain houses. This typically is based coupled to the wage one earns. Therefore, redistribution of housing counts as redistribution of welfare, which means market intervention. This

leads to the second dimension: the degree of intervention. It can be that the whole market is regulated, or just a part. The third dimension is about which side of the market is regulated: demand, supply or the interaction between demand and supply. An example of the interaction intervention is the regulation of social housing by implementing housing regulations (*huisvestingsverordening*). These three dimensions, redistribution, degree of intervention and the specific market side that is intervened play a major role in assessing the substantive outcomes of cooperation processes. One can for example question what the value is of an inter-governmental covenant with production targets if land development is largely in the hands of the private sector. Therefore, the empirical study will pay attention to the degree of market intervention that was common in a specific period.

2.2 Residential planning as a wicked problem

This thesis argues that the activity of residential planning is a so-called wicked problem, because it is complex, ill-defined and involves many actors who are dependent on each other's resources to plan and execute house-building.

2.2.1 Multi actor network theory

This thesis chooses the multi-network approach as the theoretical perspective to analyze inter-municipal residential planning. The housing market is influenced by governmental decisions and economic forces, that continuously interact. The multi-actor perspective incorporates the influence of institutional and economic change, as well as the individual stakeholders that are guided by and simultaneously shape institutions. Thereby, it includes both the 'economic' behavior of individual actors and acknowledges the far-reaching influence of institutions. A description of the multi-actor network theory is included in the appendix.

2.2.2 Definition of a wicked problem

Cooperation on residential planning fits Rittel and Webber's (1973) definition of a wicked problem for several reasons. First, residential planning has no ultimate 'best solution', nor can solutions be replicated as every residential planning situation is essentially unique. This results in endless debates and ever-changing policies. Second, the process has no stopping rules: residential planning is a continuous decision-making process that always projects housing production (or housing replacement) for a future period. Third, residential planning is characterised by a complex organisational structure in which there is no central problem owner or central problem formulation.

Wicked problems cannot be solved by a rational systematic processes because there is not one unambiguous central problem formulation (Finegan 2010, De Bruijn and Ten Heuvelhof 2008, Klijn and Koppenjan 2004). Each actor has his own views, interests, resources and relations (De Bruijn, Ten Heuvelhof, 2008). Therefore, all actors perceive different societal problems. Hoppe (1989:5) points that the formulation of a policy problem is a delicate social construction. He argues that problem formulations is coupled to the search for solutions. *"Problem formulation during policy design is a search process. It is the search for meaning within a conversation between problem owners, problem solvers and problem makers. [...] The search process is the exploration of possible solutions spaces and the definitive construction of a realistic solution space."*

According to De Bruijn (2008) and Hoppe (1989), two dimensions play a role in the *identification* of wicked problems: the degree of consensus on standards, norms and values, and the degree of consensus on (scientific) knowledge. When there is high uncertainty on both knowledge and values, there is a wicked problem.

	<i>Little consensus about the values and aims involved</i>	<i>High degree of consensus about the values and aims involved</i>
<i>Little consensus about the knowledge involved</i>	<i>Unstructured problem (1)</i> Policy-making as learning: → very suited to interactive policy-making	<i>Reasonably structured problem (2)</i> Policy-making as negotiation: → limited suitability for interactive policy-making
<i>High degree of consensus about the knowledge involved</i>	<i>Problem cannot be structured (3)</i> Policy-making as pacification: → limited suitability for interactive policy-making	<i>Structured problem (4)</i> Policy-making as managing: → unsuited to interactive policy-making

Figure 2-2: Identification of a wicked problem. Source: De Bruijn (2008)

Van Bueren et al and Klijn and Koppenjan (2003, 2004) do not only speak in terms of consensus on (substantial) knowledge and actors' norms and values. They go a step further by placing the wicked problem in a multi-actor network setting in which there is a specific institutional regime, and in which actors interact and pursue *strategies* based on their norms and values. They note that *because* of this multi-actor setting, three kinds of uncertainties emerge:

1. Substantive uncertainty
2. Institutional uncertainty
3. Strategic uncertainty

They also point at the consequential difficulties of assessing the success of decision-making on wicked problems. These three uncertainties will be treated in the sections hereafter. This thesis uses the three uncertainties a steppingstone to further analyze the wicked problem of residential planning.

2.2.3 Substantive uncertainty

When dealing with a wicked problem, there is uncertainty about the nature of the problem. Information is unavailable, not available on time or contested. Since actors have different perceptions of problems and view them from different perceptions, information is interpreted differently. Therefore, it does not necessarily help to do 'more' research. (Klijn and Koppenjan 2004:6) Substantive uncertainty also makes it hard to assess whether policies or the outcomes of decision-making processes are 'successful' or 'good'.

As opposed to rational approaches to problem solving, there is no scientifically grounded problem definition or *ex ante* formulated objective of one central actor. The lack of a 'substantive yardstick' makes *ex post* evaluation difficult. One actor might consider a process succesful, as he has reached his goal, whereas an opponent might come off the worst, based on their respective problem perceptions. Also, one actor might have multiple perspectives. For example, 'the government', represented by multiple ministerial departments, can thus have multiple problem perceptions, hence conflicting policy goals. How does the government then review policy outcomes? By what standards? (Klijn and Koppenjan 2004:124)

Spatial planning, land policy and public housing are widely recognized for their wicked nature (Roggema 2009:328-329, Ten Heuvelhof 2002, Palermo and Ponzini 2010). Projects associated with spatial information and land policy often include stakeholders with different world views, continously changing constraints, open-ended issues, difficulties in understanding and defining problems and solutions (Balram and Dragicevic 2006 in Finegan 2010). In a study concerning land policy, Balint (2007) encountered profound disagreement between stakeholders over preferred outcomes of decision-making, entrenched conflicts between individual and group goals, absence of optimal solutions and shifting parameters that hinder applying what is learnt from one project to the next (Balint 2007 in Finegan 2010).

The practice of residential planning includes uncertainties about substance as it projects housing for future societal demands. There is uncertainty and dissension about the following non-exhaustive list of (inter-related!) factors:

- Demographic developments;

- Socio-cultural developments, hence consumer preferences and housing demand;
- Mobility patterns;
- Migration patterns;
- (Macro) economic developments, hence financiability and affordability of housing and housing demand;
- 'Good' spatial planning (see Amos Rapoport's study of spatial quality (2012));
- Cost development of production resources (land, materials, labor);
- Technological developments (for example seasonal heat storage);
- Environmental developments, including for example water management;
- The best 'distance' between government and citizens and how to ensure democratic legitimation.

As actors engage in decision-making processes on residential planning, they probably perceive problems, and – linked to these perceptions- favor different solutions. An important part of the policy process of joint residential planning is the formulation of its specific purpose. Whereas some see inter-municipal planning as means to protect open green space, others want to establish mutual agreements with regard to affordable housing.

2.2.4 Institutional uncertainty

Wicked problems are known for institutional uncertainty. Institutions, or 'humanly devised rules' (North 2000) are instrumental in decision-making processes: *"Rules form a sort of infrastructure for networks. They make interactions and mutual action possible and provide actors with a context and basis for their actions. They are [...] one of the robust characteristics of networks."* (Klijn Koppenjan 2004:215) Institutions regulate the behaviour of actors, thus making eachothers behaviour more predictable. Mutual institutions also reduce transaction costs, as actors do not have to make new agreements, each time they interact. However, an institution can never exclusively predict the outcome of a process, as actors make their own choices.

Lacking or incompatible institutions hinder interaction and mutual action. This leads to institutional uncertainty. Wicked problems cut across existing demarcations between organizations, administrative levels and networks. Therefore, interactions are often difficult or even non-existent, as an actor's behaviour is (partly) guided by opinions, rules and language of his background. As a result, institutional regimes can clash. (Klijn and Koppenjan 2004:7) *"The institutional setting in which complex problems are dealt with is thus highly fragmented. Often, decisions are only loosely coupled and sometimes not at all."* (Van Bueren et al 2003:194). As mentioned earlier, the practice of residential planning touches multiple areas of policy, that each have their own legislation and regulations. The empirical study should therefore investigate whether there are incompatible institutions.

An extra complicating factor of institutional uncertainty is that it cannot be easily reduced. Klijn and Koppenjan (2004:7): *"It is rarely possible to directly influence the existing institutional frameworks since they develop gradually as part of a historical process and are anchored in formal legal frames, deeply-rooted informal institutions or long-term societal transition processes."* In other words, one actor cannot simply 'rebuild' the institutional context in such way that interaction problems are solved.

2.2.5 Strategic uncertainty

Since multiple actors are involved who make their own choices based on their specific strategies, the decision-making process becomes more unpredictable, causing 'strategic uncertainty'. Van Bueren et al (2003:193): *"Their strategies to adress the problem are based on their perceptions of the problem and its solutions, which may differ from the views of others. [...] Diverging and conflicting strategies are the result, and these may cause stagnation and deadlocks in policy debates – they may also lead to surprising and unexpected outcomes."* (Van Bueren et al 2003:193) Van Bueren et al refer thereby to the consequence (strategic action) of the normative dimension of Hoppe, De Bruijn and Ten Heuvelhof (see section 2.3.2).

The actors that are engaged in decision-making processes regarding residential planning are not just administrative bodies, but also private parties, interest groups, housing corporations, citizens, and so on. All parties have their own resources and can pursue different strategies, ranging from conflicting and go-alone strategies to cooperative strategies. The network setting is in particular of importance for inter-municipal residential planning, since municipalities possess crucial competencies for land policy, spatial planning and public housing. For instance, the right to implement land-use plans is one the most important instruments, as it is legally binding. The municipal instruments' reach is bound to municipal borders. As the scale of the housing market surpasses the territory of local authorities, governments – municipalities, provinces or central government-(might) wish to address problems at the higher scale. In the regional network the municipality has no controlling powers over other municipalities. This means the municipality has to rely on its negotiation skills or – if the region

is further institutionalized in an political entity— on the majority vote. In the regional network, municipalities are interdependent with regard to solving the encountered policy problems on public housing, spatial planning and/or land policy. This means that a municipality that pursues a non-cooperative strategy can hinder inter-municipal cooperation.

2.3 Central policy problem

In order to discuss policy measures that work best given the current legal and economic context, a policy problem formulation is needed. Eventhough the lack of a universal problem definition is inherent to a wicked problem, a policy problem formulation focuses the research. This section addresses the wickedness of the current situation, and the choice for the perspective of a higher-level government to address this problem.

2.3.1 Short- and long-term policy goals

Despite the wicked nature of residential planning, for decades public policy-makers have implemented policies in line with a central problem formulation. When municipalities in one region have divergent opinions on residential planning, the regional situation becomes more wicked. However, since 1900 higher-level governments have implemented policy measures to solve a centrally formulated policy problem. For example, in order to protect public health, central government issued expansion plans. From WW2, the central problem was (the calculated) shortage of housing, regardless the economic circumstances. This stance was translated into heavy subsidization and government intervention. Another problem was the need for protection of open space, while bringing back the housing shortage. The central policy solution was restrictive spatial planning.

In the current market, it appears that municipalities in (future) growth areas have housing policy goals that apparently contradict each other. On the short term, many municipalities experience the negative effects of oversupply in the policy arena of land policy. As described in the first chapter, this short-term problem is caused by a combination of economic circumstances and the reaction of governments and financial institutes to the recession. While the investments are made, revenues are delayed. The short-term goal is to make sure the municipal land development agency either stays or becomes financially stable. On the long-term, municipalities are still tasked with providing their (new) inhabitants with sufficient housing, in both quantitative and qualitative terms. These long-term needs are caused by socio-economic and demographic changes, such as the attraction of professionals to economic hot spots and the declining number of people per household (PBL 2013).

Municipalities have to balance short and long-term goals that can both contradict and coincide, dependent on the economic tide and local circumstances. Imagine the following extreme. Even if a municipality has the financial means and legal possibilities to put all development on hold because of lack of demand, the question is what moves a municipality to implement these measures. The time-to-market is long, so it takes a preparation of years to supply new housing. For the Randstad it is predicted that the population will grow in coming decades (PBL 2013). However, in regions with a shrinking population, municipalities must accept that demand might never increase again.

2.3.2 Multiple views on the same regional housing market

It might be that a municipality’s perspective on the balance of short and long-term goals, hence the need for limiting housing supply, is colored by the situation a municipality is in. If there are many different and conflicting perspectives in one region, a wicked problem is likely to emerge. The following table shows simplified situations in which a municipality can find itself, depending on its own project portfolio and competing commercial projects within its borders. Note that there are also hybrid situations in which municipalities and commercial developers engage in a public-private-partnership. The discussion of the following situations is a thought experiment of extreme situations. It does by no means represent all possible perspectives on the local and regional housing market. However, it shows the origins of wickedness of the regional problem of oversupply.

	Large municipal project portfolio*	Small municipal project portfolio*
Large project portfolio* of commercial developers	A	B
Small project portfolio* of commercial developers	C	D

* permitted development by means of a ratified land-use plan, solid projected capacity ('harde' plancapaciteit)

Table 2-2: wicked financial and legal situations of a municipality

Imagine a municipality in situation A. Its budget is under pressure due to the large project portfolio of land development. Revenues are delayed. The municipality experiences competition from the projects of third parties. This means that third parties have their projects fitted in a implemented land use plan and received building permits. It is challenging to withdraw such spatial-legal rights, even though there are possibilities (De Renooy 2013). Apart from experiencing oversupply on the regional level, this municipality already recognizes the problem of competition within its own borders. This awareness 'at home' might increase the municipality's tendency to acknowledge interdependencies on the regional scale as well. Compared to situation A, a municipality in situation C can easier reprioritize residential developments, as it controls its own projects and has no competition of commercial parties. However, reprioritization might still hurt the municipal budget. Deep pockets might be needed for writing off losses. So if the budget is insufficient, this municipality might deny the problem of oversupply, even if neighbouring municipalities ask for down-scaling. By failing to reschedule, down-scale or alter residential plans, it pushes problems of oversupply to the future. As long as the accountant and province accept the budget and annual statement of accounts, this municipality can cover up future losses.

A municipality in situation B does not experience any financial problems, as it does not have the burden of large projects on its balance. The only nuisance is that building sites in the municipality might lie fallow longer, which contradicts policy goals of preserving a neat public space. This municipality does not experience any (financial) interdependency with neighbouring municipalities. It is questionable whether this municipality will engage into legal battles with commercial developers to limit their developing possibilities, only for the sake of reviving the regional housing market. From a financial perspective, a municipality in situation D has the most comfortable position. Despite some small-scale developments, this municipality neither carries the weight of a great development portfolio, nor has fallow land. Municipalities 'B' and 'D' are likely to be non-VINEX municipalities, that have been subject to restrictive spatial planning.

2.3.3 Central problem: regional control of oversupply

Given these situational backgrounds, and the many gradients that are possible, it is easy to imagine conflicting perspectives, hence conflicting strategies in a region. If a municipality does not experience interdependency or wants to cover up its own problems, why cooperate with other municipalities? Regardless the variety of municipal perspectives, higher-level governments wish to address the problem of (temporary) oversupply. As central government has indicated that supra-local production management is a provincial task, this thesis chooses the viewing point of a higher-level government. It therefore formulates the central policy problem as follows: **there is a need for policy measures that shape conditions in which municipalities are most likely to cooperate on cutting back near-future oversupply of new houses.**

3 Analytical framework

This chapter treats the policy network approach, the analytical framework that is used to analyze inter-municipal residential planning. Section 3.1 outlines the framework. Section 3.2 describes the housing network, including the Dutch structure of public administration and the relevant policy arenas. Section 3.3 treats three categories of explanatory factors that can be used to analyze the course of inter-municipal cooperation: substantive, strategic and institutional factors. This chapter answers the following sub question: What analytical framework can be used to explain the practice of inter-municipal cooperation on residential planning?

3.1 Policy network approach

The policy network approach of Kickert, Klijn, Koppenjan and Van Bueren (1997, 2003, 2004) will be used as the analytical framework to address the wicked problem of residential planning. The first section discusses the suitability of this framework. Second, its main concepts are discussed: the approach distinguishes policy networks, arenas and games in which actors pursue specific strategies based on their perspectives on problems and solutions.

3.1.1 Approach to deal with wicked problems

This approach is developed by Klijn, Koppenjan and Van Bueren, who draw upon works of (i.e.) March, Olsen, Ostrom, Scharpf, Axelrod and Rhodes. Their approach follows from multi-actor network theory. In order to deal with wicked problems, Van Bueren et al (2003:194) argue that ‘enhancing and intensifying interactions between stakeholders’ is regarded necessary. De Bruijn and Ten Heuvelhof (2003, 2008) propose process design and process management to facilitate interactions. Therefore, this thesis needs to take a closer look to interactions that form the mutual activity of inter-municipal residential planning, as well as its contextual network setting. The need for an analytical framework that takes into account the network setting is confirmed in literature on regional cooperation (Hulst 2000:Chapter 1).

In fact, there are two interrelated wicked problems that make discussion of inter-municipal residential planning muddy and hard to untangle. The inter-municipal residential planning problem has an organizational side (how to arrange public administration) and a substantial side (how to intervene on the housing market). During debates and in academic writings, there rarely is a sharp distinction between these two sides. This thesis aims to provide some clarity with regard to the different aspects. A discussion that touches all areas of policy is the formal distribution of powers and resources with regard to residential planning. Who, or what legal body has which authorities when engaged in decision-making? Division of powers and responsibilities is captured in a legal framework that is often in (albeit gradual) transition. All of these policy areas are known for being subject to intense debate, both in academics and politics. Also, in each of the areas relevant decision-making actors are dependent upon each other for achieving their (policy or economic) goals.

3.1.2 Main concepts of the policy network approach

This section explains the concepts that are used in this study. Together they form the ‘language’ of this thesis.

Policy network

Residential planning is an activity that takes place in a policy network. Kickert, Klijn and Koppenjan (1997:30) describe a policy network as follows:

“Policy networks are more or less stable patterns of social relations between interdependent actors, which take shape around policy problems and/or policy programmes”

Section 3.2 elaborates on the composition of the Dutch housing policy network.

Policy game and rounds

According to Klijn and Koppenjan (2003:47) *“a policy game is created when actors recognize that they depend upon other parties for the realization of their objectives.”* Since actors want to pursue their goals *“they develop strategies: actions or intentions for actions aimed at influencing (the behavior of) other parties, the content of problem formulations and/or the solutions considered, or the development of the problem solving process.”*

Van Bueren et al (2003) therefore define a policy game as follows: *“Policy games are a series of interactions between actors that focus on influencing problem formulations, solutions and procedures regarding an approach to a specific policy issue.”* According to Teisman (1992) decision-making processes exist out of a number of rounds

in which crucial decisions are made. A policy round is a series of interactions. There can be both impasses and breakthroughs during the rounds. If there is a breakthrough, actors can move onto a next round. Rounds end with a crucial decision. For instance, a covenant is signed, or the First Chamber passes a law. This decision is not necessarily supported by all participating actors. The conditions of a game are often determined in previous rounds. However, an impasse can also lead to termination of a game (Van Bueren et al 2003). The earlier mentioned types of uncertainty (substantive, strategic and institutional) are used as explanatory variables. These variables show why breakthroughs and impasses emerge. Three strategies of network management, aimed at substance, the game and the structure of the network, can reduce these uncertainties.

Policy arenas

The policy network of this thesis is the housing network. Actors in this housing network experience policy problems with regard to residential planning. Their problems and their envisioned solutions often do not match. As actors find themselves in the policy network, they cannot solve the wicked problem themselves and need to interact. Klijn and Koppenjan (2003:45):

“Complex societal problems are not solved in a social vacuum by the autonomous cognitive-analytical exercise of a central actor. Problem solving takes place in an arena in which mutually dependent actors mould and shape problem definitions and solutions. It is not only an intellectual design activity aimed at taming substantive uncertainties, but also a strategic game in a multi-actor and multi-purpose setting.”

This quote introduces the concept of the *policy arena*, in which the policy game is played. The policy arena is an *activated* part of the policy network (Van Bueren et al 2003:195), which is focused on a specific policy issue. Ostrom (2005) speaks of an *action arena*. Her concept is roughly similar to the policy arena, yet adds a physical dimension (Ostrom 1999; Ostrom 2005). Van Bueren et al. (2003:195) define the policy arena as *“places where specific groups of actors interact on an issue and make choices on specific aspects of the issue.”*

A policy game can take place in one arena, but it can also cover multiple policy arenas or even multiple policy networks. The other way around, multiple games can be played in one policy arena. As a consequence of covering multiple arenas, policy games can have a fragmented character. Residential planning, if considered a continuous policy game, covers multiple areas of policy. Since all areas of policy are characterised by specific dynamics, cognitive frames and actors, this thesis chooses to regard the areas as policy arenas. Next section will further detail the different policy arenas.

Institutional regime

Policy arenas are made of actors that are placed in the context of an *institutional regime*. This regime can be compared to Scharpf's (2010) actor constellation, or Klijn and Koppenjan's (2004) network composition. The regime does not necessarily have to be an actual organization, as it merely refers to the bundle of institutions that support interaction between actors. According to Scharpf, the institutional setting can range from complete anarchy to a strong institutionalized environment. For example, higher and lower-level governments find themselves in the highly institutionalized regime of the Dutch state structure. This places them in a specific position, on which section 3.4 will further elaborate.

Each game is played by rules, also known as institutions. These institutions can be stable, but they might as well be subject of the game itself. Though multiple categorizations are possible, Klijn and Koppenjan (2003:81) distinguish arena rules and interaction rules, derived from Searle's (1971) constituting and regulating rules.

“Arena rules are rules that provide a yardstick to actors in determining the nature of the network and arena in which they operate. They specify positions, realities and rewards. They are the rules that define social reality. [...] Interaction rules have a more procedural character and inform actors what is and what is not allowed in a network. They modify, so to speak, action within the context of the arena rules.”

Examples of arena rules are the identity of actors, so-called position rules, and their competencies. The most important arena rules for governments are included in the Dutch constitution. This legal document is the *raison d'être* of all governments (central, regional, local), and thereby defines the nature of actors and their mutual relation. To a great extent, such arena rules define the structure of the policy network as they constitutionally divide powers, thus creating dependencies. Interaction rules are for example conflict regulation mechanisms.

Institutional change

The change of institutions (both interaction and arena) can be an outcome of a policy game. For example, the debate on the right or obligation to cooperate between municipalities can result in a revision of the Dutch

constitution. Institutional change can also cause the start of a policy game. For example, central government can task municipalities with establishing a joint regional organization. The interactive process of establishment sparks a policy game.

Kickert et al (1997:46) distinguish two types of network strategies: *network structuring* (or institutional management) and *process management*. Actors can strive for specific outcomes of a game and joint problem solving, thereby engaging in process management. In such case, the participants respect the *arena rules* of the game and do not change these institutions. They can, however, make agreements on interaction rules, to arrange and facilitate cooperation. Whenever there are conflicts, they can also engage in mediation or arbitration (Kickert et al 1997:50). When actors intentionally try to revise arena rules, thus changing the structure of the network and its dependencies, they engage in network structuring (Kickert et al 1997:51-53). However, as mentioned earlier, institutional design aimed at revision of the network structure is very difficult and often leads to unintended outcomes (Kickert et al 1997, Goodin, Pierson, Ostrom).

Explanatory factors and management

Klijn, Koppenjan and Van Bueren (2003) identify three groups of factors that explain the course of a policy game, by analogy with the three types of uncertainty: substantive, strategic and institutional. These factors are the causes of impasses and breakthroughs during the policy rounds. In order to reach breakthroughs, stakeholders can use multiple management techniques, dependent on the nature of the impasse. The explanatory factors and management techniques will be examined during the case studies.

The explanatory factors and management types are summarized in the following table. An elaborate description is included in the Appendix.

	Explanatory factors	Management to break through impasses
Institutions	<ul style="list-style-type: none"> - Presence of shared institutions (imposed or voluntary): <ul style="list-style-type: none"> o Network composition o Reward structure o Network interactions - Compatibility of institutions if wicked problem cuts through multiple networks and policy arenas 	<ul style="list-style-type: none"> - Establishment of institutions that create interdependency in the housing network - Establishment of institutions that facilitate interaction between actors - Establishment of a reward structure that rewards cooperation
Process (social/strategic)	<ul style="list-style-type: none"> - Acknowledgement of dependencies and actor strategies: go-alone, avoidance and blocking strategies, versus cooperative and facilitating strategies - Presence of active process management with incorporation of core principles of process design: <ul style="list-style-type: none"> o Openness o Protection of core values - Incentives for progress 	<ul style="list-style-type: none"> - Use of process design and a process manager - Protection of actors' core values - Creation of incentives for progress - Implementation of conflict management mechanisms, like transfer of conflicts to the periphery the decision-making process
Substance (cognitive)	<ul style="list-style-type: none"> - Presence of divergent perceptions versus joint perceptions on problem formulations and solutions - Practice of advocative versus joint analysis - Presence of cognitive fixations versus variety of content - Unbundling of roles (experts versus decision-makers) and bundling of activities (research in dialogue) 	<ul style="list-style-type: none"> - Avoidance of early fixations and postponement of substantive selection by starting a process - De-politicizing content: bundling of research activities (joint commissioning of research) and unbundling roles of experts and decision-makers - Joint image building: search for common ground for joint interaction and goal intertwinement, despite recognition of enduring differences

Table 3-1: factors that explain the course of policy games and management techniques to reach breakthroughs. Sources: Klijn, Koppenjan (2004), Van Bueren et al. (2003), De Bruijn et al. (2003)

Composite actors

Actors who depend upon each other play policy games. They can be individuals, but also organizations and groups, both public and private. What is interesting is that an organization can be viewed as a collective of individual actors. Governments are typical collective actors. Scharpf (2010) introduces the concept of the composite actor when "the 'intent' of intentional action refers to the joint effect of coordinated action expected by participating

individuals. In other words, the use of actor-theoretic concepts above the individual level presupposes that the individuals involved intend to create a joint product or to achieve a common purpose.” For instance, a municipal civil servant can represent his municipality by taking action in the interest of the municipality, regardless his own personal views.

When this thesis speaks of ‘actors’, in most cases these are references to composite actors like associations, companies or governments. However, when the conflicting behavior of individuals or subgroups within an actor is considered relevant, it will be mentioned separately. For example, political conflicts between parties in a Cabinet coalition (*regeringscoalitie*) are often the reason of ‘capricious’ behavior of ‘the legislator’, who is often referred to as one actor. Also, two Ministerial departments can have conflicting goals and tasks. Next chapters will for instance show incompatible directions of the *Rijksplanologische Dienst* and the *Directoraat-Generaal Volkshuisvesting*.

Analytical framework

The following figure summarizes the main concepts of the analytical framework. It illustrates policy rounds that are part of the interaction process. The explanatory variables are treated in next sections.

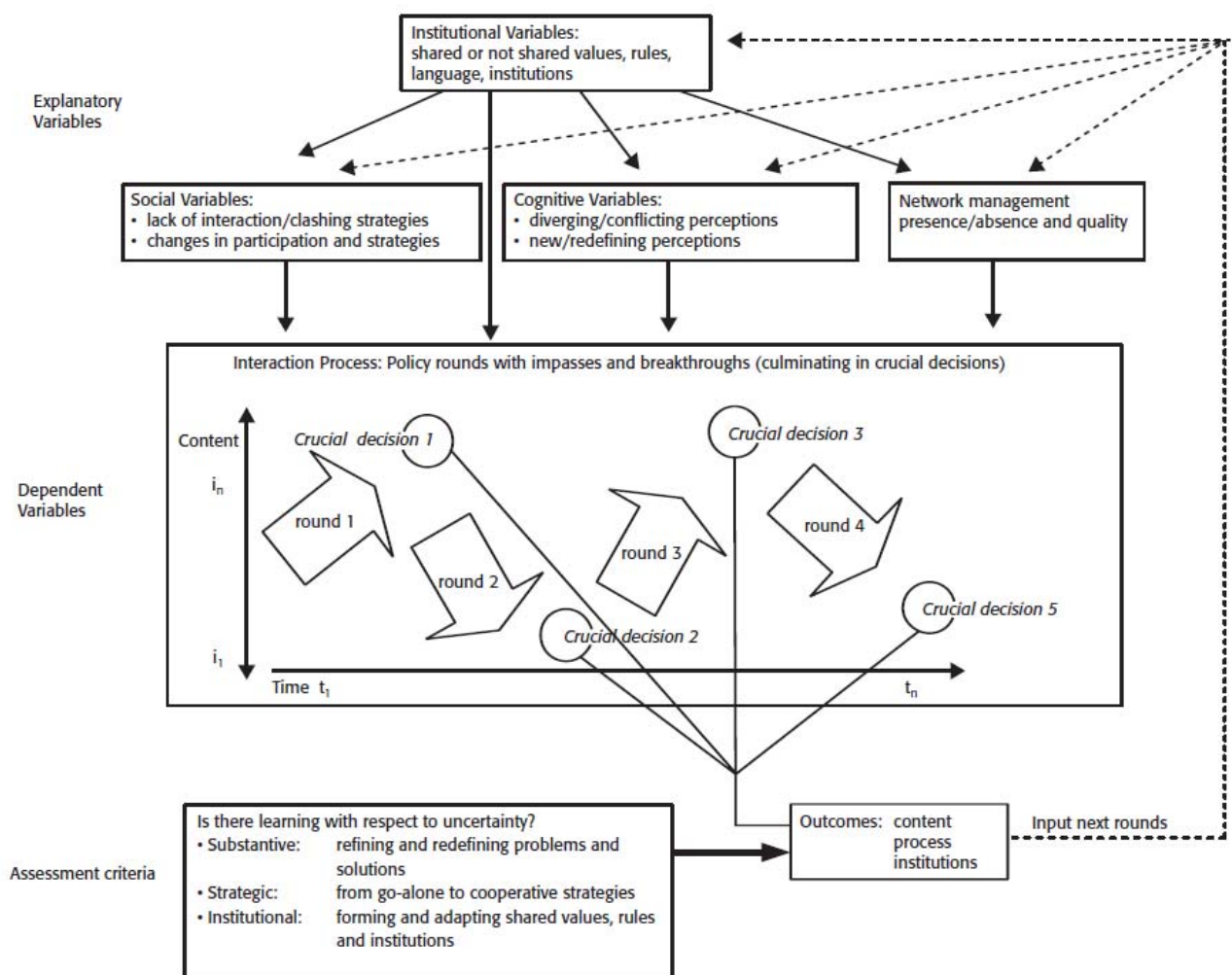


Figure 3-1: analytical framework Klijn, Koppenjan and Van Bueren (2003)

3.2 Housing policy network

First, this section discusses the structure of the housing policy network as a whole. Second, the separate policy arenas are treated. Throughout this thesis, a distinction will be made between the sectoral policy arenas (spatial planning, public housing and land policy) and the state structure policy arena. It should be noted that the policy arenas are subject to continuous change. Therefore, the institutional analysis studies the development of the individual policy arenas through time.

3.2.1 Structure of the housing network

The policy game of residential planning is played in several arenas of the policy network of new housing. Within this network, municipalities engage in policy-making and economic activities. This thesis focuses on the policy-making part. Mueller's (2003:1) contrasting arenas of the public and the market place are used to characterize these seemingly contradicting activities. A municipal policy-maker is mainly motivated by public reasons, whereas a municipal land developer finds itself in a market-place situation. Inter-municipal cooperation on residential planning takes place at the intersection of both policy-making and land development.

Residential planning has been defined as *the public administrative decision-making on the desired housing production within the sphere of influence of the government, thereby taking into account quantities, segmentation, housing typologies and living environment (woonmilieu) projected over a specific period*. In the policy-making network, traditionally all governments participate: central government, provinces and municipalities. Regions, if institutionalized in an administrative body can also engage in policy-making. Central government is the legislator that provides lower-level governments with competencies and financial means to execute policies. By using these competencies in multiple areas of policy, governments are enabled to residential planning. The policy-making network is dominated by public parties like governments and public advisory bodies like the State Council (*Raad van State*), the Social-Economic Council and (former) Councils for spatial planning, public housing and public government. Actors in the policy-making network 'produce' memoranda, legislation, regulations, spatial legal documents such as structure visions and land-use plans, and subsidy regulations. Relations and dependencies between governmental bodies are often layed down in legislation or regulations. Next section will further explore these inter-governmental relations as incorporated in the Dutch constitution. In general it can be said that the lower the level of government, the more detailed residential planning becomes. Central government (traditionally) sets out rough guidelines or targets, and lower-level governments further operationalize these guidelines.

The residential development market is dominated by both public and private parties, including municipalities, construction companies, housing associations (producers and managers of affordable housing), developers, investors and private individuals. They are constrained by the the regulations that are produced in the policy-making network as a part of residential planning processes. For instance, a province has decided that a certain area cannot be used for residential purposes, as it should be preserved for nature. A real estate developer that possesses land in such area can not develop any real estate, as it is prohibited by legal regulations. This means his land is virtually worthless, since the value of his land is defined by its purpose. This little example shows that by making policies, the governments intervene in the market and influence the options of market participators.

Municipalities are special actors, as they wear *two hats*: they make regulations like land-use plans, and at the same time they participate on the development market with their land development agencies.

3.2.2 Policy arena of spatial planning

The policy arena of spatial planning is completely regulated by governments. What is meant by spatial planning, the Dutch *ruimtelijke ordening*? Ekkers (2008) provides a useful distinction between spatial planning and public housing. To start with spatial planning, he distinguishes between the private and the public domain. In the first place, spatial planning is an activity that concerns every single individual.

“Gezien als maatschappelijke handelingspraktijk kan de ruimtelijke ordening worden omschreven als de bestemming en inrichting van het grondgebied van een (nationale, provinciale en gemeentelijke) samenleving als resultante van een proces waarbij iedere burger, huishouden en organisatie tracht de eigen ruimte zo adquaat mogelijk in te richten. Elke actor doet mee aan het ruimtelijk ordenen en draagt bij aan het ruimtelijk beleid.”(Ekkers 2008:32)

Still, spatial planning is mainly referred to as a state business. Land is scarce, yet it is claimed for multiple purposes. Government intervention has become desired in order to regulate the variety of claims. He stresses that in

extreme cases, uncontrolled large landownership can do harm to people and the environment. He concludes that therefore spatial planning not only provides for an argued use of land, but also constitutes a form of institutionalized conflict resolution. The state respects the concept of ownership, yet limits the purposes of the owner's property. It does so by drafting spatial plans. Spatial planning enhances many aspects, like economic production, esthetics, safety, order, mobility. As needs and wishes of land users alter through time, spatial planning is a dynamic policy field. The spatial planning of housing is called urbanization policy (*verstedelingsbeleid*).

3.2.3 Policy arena of public housing

In this policy arena, governments set policy goals on public housing. Ekkers (2008) defines public housing (*volkshuisvesting*) as the production, distribution and maintenance of houses. According to Faludi and van der Valk (1994), public housing is the main motor of the development of the spatial planning field. Distribution of housing is regulated in the social housing sector, which is dominated by housing association. Distribution of owner-occupied houses mainly takes place in a market-setting. The field of public housing covers both social housing and private sector housing. Traditionally, policy-makers of the public housing arena are concerned with housing production rates. Therefore, this thesis treats regulations, inter-governmental agreements and subsidies that are aimed at housing production as a part of public housing. This categorization is made despite the fact that many housing production targets followed from spatial policy-making (such as for example VINEX).

3.2.4 Policy arena of land policy

Land policy (*grondbeleid*) concerns state intervention on the land market. Traditionally, public land policy is aimed at the construction of social housing. It has a supporting function with respect to spatial planning and public housing. Land policy has no function in itself, other than controlling costs, cost recovery for public infrastructure, and prevention of land speculation. In the land policy arena, governments, housing associations and private parties argue about land prices and cost recovery.

3.2.5 Policy arena of the government structure

In the government structure arena there is a continuous debate on the organization of the state and public tasks. In this area, formal authorities and responsibilities are divided. The result of decision-making in this arena is a change of arena rules. Next section elaborates on the specific nature of the Dutch state structure.

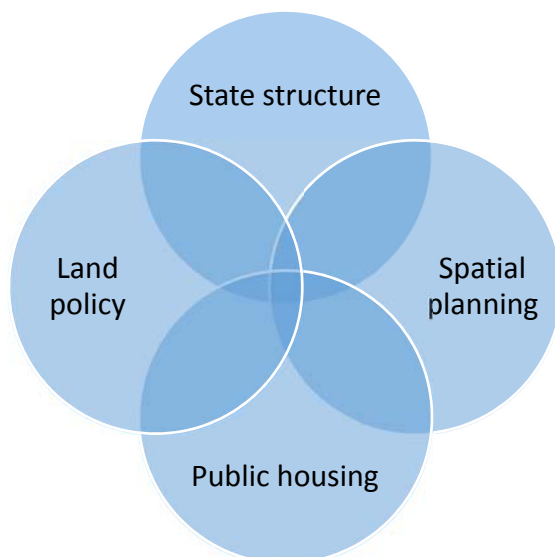


Figure 3-2: inter-municipal cooperation on residential planning in four policy arenas.

3.3 Hybrid policy network

The new housing network can be described as a *hybrid network* (De Bruijn and Ten Heuvelhof 2008): a network with hierarchical elements that spring from the Dutch government structure. This section provides the characteristics of the Dutch structure of public administration, which structures to a great extent the policy-

making subnetwork. It helps understanding the inter-governmental relation between lower and higher-levels of government.

3.3.1 Unitary state

The Dutch structure of public administration is characterized by its three-layer uniform system. It is uniform because governments to a large extent possess similar authorities and political structures. (Magone 2003) The system was created in 1848 by statesman Thorbecke. As opposed to a federal state, the Netherlands is a 'decentralized unitary state' (Toonen 1990).

Magone (2003) describes the aspects of this specific state structure. He notes that the Dutch state is an evolutionary phenomenon. It emerged from a rich history, in which municipalities are the oldest, still existing form of government. He then points at the interdependent relations between the layers, which are not by definition hierarchical. A unitary state is known for its separation of powers, which, as a consequence form interdependent relations between the layers. The contrast of a unitary state is a federal state, which is characterized by a union of partially self-governing states under a central federal government. In a federation, power is divided over the states and central government. As a consequence, no single government can unilaterally decide to alter the constitution. This is the main difference with a unitary state, in which central government has ultimate decision power. Central government can implement legislation and alter the constitution all by itself.

3.3.2 Autonomy and co-governance

To describe the nature of the interdependent relations of the unitary state, two concepts are very important: autonomy and co-governance (*medebewind*). Autonomy means the independent governance of one's 'own' business (Van der Pot 2006). In the Constitution this business is referred to as the 'household' (*huishouden*). Management of this household is left to provinces and municipalities. The constitution and multiple derivative organic acts form the legitimacy of provinces and municipalities. The 'household' is not a demarcated concept. It is 'open', as opposed to a 'closed' household that has specific tasks and cannot independently expand its job responsibilities. The household should be viewed within the framework of the decentralized unitary state. If a higher-level government incorporates an authority in its household, it disappears from the lower-level government's household. This is called centralization. However, the phenomenon that a task centralized does not mean that a lower-level government completely loses influence: a task can become subject to co-governance. The final responsibility rests with a higher-level government, yet a lower-level government actually performs the main activities. The legal demarcation of autonomy is that no decentral public entity is allowed to contradict regulations of higher-level governments. For example, Articles 121 and 122 of the Gemeentewet refer to the regulations of the province, and Article 119 of the Provinciewet refers to compliance with legislation or decrees.

According to Magone (2003), *"co-governance is the instrument used most: central government make laws and plans after consultation of local governments and in particular of their representative associations, and the local governments implement these central policies. This implementation, however, is not mechanic in character."* Implementation is often not 'mechanic' as lower-level governments have a large degree of policy freedom. This freedom is gained by "discretionary competencies, local presence, knowledge, and information" (Magone 2003). The general motto is that a local government knows its own territory best, so implementation of central policies should be organized 'as close to citizens as possible'. However, with regard to some central-issued tasks, the policy freedom of municipalities is very little. This *"uniformity of public services of the welfare state"*, argues Magone, shows the unitary character of the state. It means that in whatever municipality a citizen lives, regardless the political composition of the local government, he receives services according to central policy guidelines. For instance, the allowance of social security services is everywhere the same.

3.3.3 Centralization, decentralization and the right to do so

According to Toonen (1990), the concept of co-governance is very powerful, as it has made the Dutch public administrative system capable of coping with the enormous growth of public responsibilities since 1850. This growth happened without major structural changes.

Eventhough lower-level governments operate the open household, they are being supervised. The supervisory system is cascaded. Central government supervises provinces, who, in their turn, supervise municipalities. Supervision mainly has a passive nature. It does not enhance commanding, unless a lower-level government defaults on its legal responsibilities, such as good financial governance. The supervision mainly includes approval of local initiatives or 'non-resistance', of which the bestemmingsplan procedure is a nice example. A distinction is made between preventive and repressive supervision (Van der Pot 2006:842). Preventive means that some local

decisions need provincial approval. Preventive supervisory is only possible on issues that are explicitly described in provincial or legal regulations. Repressive means that local decisions can be annulled if they do not comply with legislation or harm the public interest (*het algemeen belang*).

According to Ekkers (2008:93), decentralization is not just about the redistribution of legal tasks and authorities. He notes that from the point of view of the legislator four instruments of decentralization can be distinguished:

1. Transfer of responsibilities and authorities (which is the most common instrument);
2. Transfer of financial means;
3. Diminishing supervision by higher-level governments;
4. Diminishing of prescriptions and procedures that local policies have to comply with.

Ekkers also notes that with decentralization the autonomy of a government grows, whereas it diminishes when tasks and authorities become subject of co-governance. Reverse, autonomy diminishes if tasks become centralized. The threat of loss of autonomy is a classic and very powerful argument in discussions on regionalization of tasks. It is expected that municipalities' problem perspective on the organizational side of residential planning is coloured by their view on (either gain or loss of) autonomy.

Despite the 'openness' of the household, it is still the central government that decides what authorities (competences) lower-level governments have and can transfer. Central government controls the sort of institutions that lower-level governments can create themselves. For example, central government demarcates the boundaries within which municipalities can establish a mutual organization, and what tasks can be transferred (centralized) to this organization. Case in point, the municipalities are not allowed to transfer the authority of implementing land-use plans towards another public entity. The implementation of land-use plans is the exclusive right of municipalities. On the other hand, municipalities are allowed to establish a mutual fund to which they contribute, and leave freedom of spending to the regional organization. To summarize, central government has the exclusive right to decide on which institutions (regulations, policies, agreements) lower-level governments are allowed to create. Thereby, the room for transfer of authorities (centralization, decentralization) between governments is limited by central government.

3.4 Set up of empirical study

The empirical study consists of two parts: the institutional analysis and three case studies. The first part is aimed at mapping the formal structures of the policy-making subnetwork. The case studies explore decision-making processes during the VINEX era.

3.4.1 Set up institutional analysis

This thesis explores the structure of the policy network through time, which is shaped by institutions. It is the entire composition of legislation, regulations and national policies in all four policy arenas.

The analysis of the institutions of the four policy arenas is carried out in three steps.

Step 1: demarcation and description

The history of residential planning is divided into periods in which there was a relatively stable housing system. Special attention is paid to the causes of institutional change. The year 1848, during which the modern constitution was implemented, is taken as the starting point. The institutional analysis is conducted by studying four previously identified policy arenas: spatial planning, public housing, land policy and state structure. For each policy arena, institutional developments are treated, mainly following national policies and legislation. Per period, each policy arena is summarized in a table to provide a quick overview of the relations between governmental tiers. If relevant, the current political discussions are taken into account. It is important to see policy game in their societal context: present-days problem perceptions in general opinion are different from those of a century ago.

Step 2: analysis of institutional context

After description of four policy arenas, this thesis summarizes the formal institutional context of a specific period. It is examined whether institutions facilitated inter-municipal cooperation across the different policy arenas. The facilitative capacity of the institutional context is evaluated by two explanatory factors (see section 3.1):

Presence of shared institutions (imposed or voluntary):

- Shared institutions as a part of the network composition (i.e. a regional organization);
- Reward structure that incentivizes cooperation;

- Institutions that facilitate network interactions (i.e. institutionalized consultations);

It should be noted that the *presence* of facilitating institutions does not guarantee or exclusively explain progress in the residential planning game. Actors might decide not to use their formal powers. For example, legislation provides central government with means to enforce annexation. However, the government's attitude might be that municipal redivisions must emerge 'bottom up': voluntary. In such case, even though central government has the formal authority, it does not actively use the instrument. Therefore, a distinction is made between optional and enforced institutions. The second part of the empirical study explores the course of planning games and the *functioning* of formal institutions.

Step 3: conclusions, trends and patterns

After description and analysis of the planning periods, this thesis reviews whether there are recognizable trends and patterns. There might be recurring political debates or (de)centralization waves. Maybe there is a relation between the economic climate and implementation of certain regulations. As the institutional context provides the formal framework for the residential planning games, this analysis provides the input for the case studies.

As the institutional analysis is focused on national legislation, regulations and policies, it primarily focuses on the first category: imposed shared institutions. However, it also considers whether central government has granted lower-level governments room to establish shared institutions. For example, in 1950 central government established the *Wet gemeenschappelijke regelingen*, that granted municipalities the *possibility* –not the obligation- to establish a joint arrangement, thus changing the network composition.

3.4.2 Use of case studies

This thesis chooses a qualitative approach, using case studies as a research strategy. This section substantiates the choice while discussing its main criticisms as well.

This thesis desires to 'understand complex social phenomena', making a case study the most suitable approach (Yin, 2003:2). It is not possible to examine policy problems in an isolated laboratory: the researcher has no control over events because of the real-life context. The strategy fits for answering 'how' and 'why' questions, such as the main question of this thesis, as it enables the researcher to perform in-depth exploration of issues. It can generate hypotheses and build theory (Yin 2003, Hartley 2004). According to Yin (2009:4) *"the case study method allows investigators to retain the holistic and meaningful characteristics of real-life events –such as [...] small group behaviour, organizational and managerial processes and the maturation of industries."* Case studies can shed light on the complexity of relations amongst actors or aspects. It does so by explaining *"complex causal links in real-life interventions"*, describing *"the real-life context in which the intervention has occurred"* and *"the intervention itself"*. (Yin 1994 in Tellis 1997)

Yin (1993) distinguishes between exploratory, explanatory and descriptive case studies. Because explanatory cases are used for doing causal investigations (Tellis 1997), and this study looks into the influence of the institutional and economic context, this case type is suitable. Case study research is in particular employable for multi-actor network studies, as *"case studies are multi-perspectival analyses. This means that the researcher considers not just the voice and perspective of the actors, but also of the relevant groups of actors and the interaction between them. This one aspect is a salient point in the characteristic that case studies possess."*(Tellis, 1997)

The main criticism on case studies is that they are hardly generalizable: events take place because of case-specific circumstances and therefore produces only 'sometimes true' explanations. Replication is impossible, as no situation is the same. There is a lack of external validity due to the researcher's inevitably subjective interpretation of material. (Boessen 2008). Therefore, researchers that conduct a qualitative study need to be *"as systematic and rigorous in their methods of empirical investigation as quantitative researchers"*. (Devine 2002:205). This thesis uses a standard set up to compare cases to address this systemic challenge.

3.4.3 Set up case studies

Following the institutional analysis, this study studies three cases during the period 1990 till 2005. Interactions in the policy arenas will be discussed, followed by a identification of impasses and breakthroughs. Around 1990 there was a major transformation of the housing system. Through decentralization and liberalization, mechanisms changed. This transformation enables comparison with present-days' market. 2005 is chosen as an end date, as it reflects the contract period of the VINEX Implementation Covenants.

Step 1: demarcation and description of interactions

Each case starts with the description of the starting conditions of the game: the formal network structure, the nature of inter-municipal relations (antagonistic or cooperative) and the main arguments. This elaboration provides insight in the values and standpoints of the actors.

Consecutively, the planning game is categorized into rounds that end with a crucial decision. The relevant interactions of each round are narrated in historical order. Eventhough the institutional analysis distinguished four arenas, the case studies recognize the power distribution arena and the remaining arenas (land policy, public housing and spatial planning). The reason for this grouping is that during the VINEX era, package deals were made by governments. These package deals covered aspects of all three policy arenas. For example, one policy document could contain specific target amounts of social housing, substantiated by a land development calculation, captured in a spatial plan.

Step 2: analysis of outcomes and interactions

This step makes a coupling between theory and practice. It includes the analysis of outcomes and interactions of the rounds. The analytical framework is used to explain impasses and breakthroughs. The theoretical factors from section 3.2 are 'tested' for their explanatory capacity. They help to identify the factors that determine the success or failure of the inter-municipal cooperation on residential planning. As a result of the empirical study, for some theoretical factors there might be 'evidence' in the residential planning practice. However, the empirical study might also show that some factors work out differently than described in theory. After the institutional analysis and the case studies, the analytical framework is therefore altered and improved. At the end of the study, a selection of promising management strategies is made.

After analysis of three case studies, the cases can be compared in order to find patterns or odds. The conclusions of the case study comparison form the input for the solution design.

Part 2 Institutional analysis

Dependencies between municipalities exist within a complex institutional context that is subject to continuous change. This chapter disentangles the context by providing a historical overview of the sectoral and organical legislation, regulations and policies that either have passed or are still in force in each policy arena. Each chapter outlines the development of public housing, spatial planning, the Dutch state structure and land policy of a specific period from 1850 up till today. Seven periods have been identified. Each chapter concludes with a discussion of the institutional context on whether the institutional context facilitated inter-municipal cooperation. Part 2 ends with conclusions of the institutional analysis, improvement of the analytical framework and input for the case studies.

The institutional analysis answers the following question: To what extent does the structure of the policy network facilitate inter-municipal cooperation on residential planning?

Please note 1: housing production and accompanying inter-governmental agreements are treated in the arena public housing, even if agreements follow from spatial policies (like VINEX/VINAC). This artificial separation is made to increase this thesis' readability.

Please note 2: as from the period of 1983-1995, this thesis puts most emphasis on urban regions with great complexities: Kaderwet/Wgr-plus regions because in these regions the need for inter-municipal cooperation was perceived most needed.

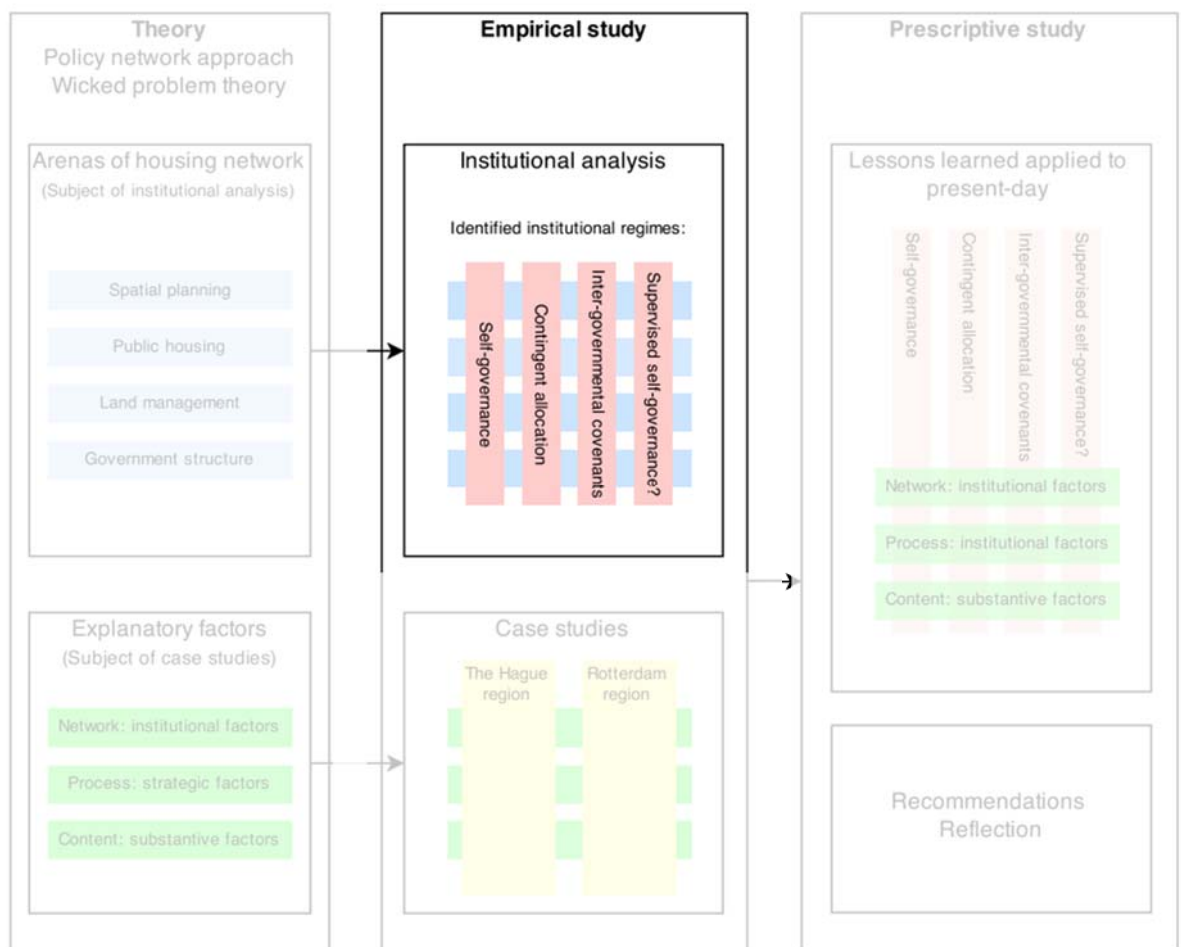


Figure 0-1: Report overview: Part 2 - Empirical study

4 Absent state 1850-1900

Within a century, the Netherlands transformed from a nightwatch-man state to a legislator with almost absolute sway over house-building production. This section treats the establishment of today's structure of public administration, as well as the total absence of state intervention with respect to housing between 1850 and 1900.

4.1 Public housing 1850-1900

Traditionally, housing was a private matter. The origins of public housing as a state task can be found in in the 19th century, rooted in the desire to improve housing conditions. The motives were different from today's, as housing was not considered a basic social right. On the contrary; the Netherlands was a night-watchman state. Article 62 of the Constitution of 1798, the predecessor of the current Article on housing, had little meaning in practice: "*Zij [de overheid] strekt, insgelijks, door heilzame wetten, haare zorg uit tot alles, wat in het algemeen de gezondheid der Ingezetenen kan bevorderen, met wegruiming, zooveel mooglijk, van alle belemmeringen.*"

As industrialization attracted labourers to overcrowded cities, from an economic perspective the interest in public health grew. Housing conditions of labourers were very poor, as can be read in Auke van der Woud's *Koninkrijk vol sloppen* (2010). The Amsterdam cholera epidimia in 1848 caused a group of physicians, engineers and lawyers to put housing conditions on the agenda. (Ekkers 2008:57) Despite the increasing awareness of the relation between housing conditions and public health, state involvement remained forthcoming till the beginning of the 20th century.

Actions to improve housing conditions were motivated by either philanthropic or economic considerations. The first *coöperatieve bouwvereniging*, '*Vereniging ten behoeve van de Arbeidersklasse*' was a private initiative by a few individuals that provided capital against a low interest rate. Industrialists took interest in the health of their labour force as well, though for more economic reasons. "*Men begint in te zien, dat de arbeider evenals de machine, een goed onderkomen behoeft, wil hij veel produceren*". (Engelen, 1870 in Ekkers 2008:29) This resulted in labour neighbourhoods such as the Delft Agenatapark that accomodated the labourers of the Gist- and Spiritusfabriek. (Ekkers 2008:59).

However, a societal debate emerged, thus pressuring the central government to take action. In 1896 an influential report was published by the *Maatschappij tot Nut van 't Algemeen* (Drucker et al, 1896 via Ekkers 2008:61), calling for legal regulations to establish quality standards for buildings. As labourers were regarded unable to take care of their own property, private organizations were established in order to provide for affordable housing for labourers. A small profit margin was allowed: subsidization was absolutely not regarded necessary. Despite a call from social-democrats to establish *public* instead of *private* housing associations, the state remained reticent. These developments laid the basis for the modern social housing system with stand alone housing associations. (Ekkers 2008:61-62)

Central government	No regulations or powers with regard to public housing
Province	No regulations or powers with regard to public housing
Region	No regulations or powers with regard to public housing
Municipality	No regulations or powers with regard to public housing

Table 4-1: Institutions that structured the policy arena of public housing of 1850-1900

4.2 Structure of public administration 1850-1900

Thorbecke's *Gemeentewet* of 1851 removed the distinction between rural areas and cities. From now on, the universal municipality was governed by an elected municipal council and a mayor, appointed by the Crown. (website Parlement) Even during the implementation of the *Gemeentewet* in 1851, Thorbecke was aware of the need for a new organizational solution for urban areas. In his opinion, municipalities that were too small could be merged. Two years before introduction of the *Gemeentewet*, the Minister planned to divide province Noord-Holland into 11 cities and 26 regional municipalities, so-called *Grietenijen* that were common in Friesland. Due to lack of political support, this plan failed (Van der Cammen 2003).

The pre-1900 housing system was completely decentralized. Although the national government became more active, till World War II municipalities had primacy. Did municipalities experience planning and coordination problems that needed inter-municipal cooperation? Were they able to institutionalize the cooperation? Till the turn of the century, public housing was in its infancy and spatial planning as an institutionalized policy field did not even exist.

Though the *Gemeentewet* of 1851 provided for a legal basis for inter-municipal cooperation, it was not regarded necessary with regard to housing, spatial planning and land policy. Municipalities could engage in an arrangement for "*gemeenschappelijke zaken, belangen, inrigtingen of werken*" (Article 121, *gemeentewet* 1851). Such mutual issues were the appointment of a rural constable for multiple municipalities, or public services like the establishment of a mutual school and cemetery. (Bulthuis 1957 via Hulst 2000). Although the *Gemeentewet* left for a generous interpretation of these mutual issues, the supervising provinces did not allow for much room. They prohibited the establishment of a stand alone organization issued with a mutual service. In order to circumvent legislation, municipalities established *Naamloze Vennootschappen*, for instance to provide for drinking water (Witte 2002:17). Cooperation needed to be initiated by municipalities, as they could not be forced to cooperate (Hulst 2000:7-8). As opposed to mutual service provision, there was little intermunicipal cooperation with regard to residential planning. Voluntary cooperation proved to be ineffective, as suburban municipalities feared loss of autonomy and rejected urbanization (Van der Cammen 2003).

If municipal borders hindered city expansion, annexation was a solution, however complex. A municipality could hand in a proposal for annexation by the central government. By means of such proposal the Hague annexed (parts of) Wassenaar (1884) and Loosduinen (1923). Nevertheless, strong resistance could prevent full annexation, as was the case with Wassenaar (Borst 2008:19).

Central government	<i>Gemeentewet</i> 1851 provides legal basis for inter-municipal cooperation
Province	Could prohibit establishment of inter-municipal cooperation arrangement, yet not enforce it. Able to facilitate annexation.
Region	(dependent on higher / lower authorities for institutionalization)
Municipality	Municipalities formally could join in an inter-municipal arrangement, yet often prohibited by province. Can establish <i>Naamloze Vennootschap</i> : a public company. Able to annex other municipalities, if approved by both province and parliament.

Table 4-2: Institutions that structured the public administration of 1850-1900

4.3 Spatial planning and land policy 1850-1900

Public land policy did not exist till 1900. (Keers 1989) Houses were developed almost exclusively by land owners, *grondexploitatie maatschappijen* and construction companies who were interested in the returns, and worked mostly on commission. In 1860-1880 the modern credit system emerged, thus increasing the financial possibilities for private builders to develop sites. From the 1850, the land market developed gradually as a result of city expansions, that were fuelled by the ongoing industrialization and migration to cities. In the last quarter of the 19th century, city expansions led to a value increase, hence speculation on unprepared building land (Keers 1989, 10.) The municipalities' passive role in the city expansions were deliberately chosen, as can be read in Gundlach's (1952:88) account:

"... de gemeentebesturen – geheel in de lijn van de in die jaren heersende economische en politieke denkbeelden – meenden zich zoveel mogelijk afzijdig te moeten houden van bemoeiingen met de stadsuitbreiding en grondexploitatie en deze taak overlieten aan het particulier initiatief" (Gundlach 1952 p88)

The municipalities' passive role did not result in Wild West scenes as they 'canalized' private city expansion with street plans. This public instrument was established in the *Gemeentewet* of 1851. (Keers 1989: 9) In practice,

municipalities followed the delineation of properties, as expropriation was difficult and very costly. The only exception were a handful of very progressive cities, like Amsterdam, that introduced land lease systems. Of course, implementation of such new systems was highly controversial at the time. (Keers 1989, Van der Cammen 2003)

Central government	Gemeentewet 1851: grants municipalities instrument to implement street plans
Province	No regulations or powers with regard to spatial planning and land policy
Region	No regulations or powers with regard to spatial planning and land policy
Municipality	Can implement streetplan and long lease system (Amsterdam)

Table 4-3: Institutions that structured the policy arenas of spatial planning and land policy of 1850-1900

4.4 Institutional context 1850-1900

This section treats the institutional characteristics of the housing network from 1850 to 1900. It concludes that the institutional context did not facilitate inter-municipal cooperation on residential planning, as one could hardly speak of a policy network.

4.4.1 Network composition

In general, the pre-1900 housing network can be characterized as ‘loose’ or even non-existing, as the housing system was fully decentralized and liberalized. There were no durable institutions that facilitated inter-governmental cooperation on residential planning. As there hardly were any sectoral institutions, one cannot even speak of real policy arenas. Dependencies between most municipalities were either non-existent or weak, except for a few major cities and surrounding villages. Local authorities were not stimulated to execute central state tasks on public housing, spatial planning or land policy. Central government refused to take action with regard to public housing till the turn of the century, when it had to give in to societal pressure. However, central government equipped municipalities with spare spatial-legal instruments to govern their municipal area. Furthermore, there was no legal basis for local authorities to provide for public housing. The fact that house-building was merely a private activity, meant that there was little reason for inter-municipal cooperation. Since most local governments had little policy goals with regard to housing their dependency on other actor’s resources was limited.

4.4.2 Reward structure

There was no reward structure that incentivized municipalities to cooperate, as there were hardly any formal institutions in the housing policy network.

4.4.3 Inter-municipal interaction

Till 1900 there were no formal institutions that facilitated inter-municipal consultation. Only when city expansion reached suburban municipalities, greater cities became dependent on the spatial decisions of suburban municipalities and (land-owning) private entrepreneurs. Despite this dependency, this study found no historical accounts of inter-municipal consultation. Provinces had no significant role with regard to spatial planning, public housing and land policy as they too had little legal instruments. Battles over city expansion were resolved by provinces and the central government. They could only play an arbiter role: if adjustment of municipal borders was needed to facilitate city expansion, the province played an proposed (partial) annexation of a municipality to the central government. By adjusting the municipal borders, the nature of the interdependency between the city and suburban municipality changed. The suburban municipality was disestablished; the actor literally left the policy game and the central city gained spatial authority over its new space. It can not be derived from the consulted research material what the decision-making processes towards annexation were like. However, annexation certainly was the only legal mechanism to solve inter-municipal issues on residential planning.

5 Foundations of policy 1900-1940

Between 1900 and 1940 central government gained a major role, implementing significant legislation: during four decades spatial law, public housing and land policy developed. As inter-municipal dependencies were increasingly felt, administrative organization of the region became subject of political debate. However, the results of these structure of public administration debates were less far-reaching than steps that were taken in the arenas of spatial planning and public housing.

5.1 Public housing 1900-1940

After a lengthy societal debate the *Woningwet* (Housing act) was introduced in 1901, simultaneous with the *Gezondheidwet* (Health act). The act expressed the state's responsibility to improve the housing conditions of the existing stock and to ensure no bad houses were built. The state thereby became the guard of a minimum building standard. (Van der Schaar, 1987). Yet, till World War II, the state was not actively involved in sufficient housing supply. Public residential planning was yet to be invented. The introduction of these two acts can be seen as the official end of the nightwatch-man state. The societal wish for a more active state attitude grew steadily. However, it took another century to capture sufficient and healthy housing in the Constitution. (Grondwet 1987, artikel 22) Next to expansion and building regulations, the *Woningwet* provided for instruments to control the housing stock. The state could intervene by issuing condemned housing orders (*onbewoonbaarheidsverklaring*), as well as expropriation and slum clearance (*krotopruiming*). (Van der Cammen 2003)

The *Woningwet* was revolutionary because it provided both the national government and municipalities the possibility to grant financial aid to housing associations and municipal housing corporations in the form of loans. (Ekkers 2008:63) Though the *Woningwet* did not describe financial aid as a *right*, as municipalities were free to decide whether, when and how much to grant, this financial provision provided the state with a new instrument to steer public housing. The granted loans resulted in so-called *Woningwetwoningen*, the first official state subsidized social housing. Subsequently, till World War II a series of financial measures was implemented and repealed, including financial stimulation of private housing, rent regulation and freezing. In 1917 the *Huurwet* was implemented, which attached the level of the rent to the household income. This linkage was new, since not the market price, nor the costprice were leading. (Ekkers 2008:65-67) Although many times redrafted, the *Huurwet* is still in force present-day.

The introduction of the *Woningwet* in 1901 marked the beginning of discussion that never grew silent. The socialization – liberalization debate resulted in capricious policy making between World War I and World War II with drastic legal changes almost every two-three years. As will be explored later on, after WOI there was a strong socialization tendency. Nevertheless, with each socialization step, the liberalization wish of opponents was fuelled. (Ekkers 2008)

Central government	Set minimum building quality standards (<i>Woningwet</i>) and regulates rent (<i>Huurwet</i>)
Province	No regulations or powers with regard to public housing
Region	No regulations or powers with regard to public housing
Municipality	Was able to grant financial aid to housing associations

Table 5-1: Institutions that structured the policy arena of public housing of 1900-1940

5.2 Structure of public administration 1900-1940

From 1900 the call for forced cooperation in metropolitan areas around major cities grew, fuelled by steady city expansion. Till the revision of the *Gemeentewet* in 1931 the capricious debate about the administrative organization led to a few failed proposals. Already in 1912 the *Gedeputeerde Staten* of Noord-Holland presented a plan raise Amsterdam's administrative promoting it to a province. The plan failed due to lack of political support. A few years later the enactment of *Kabinet-Cort van der Linden* (1915), enabling municipalities to establish a mutual '*Bond*', a public body for mutual interests, suffered the same fate. (Witte 2002:19) However, awareness of the need of an organizational solution for metropolitan cooperation grew.

The stringent attitude of higher authorities towards cooperation in a separate public body changed over the years, as well as the realization that the central government should be able to force cooperation. In 1922 the Constitution was changed, thus legalizing compulsory cooperation. The intentions were worked out in 1931 by the revision and expansion of the *Gemeentewet*. From then on, municipalities could establish either a mutual committee or a legal body for mutual issues. (Article 129 and 130, *Gemeentewet* 1931). Municipalities were free to compose the arrangement to their likings, as the act did not prescribe a certain legal form. (Witte 2002:19)

However, as the next sections will show, parallel to the discussion of the organization of governments, spatial-legal instruments were developed to solve inter-municipal spatial issues. Given the lack of an administrative solution for regional governance, annexation remained a blunt instrument for settling inter-municipal competition. (Van der Cammen 2003)

Central government	Was able to enforce inter-municipal cooperation (Grondwet 1922)
Province	Was able to prohibit inter-municipal cooperation in a legal entity, able to facilitate annexation
Region	(dependent on higher / lower authorities for institutionalization)
Municipality	Was establish a legal body for mutual issues

Table 5-2: institutions that structured the public administration of 1900-1940

5.3 Spatial planning 1900-1940

5.3.1 Development of spatial-legal instruments

By the time inter-municipal provisions were finally captured in legislation, a strong legal basis for spatial planning and public housing was laid by the national government. Van der Cammen (2003: x-x) describes the development of spatial legal instruments. As mentioned earlier, till World War II both policy fields were mainly the domain of municipalities. With the 1901 Woningwet the legislator introduced the predecessor of the *bestemmingsplan* as it is known present-day: the *uitbreidingsplan* (expansion plan). It was obligatory for municipalities that had more than 10.000 inhabitants and those that were expanded with more than 20% over the last five years. Large cities executed the law accordingly. Before 1910 the municipalities Den Bosch, Rotterdam, Amsterdam, Haarlem, Alkmaar, Utrecht, Groningen, Enschede and The Hague drafted a plan. (Van der Cammen 2003:46) Provinces supervised over the obligation of drafting expansion plans, and issued legal requests to municipalities if necessary.

Municipalities were not always happy with the obligation to implement an expansion plan. Smaller municipalities lacked administrative capacity. Also, state intervention by spatial planning clashed with the mainly liberal views of local politicians, who were often stakeholders on the housing market themselves as they were land-owners or –developers. (Steenhuis 2007:31) Case of point, Wassenaar received a legal request to draft an expansion plan in 1914 as a result of population growth of more than a fifth. There was resistance to implementing an expansion plan, as the then active (private) land development companies feared loss of income. Wassenaar rather left spatial development to the initiative of the private sector. Co. Brandes, architect of the first (rejected) expansion plan, was well-connected in the sector and mainly an advocate of the land developer’s interests. Six years after the legal request, there was still no approved expansion plan, much to the dismay of the Provincial Executive, that again summoned a plan. After nine years (!), the expansion plan by architect Mutters was implemented, which incorporated interests of the private sector. (Borst 2008:18-25)

Still the majority of municipal space was not covered by such expansion plan, so building permits remained the main public instrument to steer development. The possibility to draft expansion plans led to strange excesses in smaller municipalities. These municipalities began to grow as a result of better infrastructure, thus enabling people to live in a village and work in a city. (Borst 2008:8) For instance, the Amsterdam neighbouring villages Watergraafsmeer and Sloten drafted plans that included housing for respectively 225.000 and 340.000 citizens. Borst (2008:8-10) notes three reasons for this phenomenon. First, municipalities were unexperienced – often as a consequence of their capacity problems. Second, municipalities that neighboured large cities feared annexation. Third, the Woningwet itself was to blame. Municipalities had no instruments to sanction private land developers that did not comply to the expansion plan. Also, construction companies tended to develop land right outside of the border of the expansion plan to invade regulations. Therefore, they implemented an expansion plan for their complete territory, including a building ban. The virtual ‘*landjepik*’ was settled by annexation. For instance, Amsterdam swallowed Watergraafsmeer and Sloten in 1921. As larger cities’ neighbours felt their autonomy threatened, opposition grew organized. Till WWII the *Bond van Anti-annexatie comités* and *Vereniging van Nederlandse Gemeenten* disputed central steering on forced cooperation and annexation. (Witte 2002:19)

In 1921 and 1931 the Woningwet was adjusted, introducing the modern *bestemmingsplan*. The 1901 act only provided for planning roads, squares and canals. From 1921 it became possible to ‘fill in’ the space between streets with a specific purpose, such as industry or housing. Though much more detailed, today’s *bestemmingsplan* is virtually the same. It still has the expiry term of ten years. The 1921 revision gave the expansion plan an official restrictive status: building permits could not be granted when they did not match the

expansion plan. The new act also included an arrangement for inter-municipal alignment of expansion plans. The 1931 revision made more specifications possible. From then on, detailed building instructions could be prescribed.

5.3.2 From 1930: implementation of regional spatial plans to solve regional questions

In order to prevent border conflicts and to preserve the green open space, provinces drafted *streekplannen*, regional spatial plans, which were legally implemented with the 1931 *Woningwet*. Municipalities were also able to jointly draft a regional spatial plan. (Artikel 45, *Woningwet* 1931) However, except for inter-municipal cooperation Zeeuws-Vlaanderen, provinces exclusively initiated *regional spatial plans*. (De Nijs, 2003:57) The *gewest* (region) was introduced as a spatial planning concept – not to be mixed with the administrative territory. The status of the *regional spatial plans* was weak, as the province’s directing powers were limited before WWII. The province possessed the rather passive authority to approve expansion plans. Yet the province could not enforce it’s own *regional spatial plan* onto the municipalities, who were nicely asked to ‘consult’ the province’s expert committee for regional spatial plans. This provincial stimulation -rather than enforcement- did not lead to much inter-municipal alignment, according to Van der Cammen. (2003:117)

“Bij tussenstijdse wijziging van de Woningwet in 1921 en 1931 kwam het niet verder dan stimulerende bepalingen en de oproep tot betere aansluiting van gemeentelijke uitbreidingsplannen. Hiervan getuigt de terughoudende aanhef van de gewestelijke paragraaf van 1931: ‘Indien de raden van twee of meer gemeenten wenselijk achten dat voor het gezamenlijk gebied dier gemeenten een streekplan wordt vastgesteld’. [...] Op de gemeenten werd een dringend beroep gedaan om ‘in alle stadia van voorbereiding van een uitbreidingsplan bij deze commissie voorlichting en advies in te winnen, opdat de gemeentelijke uitbreidingsplannen een onderdeel zullen vormen van wat algemeen onder een gewestelijk plan wordt verstaan. [...] De regio mocht dan in het vizier komen, maar als het eropaan kwam waren de gemeentebesturen zeer gehecht aan hun autonomie en de wetgever liep niet voorop.”

This observation is underwritten by Witte, who notes that municipalities did not regard the province as ‘neutral’. Quite the opposite: provinces were irritating busybodies. (Witte 2002:20)

Even though the 1931 change of the *Gemeentewet* provided for more room to settle inter-municipal interests, there are no accounts of mutual arrangements with the purpose of regional housing programming. (Hulst 2008, Witte 2002, Van der Cammen 2003)

Central government	Introduced spatial-legal instruments
Province	Was able to implement <i>regional spatial plans</i> – yet no overruling power (1931)
Region	No powers with regard to spatial planning
Municipality	Had to implement <i>land-use plans</i> and <i>expansion plans</i> according to the <i>Woningwet</i> (1901, 1921, 1931)

Table 5-3: Institutions that structured the policy arena of spatial planning of 1900-1940

5.4 Land policy 1900 - 1940

5.4.1 Decentral land policy 1901 – 1925 and establishment of first municipal land agencies

The 1901 *Woningwet* did not prescribe the municipal role on the land market. Though the parliament briefly discussed desirability of expropriation rights in case of city expansion during the consideration of the act, the government did not want to limit municipal (financial) autonomy.

“In het kader van dit wetsontwerp valt evenmin verplichte onteigening of aankoop van gronden door de gemeente. Dit zou worden een beschikken over de gemeentekas, hetgeen de Regering verantwoordelijk zou maken voor de toestand van gemeentefinanciën.” (Gundlach 1952:129 via Keers 1989:13)

Despite little consideration of the municipal role on the land market, the act indirectly stimulated active land policy, especially in urban areas. (Keers 1989) The implemented instrument for expropriation worked well, not just in use, but also as a threat. Many transactions were settled (*minnelijke schikking*). Municipalities could now stimulate *woningwetbouw* in two complementary ways:

- Financial aid by granting cheap loans to private housing corporations.
- Providing affordable lands to housing corporations by pursuing active land policy, as the land supply by private entrepreneurs was often too expensive or considered unprofitable.

Till 1910 the private sector built more than 95% of the houses. From that time, *woningwetbouw*, hence active land policy rose. During the first half of the twenties, up to 50.000 *woningwet* houses were built on a yearly basis. As land development became a municipal task, many major cities established municipal land agencies (*grondbedrijf*). Since municipalities had no monopoly on land development, cities sought for ways to recoup costs for public provisions such as roads and sewage. For instance, Amsterdam introduced an *exploitatieverordening* in 1924. (Schans 1965:110, 126, 136 via Keers 1989:15) According to Keers, smaller municipalities were less active, pursuing a more 'ad hoc' land policy. Though they incidentally bought unimproved lands (*ruwe bouwgrond*), yet no municipal land agency was established.

The arguments that substantiated active land policy were roughly the same as modern days'. If the private sector did not provide for enough (affordable) land, municipalities could provide for it in order to ensure land supply to fight the housing shortage. By early acquisition of unimproved farmlands, municipalities could prevent land speculation on future city expansion.

Municipalities were fully autonomous with regard to land policy. Inter-municipal dependencies were not felt, and no inter-governmental cooperation took place. The financial risks that came along with active land policy were acknowledged, as well as the potential price inflating effects of the large-scale land purchases of municipalities. Yet there is no account of municipalities that worry about decisions that were made by land development companies of neighbouring municipalities. The land market was considered local, and the purchasers of prepared land were local housing corporations.

5.4.2 From 1926: central land price limit policy aimed at affordable housing

Till 1926 the land policy system was completely decentralized, as municipalities were free to set their own land prices. In practice, this led to excesses, as municipalities experienced that active land policy could be quite profitable. According to *Inspectie van de Volkshuisvesting*, in some cases public housing interests became subordinate to maximizing profits. The position of housing associations was too weak to negotiate affordable prices. (Keers 1989) Therefore, central government had to step in, in order to control land prices for social housing: from 1926 central land price policy was introduced. For the first time, central government was involved in land policy. In order to build affordable housing, the quality should be temperate. Building costs could thus be controlled, so rents could be kept low. As the government could not steer directly on quality, it used the instrument land price limits (*grondprijslimiet*) to indirectly control quality. The instrument was built up from a decentral and a central part.

- If a municipality was able to keep the costs under Fl 600 per house, central government approved the building plan for the *woningwet* house in any case. This decentral mechanism provided municipalities with policy freedom, as they only had to keep an eye on the price limit. The greater the difference between the purchase price of land and the land price limit, the more 'luxury' a municipality could afford with regard to site preparation.
- However, in major cities calculated land prices were often higher. If they had to surpass the Fl 600 limit, central government had to approve building plans. Negotiations between cities and the state emerged, in which the central government was in a position to put prices, and as a consequence the linked building quality under pressure.

There was no inter-municipal consultation on land policy. Municipalities acted autonomously, or needed approval of central government, who only judged the land price. This thesis found no indication that central government took land prices of surrounding municipalities into account.

The central civil service that had to judge building plans that exceeded the maximum price was not comparable to the apparatus that was set up after WWII. The civil service tasked with plan judgement was rather small and calculations were not yet standardized. Calculations were executed ad hoc and subject of negotiations between municipalities and central government. (Keers 1989:21-22) This land policy with price limits lasted till 1952 and was adjusted only one time: the limit was raised from Fl 600 to Fl 1000 to keep up with the risen land prices.

Only part of the houses were built in the social housing sector: between 1926 and 1940 less than 20%, due to the economic crisis and WWII. (Keers 1989:23). Neither municipality, nor central government did interfere in the land prices of the private sector. However, since the state stepped into the land market, from 1926 its actions became of major influence to the proportion of social and private house-building.

Central government	Till 1925: no regulations, from 1925: land price limit Fl. 600
Province	No regulations / powers with regard to land policy
Region	No regulations / powers with regard to land policy
Municipality	Till 1925: free to set land prices, from 1925: land prices over Fl.600 needed approval by central government

Table 5-4: Institutions that structured that policy arena of land policy 1900-1940

5.5 Institutional context 1900-1940

This section treats the institutional characteristics of the housing network from 1900 to 1940. Eventhough the first *option* to implement an inter-municipal institution was introduced, the regional spatial plan, cooperation was not further facilitated.

5.5.1 Network composition

The amount of institutions that facilitated cooperation between municipalities remained low, despite the increased institutionalization of the three sectoral policy arenas. The first institution with a regional character was the regional spatial plan. Due to its voluntary character, the regional spatial plan did not create interdependencies between municipalities. The horizontal policy network between municipalities remained loose. However, by implementation of the *Woningwet*, *Gezondheidswet* and *Huurwet*, *vertical dependencies* between central government and municipalities emerged. Housing increasingly became a matter of the state. Central government granted municipalities new policy instruments concerning public health, housing and spatial planning. The government did not yet issue national spatial plans: municipalities still had great autonomy with regard to spatial planning. The obligation to draft an expansion plan made inter-municipal dependencies grow, as their virtual plans could now interfere. This was especially the case around major cities. Even if there was a desire to cooperate, the legal grounds for establishing a cooperation arrangements were limited. Spatial conflicts were settled through annexation or were not decided upon (non-decision).

5.5.2 Reward structure

There was no reward structure that incentivized inter-municipal cooperation, as there were no mutual gains from implementing a regional plan. Municipalities feared they would lose their autonomy by agreeing to a regional plan.

5.5.3 Inter-municipal interaction

The expansion plan became the first common-used policy document that was specifically meant for expression of municipalities' spatial policy. It was also a means of one-way, unilateral, communication between municipalities. The expansion plans were not only used by municipalities to steer building activities, but also to prevent annexation by neighbouring cities and hinder obstinate construction companies. These plans were substantiated with forecasts of population growth. However, there was not yet systematic academic research on the housing market, nor did it play a significant role in supra-local urban planning.

Till 1931, the provinces' mediating role remained as little as it was before 1900. With the second revision of the *Woningwet*, the regional spatial plan became a legal instrument. Even after the revision, the provinces' position remained that of arbiter in annexation cases. Their rights were rather passive, as they could not enforce, only approve mutual arrangements and regional spatial plans. The primacy of housing and planning was always with municipalities. However, through regional advisory committees, the province attempted to facilitate inter-municipal consultation and protection of substance. In practice, these attempts sorted little effect, as only one regional plan has been implemented before 1940.

6 Reconstruction era 1940-1970

After World War II the country was in ruins. Nearly 90.000 houses were demolished and 550.000 were damaged (Ekkers 2008:68). No houses were built during wartime, so the housing shortage was enormous. Next to that, building costs were skyhigh and the national economy was paralyzed. Reconstruction became a government priority. This chapter explores the offspring of the modern housing system as well as its inter-municipal aspects.

First, the chapter treats the priorities during the first ten years after the war: restoration of the economy. Second, it elaborates on the emancipation of spatial planning as a stand alone policy area. The third section outlines the coordination of housing programming that developed after the war. Fourth, the emergence of active land policy by municipalities is explored. The fifth section explores the socialization-liberalization debate that ended in even more state involvement, despite the wish to limit intervention. The last section discusses the changed dependencies between governments.

6.1 Public housing 1940-1970

6.1.1 1945-end 50s: reconstruction of economy is top priority

The first years after the war revolved around economic and industrial recovery to provide for peoples' basic needs. Therefore, lesser attention was paid to the enormous quantitative housing shortage. To relieve some housing needs, in 1947 the *Woonruimtetwet* (Housing accommodation act) was introduced. It provided for instruments like claiming (*vordering*) and lodging (*inkwartiering*). To the national government, it became clear that 'the market' would not solve the housing shortage. Still it took several years till specific housing policies to boost house-building were set up.

During the fifties price-and-wage politics were the main instruments. Rents were artificially kept low. This rent-wage coupling lasted till the seventies. According to Van der Schaar (1987) the government followed a incoherent 'stop-go' policy concerning house-building that did not necessarily focused on relieving the housing shortage, but rather balanced public investments and the available resources. Because of these central economic measures, the municipal autonomy became limited. (Ekkers 2008:69-70). The wish to strengthen the economy made the legislator aware of the regional scale. Industrialization surpassed municipal borders, as can be read in the *Industrialisatienota*. Industrial regions such as the Rotterdam area Rijnmond and *Agglomeratie* Eindhoven became subject of national policies.

6.1.2 1945 – 1970: development of the first planning and programming system

Post-war residential planning became extremely centralized. Every year, the *Centrale Directie van de Volkshuisvesting* (CDV) drafted a national building plan, on which the parliament decided each year during the budget negotiations. The legal basis of this building plan was the *Wederopbouwwet* (1950). Based on this building plan, a housing quota system (*woningcontigentering*) was drafted, to divide the contingents over provinces and municipalities. The contingent was a directive that included the maximum amount of houses that could be subsidized, split up in both a financing and a housing category. This informed municipalities of the maximum state allowance they could collect on a yearly basis. (Koffijberg 1997:9) Each building plan drafted by a municipality would be judged by the legislator in order to officially approve of the grant (so called *plantoetsing*). In order to build, both state *and* municipal approval were necessary. From 1963, the process of dividing contingents became the main steering instrument to reduce the housing shortage. Obviously the state had an enormous civil service exclusively for planning, programming and plan judgement.

Gradually the provincial role in residential planning grew. From the fifties, the province divided the provincial contingents based on Article 16 of the *Wederopbouwwet*. From the 60s, the province advised the Minister of VROM (housing and spatial planning) prior to deciding on the provincial contingent. Although the technical plan judgement remained a central authority, from 1971 it was deconcentrated to *HID-kantoren*, provincial departments. The reasoning behind this deconcentration was that the lower the administrative tier, the more familiarity with local and regional circumstances.

6.1.3 1960 – 1970 Liberalization attempts fail due to economic circumstances

The State's planning and programming activities includes object subsidies, as 'the market' would not solve the housing shortage by itself. At the end of the fifties, begin sixties, the liberalization debate sparked again. Politicians wanted that the actual rent would correspond with the costprice. Object subsidies that were used to boost house-building should be cut back. The building of social housing should lessen in favor of private initiatives.

In other words: the market should ‘do its job’. Subsidies should only be aimed at low wage earners. In fact, the proposals of that time were a lot like those that were expressed in the *Nota wonen in de jaren negentig* (1989) which will be discussed later on.

Despite the political wish to liberalize, the housing shortage remained skyhigh, partly caused by a growing welfare. Models calculated a need of 830.000 houses in the period 1964-1970. Therefore, in 1966 the *Besluit Geldelijke Steun Volkshuisvesting* came in force, thereby marking the beginning of structural subsidy schemes. The whimsical macro-economic climate forced the Cabinet to even level up the subsidies. Next to the purpose of stimulation, object subsidies were also used to protect the market from fluctuations on the capital market. To cushion the rising rents and in order to replace the costly object subsidies, a new instrument was introduced: individual rent subsidy. This instrument was – and still is – a subject subsidy. The government got into substantial debts, following the Keynesian philosophy that prescribes expansionist policies. During the aftermath of the oil crisis (1973) the housing market became overheated. (Van der Cammen: 234)

Central government	Introduced house-building quota system: contingents (<i>Wederopbouwet</i> 1950)
Province	Advisory role with regard to division of municipal and provincial contingents grows gradually
Region	No role or powers with regard to public housing, except for Rijnmond
Municipality	Executed public housing policies, handed in building plans to the central government for approval

Table 6-1: institutions that structured the policy arena of public housing of 1940-1970

6.2 Spatial planning 1940-1970

6.2.1 The rise and emancipation of spatial planning – drastic redistribution of powers

In the meantime, big steps were taken with regard to spatial planning as it was cut loose from public housing. In fact, today’s spatial planning system is not much different from its first form.

Origins of central-led planning

The foundation of central-led planning was laid by the occupying Germans. During wartime the *Basisbesluit* (1941) was implemented, granting the legislator with far-reaching overruling powers, modeled after the German system. From then on, also the province got more powers, thus permanently strengthening its role as supra-local authority. Drafting *regional spatial plans* became a permanent task of provinces. The initiative to draft a *regional spatial plan* (*voorbereidingsbesluit*) obliged municipalities with spatial planning intentions to consult the province beforehand. After implementation of the *regional spatial plan*, all municipal rulings (such as *rooilijnen*, building bans and expansion plans) alien to the *regional spatial plan* were annulled. Municipalities were obliged to adjust their regulations as soon as possible.

During the occupation, the *Rijksdienst voor het nationale plan* was established, as the predecessor of the *Rijks Planologische Dienst*. This department became responsible for national spatial planning. In 1950 the new committee ‘*Ontwikkeling Westen des Lands*’ that was issued with development of a new spatial vision. The state published the *Nota Westen des Lands* (1958), expecting major migration to the west of the country. This would cause extra housing shortage on top of the shortage from the expanding population and the war damage. In 1960 the (Eerste) *Nota Ruimtelijke Ordening* was implemented. Building on the *Basisbesluit* it made so-called *Planologische Kernbeslissingen* possible. The central state could determine the spatial planning of the Netherlands, thereby overruling plans of lower administrative bodies. In their turn, provinces and municipalities became obliged to align their regional spatial plans and municipal plans with the *planologische kernbeslissingen*.

First spatial planning act

In 1965 spatial planning was definitively cut loose from public housing by the introduction of the *Wet Ruimtelijke Ordening* (short: *Wro*). Van der Cammen (2003:178) identifies three core elements of the act:

1. Within the planning system, authorities were according to the subsidiarity principle aligned to the three tier-system: ‘decentralized what is possible, centralized if needed’. Municipalities were primarily responsible of spatial planning: it was (and still is) the only government that forms spatial contracts between the state and citizens through land-use plans. The expansion plan which was formerly subdivided in a ‘*plan op hoofdzaken*’ and a ‘*plan in onderdelen*’ was transformed to the modern bestemmingsplan. (Keers 1989:90)

2. The WRO defined the nature of spatial plan figures (Dutch ruimtelijke planfiguren) for each governmental tier, including their authorities, which the governmental tiers could use as being a 'plan authority' (Dutch planautoriteit).

3. The WRO prescribed rights and responsibilities of legal entities and citizens in legal procedures of plan preparation. These procedures guaranteed the possibility of protesting, consultation and financial compensation for damage due to planning.

Based on the *Wro* a coordination mechanism emerged between state and municipalities, in which the national government controlled the residential planning by literally colouring in urbanization. The WRO 1965 introduced a new supervisory task for provinces. They not only had to judge land-use plans on their spatial quality, but also the financial feasibility. The *Provinciale Planologische Commissie* (PPC) advised *Gedeputeerde Staten* whether to approve or not. As the provinces were (and still are) also issued to supervise the financial position of municipalities, they could disapprove municipal spending on land purchase and land improvement.

6.2.2 Planning for population growth and migration

After 1960, suburbanization grew as a result of growing prosperity. Direction of urbanization was considered a necessity, as the *Tweede Nota* (1966) calculated that the population would grow to 20 million citizens in the year 2000. This staggering numbers caused the State to become aware of its permanent role in the supply of housing. These future people needed to be accommodated. With the second memorandum, *spreidingsbeleid* (spread policy) was introduced: the west of the country was considered 'full' and the Green Heart should be protected. Therefore urbanization of periphery of the Netherlands, outside the Randstad, should be stimulated. (Korthals Altes 1995:71-73) Since green open space should be protected in the rest of the country as well, the state aimed for '*gebundelde deconcentratie*'. The planning policies of the first and second memorandum proved to be ineffective in practice (Korthals Altes 1995:77). Villages in the Green Heart expanded, as municipalities saw little necessity to comply to state policy. Provinces that were decreed to supervise by judging *land-use plans* much respected municipal autonomy. Despite the practical ineffectiveness, the philosophy of bundled deconcentration laid the basis for the *groeikernenbeleid* that would gain popularity from the 70s.

As a result of expanding cities and villages, the *stadsgewest* became a common planning concept. However, just as before the war, the scale of the *stadsgewest* had no administrative representation. Supra-local spatial planning was still directed by the State and provinces by means of the *regional spatial plan*.

Central government	Introduced national plan (WRO 1965). Spatial planning became independent as an area of policy.
Province	Drafted regional spatial plans that needed to fit into the national plan, and overruled land-use plans. Land-use plans were checked for their financial feasibility.
Region	No role or powers with regard to spatial planning, except for Rijnmond and Eindhoven
Municipality	Drafted land-use plans that needed approval by the province

Table 6-2: Institutions that structured the policy arena of spatial planning of 1940-1970

6.3 Structure of public administration 1940-1970

6.3.1 House of Thorbecke prevails – regional layer is rejected

The planning and programming system was regarded as the main instrument to coordinate house-building. Planning in urban areas was considered rather complex as space that was needed for economic activities was scattered over multiple municipalities with autonomy of its soil. Right after the war it was feared that the complexity of administrative problems in urban areas would hinder the reconstruction. As mentioned, the *Industrialisatienota* emphasized on the regional scale. To find an administrative solution to address the regional gap, the State committee Koelma was installed. This committee advised to establish regional districts, as the voluntary arrangements of the *Gemeentewet* (1931) were no longer sufficient. The districts should be placed between the State and provinces. The parliament opposed the idea of a fourth administrative layer. Voluntary cooperation between municipalities remained the basic idea.

In 1950 the *Wet Gemeenschappelijke Regelingen* was introduced, thus isolating inter-municipal collaboration from the *Gemeentewet*. Till 1985, this act would be in force. As the planning and programming process only addressed provinces and municipalities, inter-municipal arrangements had little meaning with regard to residential

planning. This changed during the eighties. The region remained an analytical planning concept with no administrative equivalent. The province should deal with supra-local issues. (Witte 2002:21, Hulst 2000)

6.3.2 Two exceptions: complex industrial areas Rotterdam and Eindhoven

The regions Rijnmond and Eindhoven were exceptional. Both areas were granted a status of national importance with regard to their industrial function and metropolitan complexities. For example, Rijnmond was appointed as a heavy-chemical complex. The new regional administration should address the complexities of the colluding industrialization and urbanization. Committee Klaasesz, appointed to address the development of the Nieuwe Waterweg, emphasized in 1962 on the need for an administrative solution for the Rotterdam area:

“Het ligt voor de hand, dat de ontwikkeling in het gebied van de Rijnmond ook in bestuurlijk opzicht problemen opwerpt. Deze problemen vragen dringender op een oplossing, naarmate de andere gemeenten nauwer betrokken raken bij de economische expansie, die van Rotterdam uit om zich heen grijpt. Deze expansie manifesteert zich onder meer in de behoefte aan vergroting van de havens, aan uitbreiding van industrieterreinen, aan de stichting van nieuwe wooncomplexen, aan terreinen voor recreatieve doeleinden en aan een bij dit alles behorend verkeersnet. Voor de voorziening in deze behoeften moet ruimte worden gevonden in een groot aantal gemeenten in de nabijheid van Rotterdam. Al deze gemeenten worden dientengevolge in het ontwikkelingsproces in het gebied van de Rijnmond opgenomen. Daaruit vloeit voort, dat de belangen van deze gemeenten in toenemende mate met die van Rotterdam en ook onderling verweven raken. De bestuursorganisatie in het gebied van de Rijnmond doet aan deze verwevenheid nog onvoldoende recht weidervaren. [...] Voorts moet worden geconstateerd, dat voor de verdere ontwikkeling in dit gebied de medewerking van individuele gemeentebesturen vereist is, zonder dat vaststaat dat deze medewerking tijdig en in voldoende mate zal worden verleend.” (Memorie van toelichting bij intrekking Wet opheffing openbaar lichaam rijnmond 1985)

This call resulted in the establishment of the Openbaar Lichaam Rijnmond. The administration had a directly chosen representation and a chairman that was appointed by the Crown. Provincial powers with regard to spatial planning were transferred to Rijnmond, including the authority to draft its own *regional spatial plan*.

Agglomeratie Eindhoven was established in 1965 as a joint arrangement between ten municipalities. The goal of this arrangement was the search for a governmental structure. In 1976 Agglomeratie Eindhoven received a legal status. Already at the end of the 60s, the cooperation arrangement produced several joint policies. There as a ‘Structuurscehts Agglomeratie Eindhoven’, central registration and uniform urgency judgement for house seekers and centralization of powers with regard to distribution of contingents and subsidies for house-building. (Vulperhorst 1983:19) However, Rijnmond and Eindhoven were the rare exceptions.

Central government	Implemented a new legal basis for cooperation: Wet gemeenschappelijke regelingen 1950
Province	
Region	Rijnmond and Agglomeratie Eindhoven institutionalized by law. Rest of the cooperations: dependent on higher / lower authorities for institutionalization.
Municipality	Was able to establish inter-municipal cooperation arrangements.

Table 6-3: institutions that structured the public administration of 1940-1970

6.4 Land policy 1940-1970

6.4.1 Dissatisfaction with the land price limit system: too generic

The limited land price policy for social housing lasted till 1952. After the war, dissatisfaction with the instrument grew. The stringent price limit of fl 1000 per house was too generic, thus losing touch with actual local circumstances. Keers (1989:64) On the one hand, mostly in major cities, land costs per *woningwet* house exceeded the price limit. However, as the housing shortage needed to be reduced, these high costs central government needed to approve the prices. The higher land costs could result in too high initial rents, thus becoming less affordable for the target group of social housing. On the other hand, in municipalities with low land costs, the limit had an opposed effect compared to major cities. As the limit was too free, in some cases municipalities could afford luxurious environmental quality (*plankwaliteit*), such as extra large sites for social housing. This did not match the central government’s principle of austerity. These excesses on both side of the

spectrum show that the instrument was unfit to control the environmental quality of municipal plans as it only steered land prices.

In 1942 the German occupiers implemented the *Vervreemdingsbesluit niet-landbouwgronden*, which controlled purchasing prices of farmland, by limiting it to the prices that were 'usual' and 'reasonable' at May 9th, 1940. This decree lasted till 1956, as circumstances changed after the War and the price norm of 1940 became unworkable. (Tweede Kamer, 1954, memorie van toelichting:3939) However, as price control was left, land speculation emerged again (Keers 1989:66).

6.4.2 New system: centralization of land cost judgement

Especially after the War, the central government wanted to control rents and subsidies for social housing, land costs still needed to be governed. Land price policy for social housing – which counted for more than two-thirds of the housing production (Keers 1989:24)– became completely centralized. From 1952, land costs for social housing were judged per expansion plan, instead of per building plan. A new method for systemic judgement was developed.

“Daarvoor was een document opgesteld waarin het rijk aangaf op welke wijze de door een gemeente ingediende exploitatie-opzet door het rijk werd beoordeeld. Dit document "Beoordeling van grondkosten in uitbrei- dingsplannen" was bedoeld om de gemeenten vooraf al inzicht te geven in de nieuwe beoordelingsmethode. Gemeenten konden dan bij het opstellen van hun exploitatie-opzetten rekeninghouden met de door het rijk gewenste specificatie van de berekende grondkosten.” (Keers 1989:45)

The goal was to find a balance between quality and costs, in which austerity was still key. Quality was still a closing entry: an operating deficit was solved by cutting economizing quality. Land prices grew steadily, fluctuating around 15% of the all-in construction costs of buildings during the fifties and sixties. (Keers 1989)

6.4.3 Land market monopolized by municipalities: active land policy

Next to the revision of the *sturing-en-ordering* system of public housing, the land market underwent a drastic change as well, compared to the interbellum. Before the war, only major cities actively purchased and developed land, because of city expansions. After the war, most municipalities gained a monopoly position regarding granting building plots for housing and other purposes. (Keers 1989, 52)

Practice of active land policy

Many Dutch municipalities - especially in densely populated areas, such as the Randstad - have a tradition of pursuing active land policy (Louw 2003). For decades municipalities were mainly responsible for housing development: they bought land and subdivided it. Consecutively, municipalities prepared the sites by providing infrastructure and utilities. After site preparation, the sites were sold to property developers, housing corporations or owner-occupiers (Buitelaar 2010). In order to buy land, municipalities took loans. The loans could be paid off by the revenues of the prepared sites. The gap between buying and selling land could count up to a decade, so interest payment is an important debit.

Explanation for active land policy

Keers (1989:52) provides four explanations for the widespread introduction of active land policy – which was only pursued by major cities before the war. First, he points at the explosive increase of *woningwetbouw*. Land development of social housing was not considered lucrative by private builders, so the state took an active role in its provision. Second, municipalities were obliged to draft expansion plans *and* take responsibility in the execution of those plans, considering the housing need. As opposed to the pre-war era, smaller municipalities grew substantially as well. In order to smoothen the expansion, provision of public services, such as roads and sewage needed to be coordinated. Third, active land policy and controlled land prices were considered preconditions for deliberate municipal spatial planning. Fourth, land ownership was very fragmented, thus hindering the development of any large scale complex. Also, bad building conditions - composition of the soil or the costly opening up of a site – made private development less profitable. Keers sketches a 'collectivistic' spirit of the age, in which an active public role was widely supported. As all investments in housing and land development had to be approved by the central government, private investors moved to other sectors. At the end of the sixties, almost half of the municipalities had established a municipal land agency. For the coming decades, municipalities would remain the major supplier of building land.

Negative effects

The new system of land cost judgement had also negative effects. Some municipalities tended to allocate costs from provisions for social housing to sites plots for the private and *premieoningen* (subsidized, yet not social housing). The effect was that the land prices became too high for the private sector. As a result, the private sector was decimated, leading to protests from construction companies. (Keers 1989:52)

The monopoly of municipalities on the land market and the new relationship with the central government diminished the role of housing associations. Even though housing associations were formally the commissioning party for social housing, in practice municipalities became principal. Municipalities were suppliers of the land, and the planned housing was determined in the negotiations between municipalities and the central government. Housing associations did not play a role in these negotiations.

Central government	Central land cost judgement, based on municipal expansion plans
Province	
Region	
Municipality	Main actors on the land market, land development at their own risk. Handed their land development plans in for approval by the central government.

Table 6-4: institutions that structured the policy arena of land policy of 1940-1940

6.5 Institutional context 1940-1970

This section treats the institutional characteristics of the housing network from 1940 to 1970. The vertical relation between central government, provinces and municipalities was a blocking institution that hindered inter-municipal interaction.

6.5.1 Network composition

Just like before 1940, there were little inter-municipal institutions for residential planning after WWII. However, the reasons for the lack of shared institutions that facilitated inter-municipal cooperation were different. After the war, many vertically oriented institutions were implemented for the sake of centrally coordinated residential planning. With the introduction of central-led planning and programming, municipalities became the executioners of state policies. There was a high compatibility of institutions across the sectoral policy arenas, but not at the regional level. As a result of the blueprint planning philosophy and the radical centralization of 1940, central government owned all legal instruments to steer housing production. Through its powerful Ministry of VROM, the legislator coordinated residential planning. This coordination mechanism defined the new relation between the national government and the municipalities. The national government led the way and drew maps, while municipalities manoeuvred within the prescribed frame. The residential planning game quickly became institutionalized with new legal procedures and regulations. The decision-making process contained 'gains' for the municipalities. If they cooperated with higher-level governments, they could gain building permits and funding. Gradually the primacy of residential planning shifted from spatial planning (remember the expansion plans till 1940) to planning through allocation of contingents and subsidies.

6.5.2 Reward structure

The contingent system became a reward structure that did not incentivize municipalities to cooperate. On the contrary: because of the strong vertical dependencies, municipalities had little to do with their neighbouring municipalities. In 1950 the Joint regulations act made the establishment of regional joint regulations possible. However, this study found little accounts of inter-municipal cooperation except for the institutionalized Rijnmond and Eindhoven region. Even if municipalities would establish a joint organization, the central-led planning system did not allow for autonomous regional planning. The planning and programming system of house-building was set up rather independent from the discussions on the administrative organization of the region. Debates on the structure of public administration were mainly nourished by the complex puzzles that needed to be solved in industrial urban areas like Rijnmond and Eindhoven. There are no accounts of involvement of municipalities in the debates on the regional administrative structure: it seemed a subject that was primarily debated by national politicians.

6.5.3 Inter-municipal interaction

Inter-municipal interaction was not supported by shared institutions. The province established its role as mediator between central government and municipalities. In this role, the province did not (yet) facilitate inter-municipal consultation. As a consequence of the Basisbesluit (1941) and the Wro (1965) the provincial role as supra-local middle tier was anchored. Whenever municipal interests surpassed their borders, the province was now able to

interfere and give directions. The regional spatial plan gained importance as a regional steering instrument and during the 60s central government deconcentrated many tasks to the province. The province became the window through which municipalities consulted central government.

7 Complex subsidy cycles 1970 – 1983

This chapter discusses the period that government involvement in housing matured. Instead of blueprint planning, governments increasingly engaged in negotiation planning. These negotiations were embedded in a complex system of procedures and subsidy schemes. At the end of the 70s, beginning of the 80s dissatisfaction with the planning and programming system grew.

7.1 Public housing 1970-1983

7.1.1 From 70s: public housing regarded as a permanent government task

The stormy beginning of the seventies marked a real U-turn in the socialization-liberalization debate. The *Nota Huur- en subsidiebeleid* (1974) 'accepted' for the first time that the state would be permanently involved in policy field of public housing. (Ekkers 2008) A house was now considered a merit-good and the state should fight the ever-present housing shortage. The memorandum embroidered on state measures of earlier years, yet explicitly stated that government was not necessarily a bad thing. On the contrary. According to the white paper, the state should stimulate housing, as citizens were not sufficiently aware of the importance of this economic good. The thorough revision of the constitution (1972 – 1982) permanently anchored housing as a state care assignment in Article 22:

1. *De overheid treft maatregelen ter bevordering van de volksgezondheid.*
 2. *Bevordering van voldoende woongelegenheid is voorwerp van zorg der overheid.*
 3. *Zij scheidt voorwaarden voor maatschappelijke en culturele ontplooiing en voor vrijetijdsbesteding.*"
- (Constitution, Article 22)

The memorandum explicitly underwrote the continuation of the mixed subsidy scheme with both object and subject subsidies. Object subsidies kept their cushioning effect with regard to fluctuating interest rates. Subject subsidies were viewed as an important instrument to keep housing affordable for lower wage earners. When in 1970 the *Woonruimtetwet 1947* was repealed, housing associations and municipal housing departments took over the central registration tasks.

Subsidies were not only aimed at the provision of new houses. Many innercity pre-war neighbourhoods were in a deplorable state. City renewal and housing betterment appeared on the political agenda. As renewal in inner cities was way more expensive and complex than 'plain vanilla' city expansion, new subsidy schemes were introduced in order to press land costs. During the 70s, the city renewal primarily consisted of slum clearance and housing improvement. Large scale redevelopment of inner cities followed at the beginning of the eighties.

7.1.2 Planning and programming system with regional scale

Just like the post-war decades, municipalities remained the executioners of central state planning. However, certain central tasks were deconcentrated. The central government farmed the actual plan judgment out to the provinces, yet kept the final responsibility. (Koffijberg 1997) As regional differences emerged as a result of migration and varying development of regional economies, the housing market grew increasingly heterogeneous. Instead of exclusively calculating the need on the level of the state, from 1970 the contingents were allowed based on regional and local need. Housing *demand*, instead of only theoretical population growth models were taken into consideration. Local circumstances grew more important, as there were great differences with regard to the housing shortage in terms of both quantity and quality. Familiarity with local circumstances was key, especially with regard to city renewal projects.

As a result of the deconcentration, the state implemented the so-called 'planning and programming cycle' (*plannings- en programmeringscyclus*) for all subsidized house-building. The procedure included an upward and downward trajectory (*de opwaartse en neerwaartse cyclus*). During the upward cycle, municipalities were supposed to draft middle long-term building plans, based on both their building possibilities, like space and professional capacity, and local housing demand. As housing market research was a new field of expertise, a national model was created, the '*rompmodel*' to support municipalities. (Koffijberg 1997, Priemus 1984). Provinces achieved with their new plan judgement tasks a pivotal position. Municipal building programmes were

drafted in the form of standard state-issued questionnaires and had to be sent to the provincial *Adviescommissies Verdeling Rijkssteun Woningbouw* (AVRW's). Based on the municipal plans, these committees drafted a provincial building programme that would be sent to the Minister of public housing and spatial planning as a (non-binding) advise. The advises only covered new house building, thereby excluding 'vernieuwbouw', the improvement of the existing housing stock. As the provincial committee took into consideration regional characteristics, some cooperation between municipalities emerged. By joining forces, municipalities were able to 'claim' a larger part of the provincial contingent.

After the upward cycle, the downward cycle followed. Based on the applied building plans, the Minister divided the contingents with subsidies and loans over the municipalities. During this process, the *Hoofd Ingenieur Directeur*, a high-ranking public servant could already inform municipalities about provisional contingents. The definitive allowance would follow after official approval of the concrete building plans. (Koffijberg 1997:22) When it seemed upfront that municipalities in a certain region would not realize their targets, other regions would then plead for reallocation of the provincial contingent. In this upward-downward cycle, these lobby dynamics could be captured. In other words, again the competition for contingents drove municipalities together.

7.1.3 End 70s: dissatisfaction with the complex, ad hoc and expensive system

At the end of the seventies, the economic climate worsened. For the state the downturn caused budgetary problems. At the same time, central government regarded stimulation of the supply side of the housing market necessary. The crisscross of subsidy regulations grew too complex and too heavy. Director-General Housing Viersen counted eighty three separate subsidy regulations (Parlementaire Enquete Bouwsubsidies, 1988 via Koffijberg).

The *Interimnota Volkshuisvestingsplannen* (1977) observed that the public housing system did not work well. It stated that there was a discrepancy between the decentralized programming and the centralized plan judgement and subsidization. The memorandum identified more bottlenecks. There was insufficient insight in the exact size and character of the housing need, and lack of instruments to push municipalities that did not strain themselves enough in order to meet the local housing need. Till 1980, oftenly insufficient municipal building plans were applied to deplete all available contingents. (Discussienota voor de CCVRW, 1983 via VU 1984). The *Interimnota* established that the province had insufficient influence and policy instruments to effectively steer housing production. (Koffijberg:47)

Years later, in 1986 a parliamentary committee of inquiry was issued to investigate "de toestandkoming en toepassing van subsidieregelingen voor woningbouwprojecten van beleggers en andere instellingen op het terrein van de volkshuisvesting, meer in het bijzonder naar de uitgeoefende controle op op de op grond van deze regelingen verstrekte subsidies". (commissie de Vries 1986) The results were crushing and as a consequence sate secretary Brokx stepped down (parlement.com). The inquiry committee concluded that the subsidies were granted on an inaccurate basis. In many cases, the amounts were too high and not granted for the houses they were intended for in the first place. (Ekkers 2008:74) It also appeared that municipalities planned and asked too much, leading to discrepancies of circa 30% between the building plans and the actual realization.

The jumble of subsidy schemes had also unintended side effects on municipal policy, such as the limited policy freedom. As every subsidy scheme had its own systematics, harmonization of funding was not possible. Also, the applied plans became more heterogenous as result of changing consumer preferences as the composition of households began to vary. Despite the variety of subsidies, the housing production fell between 1974 and 1976, thereby proving that subsidies could not guarentee sufficient production. (Ekkers 2008, Koffijberg 1997) As the subsidies were difficult to integrate, inter-municipal cooperation with regard to funding was nearly impossible.

Central government	Formally approved building programmes, divided contingents and subsidies over provinces
Province	Provided a non-binding advise to Minister of Housing, divided contingents and subsidies over municipalities
Region	Municipalities met in provincial AVRW committee or bilateral/informal. No role for stand-alone regional cooperation entities. Special status Rijnmond and Agglomeratie Eindhoven: responsibility to divide contingents and subsidies
Municipality	Drafted building programme, applies for contingents and subsidies

Table 7-1: Institutions that structured the policy arena of public housing of 1970-1983

7.2 Spatial planning 1970-1983

7.2.1 From blueprint to negotiation planning

Amidst the yearly allocation of contingents and subsidies, the co-production of regional spatial plans for the medium-long term became subject of complex negotiation processes as well. Van der Cammen (2003:243) distinguishes vertical and horizontal coordination, in which the regional spatial plan became a regional 'covenant'.

“Ook de streekplanning werd als instrument van horizontale en verticale coördinatie in de maalstroom van de procesplanning meegezogen. Horizontaal heette de afstemming binnen de provincie zelf, verticaal betref de integratie tussen rijksoverheid en gemeenten. Het denkbeeld van W.A.S. van Meel, directeur van de Provinciale Planologische Dienst in Overijssel, om van het Streekplan IJsselvallei (1979) een ‘convenant’ te maken, vormde de uitdrukking van de coördinatietaken. Elders werd ook deze weg bewandeld, uiteindelijk resulterend in het streekplan als voorwerp van welhaast continue onderhandelingen binnen en tussen tal van overlegcircuits. Stond in de gemeenten de uitvoering voor, regionaal stelden overleg en procedure het plan in de schaduw, zeker toen na 1980 de overheidsinvesteringen sterk inkrompen. Gaandeweg groeide een onoverzichtelijk kluwen van overleg- en planningprocedures, die verstrikt raakten in hun eigen complexiteit; feitelijk die van de verkokerde bureaucratie en het maatschappelijk middenveld gezamenlijk.” (Van der Cammen 2003:243)

The introduction of the decentralized planning and programming cycle in 1970 marked the transformation from blueprint planning to negotiation planning. The administrations attempted to persuade each other. Provinces would mutually compete for higher contingents, as well as the municipalities within the provinces. Demand calculations were contested and debated. Building plans became a discussion document rather than a blueprint. Spatial plans that once had a huge impact on the actual realization now became a 'flash in the pan':

“Het plan was aanwezig in vele vormen en verschijningen, maar al te vaak in de rol van eendagsvlieg en praatpapier. Vandaag vastgesteld en morgen goedgekeurd, werd het plan overmorgen alweer voorwerp van voortgangsanalyse, procesbewaking en bijstelling.” (Van de Cammen 2003: 291)

Administrators held onto the planning process, instead of the plan. (Van der Cammen:442) According to Van der Cammen (2003:291) the negotiation planning had three effects. First, the orientation shifted from long-term to short-term planning. Municipalities were occupied with the fight for the contingent of next year, instead of looking decades ahead. Second, space became 'compartmentalized', causing governments to lose sight of larger-scale spatial issues. Next to these effects with a quite negative connotation, Van der Cammen also notes that the 'interactive' planning and programming fuelled democratization of spatial planning and housing. As a result, the *praatpapier* sparked inter-municipal conversations. The regionalization of housing programming began.

7.2.2 Third memorandum: groeikernen

Groeikernen policy

Parallel to the set up of the planning and programming cycle, spatial planning policy developed. The *Derde nota over de ruimtelijke ordening* (1973-1983) took nearly ten years before it was completed. It consisted of multiple parts that were published spread over the decade. It treated both urban and rural areas separately. The legislator aimed preserve spatial quality -green space between urban areas-, and still provide for enough houses. Following the first and second memorandum, a definitive choice was made for 'deconcentrated growth' in the first part of the third memorandum (1972). Multiple *groeikernen*, centres of urban growth were picked. The *Verstedelijkingsnota* (1976, implemented 1978) included guidelines for the expansion of the selected *groeikern* cities. With the third memorandum, new subsidies were introduced to cover for land prices and infrastructure expenditures.

Problems in major cities

There was also an opposing, bottom-up movement, as cities experienced growing social problems. As early as 1971, the four largest cities (also known as the Great 4, G4), wrote an alarming letter to the then forming Cabinet Biesheuvel (G4, 1971), stating:

“Het functioneren van de grote steden als woon- en werkgebieden voor vele honderdduizenden mensen, maar ook als centra van activiteiten voor het gehele land, zal in de komende decennia steeds meer tot de centrale problemen van de Nederlandse samenleving gaan behoren. De problemen op het gebied van de volkshuisvesting en daarmee samenhangende sociale problemen zullen tot onhoudbare situaties leiden,

als zij niet als vraagstukken van nationale betekenis worden onderkend en krachtig en doelmatig aangepakt.”

Investigating the causes of the social problems, state committee Montijn (1989) sought explanations in societal processes of the decades 1940-1970. During the post-war reconstruction, many economical activities disappeared from innercities, thereby weakening its economic meaning. Middle to high income households moved to suburban areas, leaving the poorest. Even though the State's intention was to fight suburbanization, indirectly the state fuelled this process by its deconcentrated spread policy (*spreidingsbeleid*). As a result of this policy, public services, economic activity and housing locations were spread over multiple regions and the whole country. Till the eighties, no specific attention was paid to economic functions in the major cities. Because of the stringent subsidy schemes, major cities had little policy freedom, nor the financial means to implement large-scale urban revitalization measures. Nevertheless, from 1982 awareness of metropolitan problems and their opportunities increased.

7.2.3 Start of a new spatial discussion: call for a fourth memorandum

With the *Structuurschets Stedelijke Gebieden* (1983, abbreviated SSG) a debate began that would lead to the Vierde Nota. The SSG was a *revision* of the *Structuurschets voor de verstedelijking* (1976) that was published with the *Verstedelijkingsnota* (1976). The sketch marked the T-junction of the end-70s spatial planning debate. According to Korthals Altes (1995, 107-111), the Cabinet aimed to choose the golden mean between commitments towards the *groeikernen*, and the desire to build within – and strengthen- the major central cities. With the SSG the spread policy was definitively repealed. Demand for a new, complete national planning vision grew within the ‘planning community’. This national vision should cover multiple areas of policy. In academic circles the general opinion was that the SSG lacked a forward-looking policy for the coming nineties. The sketch was drafted based on the out-dated *Verstedelijkingsnota*, that was oriented on the societal circumstances of the mid 70s.

Following the criticisms from the academic planning community, the parlement confirmed the wish for a broad national vision. During the parliamentary discussion in 1985, several game changing resolutions were tabled, looking forward to a to-be-drafted *Vierde nota*. Korthals Altes (1995:110) treats in his dissertation the most important resolutions, thereby marking a revolution in the planning doctrine:

“Op 22 april 1985 dienden Van Noord (CDA) en Te Veldhuis (VVD) een motie in die als aanleiding voor de Vierde nota geldt. In deze motie overwogen zij het volgende: 1) toekomstige ruimtelijke ontwikkelingen moeten bepalend zijn voor de vorm van het ruimtelijk planningstelsel, 2) nader onderzoek naar deze ontwikkelingen is noodzakelijk en 3) de nota Landelijke Gebieden en de Verstedelijkingsnota hebben veel raakvlakken. De motie sprak twee oordelen uit: 1) een evenwichtige ruimtelijke planning van stad en platteland is gediend met een evenwichtige en samenhangende planning, waarmee op een flexibele en globale wijze richting wordt gegeven en 2) dit evenwicht dient zich in een zo eenvoudig mogelijk planningstelsel te vertalen. Vervolgens werd de regering uitgenodigd om binnen vier jaar een voorstel voor te leggen waarin deze aangeeft hoe met toekomstige ruimtelijke ontwikkelingen rekening gehouden kon worden, de Verstedelijkingsnota en de Nota Landelijke Gebieden ‘bijvoorbeeld in de vorm van een vierde nota Ruimtelijke Ordening’ zijn samengevoegd en de regering inzicht geeft in de noodzakelijke vereenvoudiging van het planningstelsel.” (Korthals Altes 1995:110)

The resolution represented the wish of both Cabinet and parliament, with just one vote against. Another resolution - especially of importance with regard to regional development - treated urban nodes (*stedelijke knooppunten*). The resolution asked for development of planning concepts that would cover the service and production structure of central cities and their surrounding municipalities. The planning concept *stadsgewest* should not only cover expansion policies, but also management (*beheer*) of the existing urban area. Minister Winsemius agreed and welcomed the resolution:

“Dan praat je over de economische potenties, dan praat je over de knooppunten. Dan ga je bekijken hoe je die daadwerkelijk kunt bevorderen.” De productie- en verzorgingsfunctie van steden binnen een regionale context “...zou (...) een centraal punt kunnen worden in een eventuele vierde nota over de ruimtelijke ordening.” (Korthals Altes 1995:111)

The wish for a new spatial planning memorandum heralded a new period. Major cities were back on the agenda, as they needed to revitalize and expand. The parliamentary discussion and the outspoken resolutions provided

the Minister with the first guidelines that would eventually materialize in the *Vierde Nota (1988)*. This trajectory will be discussed in section 4.4.

Central government	Appointed <i>groeikernen</i> in national spatial plan, thus directing urbanization. Started preparation for the <i>Vierde Nota</i> .
Province	Implemented <i>regional spatial plans</i> that needed to comply to the national plan.
Region	Special status Rijnmond and Agglomeratie Eindhoven: able to draft <i>regional spatial plans</i>
Municipality	Implemented <i>land-use plans</i> that needed approval from province.

Table 7-2: Institutions that structured the policy arena of spatial planning 1970-1983

7.3 Land policy 1970-1983

In the arenas of public housing and spatial planning it was determined that houses should be built in designated areas for urbanization. City renewal also rose on the agenda. With regard to control of land prices for social housing, these policies were rather problematic. In the appointed areas the costs for land were too high: it was simply impossible to build social housing with affordable rents as the all-in construction costs became too high. Therefore, the central government began a differentiated land price policy that distinguished two types of areas:

1. Land prices in 'normal' areas that were not appointed in the *groeikernen*- and urbanization policy were judged according to the newly implemented 'Bruine boekje' (1968). (See Keers 1989, chapter 3) Expansions in these areas did not receive land price lowering subsidies.
2. Appointed areas with a special status, according to national public housing and spatial planning policies. Municipalities with such status were subsidized to lower the land prices, hence make social housing affordable. Central government used 'saldo systematics'. Central government subsidized the expected land development shortage. Thereby, the risk was borne by the central government instead of the municipality.

Two subsidy instruments were implemented for the appointed growth areas: location subsidy (1974) and main infrastructure subsidy (*hoofdinfrastructuursubsidie*, HIS, 1973).

Central government	Used Bruine Boekje and Blauwe boekje to judge land prices for <i>woningwet</i> housing and <i>premie</i> housing
Province	Supervised the execution of the Bruine and Blauwe boekje
Region	
Municipality	Needed approval on land prices before site preparation

Table 7-3: institutions that structured the policy arena of land policy of 1970-1983

7.4 Structure of public administration 1970-1983

Despite the shared interest in contingents, there were little institutionalized regional arrangements that supported inter-municipal decision-making, except for the known regions Rijnmond and Eindhoven. Inter-municipal consultation took place in informal corridors, often between civil servants. (source: multiple interviews) Between the end 60s and mid 70s there were numerous fruitless debates on the establishment of regional arrangements.

The *Nota bestuurlijke organisatie* (1969) acknowledged the societal scale-up. In order to protect the close relation between citizens and the municipal administration, scaling-up municipalities was rejected. Instead of annexation, *gewesten* should be established through revision of the *Wet gemeenschappelijke regelingen*. Two years later, the *Wet op de Gewesten* (1971) was introduced, only to be withdrawn shortly thereafter because of lacking political support. The succeeding concept *bestuursrayon* (Concept Structuurschets, 1974) also failed because of feared erosion of the municipalities' position. During the 70s, the discussion on the establishment of regional arrangements remained quite isolated from the programming and planning practice. During the eighties the discussion about housing and the organization grew more integrated. (Korsten 2000) This integration will be discussed in section 3.5. Till 1983 no changes were made with regard to the structure of public administration.

Central government	Forced cooperation arrangement onto Eindhoven and Rotterdam. Other regional cooperation was voluntary.
Province	
Region	
Municipality	Was able to engage in voluntary mutual cooperation arrangements, based on Wgr 1950

Table 7-4: institutions that structured the public administration of 1970-1983

7.5 Institutional context 1970-1983

This section treats the institutional characteristics of the housing network from 1970 to 1983.

7.5.1 Network composition and reward structure

Between 1970 and 1983 there were little formal inter-municipal institutions, because of the vertically oriented housing production system. Between 1970 and 1983, residential planning became even further institutionalized than in the post-war decades. As complex subsidy schemes were set up because of Keynesian expansion policy, municipalities' financial dependency on the central state grew. The legislator tightened its grip on spatial planning and public housing by implementation of the third memorandum. With regard to space, the state appointed several *groeikernen*, while restricting expansion in other parts of the country. The planning and programming cycle became the instrument to direct housing production. By means of structural subsidization the central government wanted to protect the housing production from macro economic waves. While the interest in regions grew, legal instruments were divided between the classic Thorbecke layers: central government, province and municipalities. Notwithstanding ongoing debates on the organization of the regional scale, several proposals were not implemented because of lack of political support.

During the evaluation of housing system in 1977, central government also noticed a discrepancy between the decentralized programming by municipalities, who were in charge of land development and land-use plans, and centralized plan judgement and subsidization by higher-level governments. The evaluation report stated that both central government and province had insufficient instruments to push housing production if municipalities did not put enough effort in plan development. This evaluation kicked off institutional change towards a more region-oriented planning system.

7.5.2 Reward structure

Contrary to the previous period, from 1970 the contingent distribution system rewarded inter-municipal cooperation, albeit implicitly. Regional characteristics were increasingly taken into account to substantiate contingents allocation. Due to regional distribution codes, informal cooperation between municipalities grew. The new calculation method paved the way for negotiation on information (substance). Well argued plans could lead to a higher contingent, hence more subsidy. Central government was also dependent on lower administrative tiers, as municipalities could not be forced – only stimulated- to hand in sufficient building plans. Cooperating municipalities could claim a larger part of the provincial contingent, hence subsidies. For the first time, municipalities had a mutual interest in cooperation, as there was the possibility of financial gain.

7.5.3 Inter-municipal interactions

Inter-municipal interactions were increasingly facilitated by provinces, who received the deconcentrated task of distributing contingents amongst regions and municipalities. Compared to the first post-war decades, provinces gained importance. With the new responsibility, municipalities' dependency on the province grew stronger. Municipalities interacted as they all participated in the provincial AVRW's: the advisory committees for contingent and subsidy allocation. This shared institution, the periodically gathering of governments, facilitated regional residential planning. While municipalities were officially fully dependent on central government and spatial-legal approval by provinces, the planning and programming cycle marked a shift from blueprint planning to negotiation planning. All policy arenas had their own institutions, like different policy cycles and procedures, hence their own dynamics. For example, the provinces' regional spatial plans were in force for several years, while contingents were distributed each year. Therefore, an integrated approach towards residential planning was difficult. Negotiations became muddy and the allowance of subsidies was characterized as intransparent. Nevertheless, the planning and programming cycle durably institutionalized interactions on residential planning. All governments were familiar with the procedure.

8 Preparing VINEX 1983 – 1995

During the years between 1983 and 1995 the legislator's role changed completely. With regard to spatial planning, old planning doctrines were left and urbanization in city regions became the leading philosophy. The planning and programming system underwent a drastic reorganization, driven by the desire to decentralize authorities and responsibilities. Risks of land development shifted from the central government to municipalities and the private sector. The government's emphasis shifted from social housing to development of owner-occupied houses.

8.1 Spatial planning 1983-1995

8.1.1 Changing spatial planning policies: from SSG-1983 to VINEX

Over the course of five years the Dutch planning doctrine changed from the *groeikernen* policy towards the *grotesteden* policy. With the parliamentary discussion about SSG the trajectory towards the *Vierde Nota over de Ruimtelijke Ordening* began. By means of resolutions (see previous period), a few starting points were recommended. However, these starting points did not refer to the content of the spatial planning. They merely proposed a procedure with a time limit, asking for a proposal within four years. Before the fourth memorandum was published, the Rijksplanologische Dienst (note: *one* department, specialized on *one* policy area) drafted two memoranda that were intended to stir up the discussion around planning concepts. Subjects like economic potential, urban renewal and management were derived from SSG 1983.

The study report *Ruimtelijke verkenningen hoofdinfrastructuur* (RUVEIN, 1987) noted new societal and technological developments that changed the demands for infrastructure, hence spatial policies. (Korthals Altes:115). For the first time, the concept 'mainport' is introduced. Despite the wish to integrate policy areas, the following *Nationale Ruimtelijke Perspectieven* (1986) showed multiple 'story lines'. (Neeffjes 1988a:29; 1988b:35 via Korthals Altes). A clear planning doctrine (*inrichtingsprincipe*) was lacking, as well as a thorough scientific analysis. However, NRP served well as an internal official (*ambtelijk*) discussion memorandum. Eventhough NRP did not present a new doctrine, it formed a definitive 'conceptual' breach with old planning doctrines. (Zonneveld 1992:44 via Korthals Altes:116)

Amidst discussions on new planning doctrines, attention for actual urbanization – provision of sufficient housing- weakened. Korthals Altes (1995:121) speculates that this relaxation led to the new housing shortage that was felt at the beginning of the nineties. SSG 1983 told provinces to search for new building locations for the period 1990-1995, yet the following years the central government omitted active involvement. It did not consider the necessity of subsidization of selected locations. When the central government studied the building capacity of the city regions in 1990, it found a shortage of capacity. (Korthals Altes 1995:122)

8.1.2 VINO and VINEX

Around the same time as the *Nota Volkshuisvesting in de jaren negentig*, the central government published the *Vierde Nota voor de ruimtelijke ordening*. As a result of changing governments, this fourth nota never came into force, as it was replaced by the *Vierde Nota over de ruimtelijke ordening Extra*, popular known as VINEX.

Protection of open space: concentration of urbanization in metropolitan regions

The VINEX put more priority to the environment. The countryside had to be spared. This led to the wish to control car mobility by rising quality standards of public transport in new suburban housing locations. Also, it paid attention to the practicality of the policy by specifically choosing locations for city expansion: the VINEX locations. Furthermore, it proposed models for inter-governmental cooperation, concrete 'key projects' and a more stringent restrictive spatial policy to protect open space. The VINEX foresaw a substantial expansion of housing needs. Because mobility had to be managed, a the bundled deconcentration policy was left. Instead, cities needed to be expanded and improved. By proposing clustering of urbanization around major cities, the VINEX chose the city region as the most important spatial concept for implementation.

The VINEX presented five quality or location requirements (VINEX 1990:140):

1. Proximity (*nabijheid*): proximity to the city center. Preferably, house-building should take place in the existing urban are. If that was not possible, city expansion was an option. Least favorable was urbanization of other locations outside city regions.
2. Accessibility (*bereikbaarheid*): access by urban / metropolitan public transport and slow traffic.
3. Consistency (*samenhang*) between living, working, leisure and green structures.
4. Safeguarding open space for leisure, recreation, agriculture and nature by restricting urbanization

5. Feasibility (uitvoerbaarheid): financial-economic, with regard to the environment and society

Central government designated preferred urbanization locations

For four city regions, central government appointed preferred urbanization locations. Except for the above mentioned requirements, municipalities were free in their design within the boundaries of the designated areas. With VINEX, central government decided to further decentralize planning authorities. Also, more houses should be built in the free market sector, as a result of the policy goals of the Nota Volkshuisvesting in de jaren negentig, which is treated by next section (3.5.2). Despite the decentralization, central government actively engaged in negotiation with seven future city provinces, eighteen smaller city regions and provinces in order to ensure municipalities would produce the enormous amount of projected houses.

The implementation of VINEX, though strictly speaking a spatial document, had a major effect on dynamics in the other policy arenas. In fact, all four policy arenas were successfully coupled by the central government.

- Public housing: through implementation of the VINEX, the planning and programming cycle was left. Subsidies were coupled to spatial covenants. Also, the emphasis shifted from social housing to owner-occupied housing.
- Land policy: the implementation of VINEX marked the shift from almost monopolistic land development by municipalities towards land development by market parties.
- Structure of public administration: In order to implement the VINEX policies, contract partners were needed, who would become responsible for execution of the VINEX contracts. Seven major regions would transform into city provinces.

Next sections treat the dynamics of these three affected policy arenas.

Central government	Derde nota voor de ruimtelijke ordening (bundled deconcentration) is leading VINEX: central government explicitly appoints building-locations in VINEX regions
Province	Implements Derde nota by regional spatial plans
Region	No significant spatial role till 1995 (as opposed to the public housing arena!)
Municipality	Hands in building plans that fit within the provincial regional spatial plan and VINEX building locations

Table 8-1: institutions that structured the policy arena of spatial planning 1983-1995

8.2 Public housing 1983-1995

8.2.1 Dispute: decentralization to region or province?

As described in section 3.3.3, in 1977 central government expressed its dissatisfaction with the complex planning and programming in the Interimnota. In 1979, the *Werkgroep Volkshuisvestingsplannen* that wrote the memorandum proposed to organize planning and programming on the scale of housing market processes: the region. (Koffijberg 1997:50) This working group existed of civil servants, so proposals did not reflect official outings. According to the working group, municipalities should produce long-term (meerjarige) housing plans, that should be discussed in a *Regionale Volkshuisvestingscommissie* (RVC, regional housing committee). This RVC could then advise either the Minister or Gedeputeerde Staten, dependent on who had the final say in the new planning and programming cycle. The Ministry of Finance strongly opposed long-term financial support, as they expected suffocation of the national budget: long-term engagements would harm the freedom of manoeuvre of central government. (Keers 1989)

Nevertheless, in the *Nota Standpuntbepaling Decentralisatie Volkshuisvesting* (1981) the province got a greater role, and the regionalization was put on hold. Comparing the 1977 and the 1981 memorandum, Koffijberg (1997) notes that the earlier draft version grants municipalities much more freedom in terms of spending. Still, parliament gave its approval for further investigation of decentralization proposals with a regional scale.

8.2.2 Decentralization as means to cut budgets and introduction NKS

Since there was a crisis at the beginning of the eighties, cutting and controlling budgets became a political priority. Decentralization should not only lead to better, more efficient planning and programming. As the macro-economic context changed, also reorganization of the subsidy schemes was regarded necessary in order to control budgetary risks. (Koffijberg 1997)

The aim to improve the planning and programming cycle and to control budgets led to the establishment of multiple working groups. For instance there was a working group responsible for the development of a new

Normkostensysteem (standardization of cost and subsidy calculation). Step-by-step, new methods were introduced.

Koffijberg (1997:65) describes the development: *“Voor de eerste budgetafspraken (rond 1980) gold: contingent maal streefgemiddelde (voor stichtingskosten) vormt een investeringsbudget, waarna onder het Normkostenbudgetsysteem (NKBS, 1984-1985) de formule contingent maal normstichtingskosten werd gebruikt. Aantallen lagen vast, met een kleine marge, in de samenstelling van het bouwprogramma waren de gemeenten vrijer. Subsidies werden door het Rijk echter nog gegeven per project. De subsidies voor afwijkende kosten werden vanaf 1986 gestort in een kopkostenfonds, die gemeenten grotendeels vrij mochten besteden. In 1988 ging het NKS voor alle gemeenten gelden. Met het Besluit Woninggebonden Subsidies (BWS) 1992 werd een volgende stap gezet: fictieve aantallen maal subsidiebedrag vormt een subsidiebudget, met de vrijheid voor gemeenten om 50% van het jaarbudget te sparen. De subsidies werden door het Rijk niet verstrekt per project, maar per gemeentelijk programma, en sinds 1993 per regionaal programma. Ook in het BWS 1995 komt het budget tot stand door fictieve aantallen met het subsidiebedrag te vermenigvuldigen, maar nu heeft de gemeente een 100%-spaarmogelijkheid. Voorts zijn binnen het budget alle schotten verdwenen, zodat feitelijk sprake is van een fonds.”* (Koffijberg 1997:65)

8.2.3 Pilot projects to create support for decentralization (mid 80s)

Before implementation of new subsidy techniques, pilot projects were executed. The strategy ‘learning by doing’ was followed in order to gain support both internally and externally of the central government. In 1983 28 pilot projects started, including 23 municipalities, 3 inter-municipal cooperations and *Openbaar Lichaam Rijnmond* that was regarded as a future province. (Koffijberg 1997:74) At the start of the pilot project, nobody expected Rijnmond to be liquidated in two years. Few years after the successful pilot projects, the new systematics were introduced in the rest of the country. With the four major cities (G4) the legislator made bilateral agreements to better *woningwetwoningen*. During 1986 and 1987 there were experiments with the newly developed *Normkostensysteem* (NKS). With each systemic change, the policy freedom of municipalities increased. (MVRO/DGVH/DOK, 1989:15 via Koffijberg 1997:74). All pilot projects were guided by a so-called *Begeleidingscommissie Proefprojecten Decentralisatie*. The committee negotiated and evaluated with representatives of the participating organizations, such as deputy mayors and provincial deputies. Their engagement was crucial, as the experiences of the pilot projects would determine the final form of the new systematics.

Next to evaluation with the participants, the pilot projects were evaluated by four external research bureaus. Koffijberg notes that there was a neutralization (objectivering) of the major protests, thus lowering the resistance against the decentralization. By experimenting with new systematics and consultation of lower administrative tiers, the Ministry of public housing created support for the decentralization movement.

8.2.4 The practice of planning lists and little inter-municipal cooperation (1985-1990)

From 1985 cooperation arrangements were established based on the Wgr 1984. Some provinces established provincial advisory committees, functioning next to the regional cooperation arrangement. The institutional forms of these cooperation arrangements will be treated in the administration structure section. The advisory committees, Regionale Volkshuisvesting Commissies (short RVCs) could cooperate and formulate a (non-binding) advice on the allocation of municipal contingents. When inquired in 1990, there were 33 regions in which there was regional cooperation aimed at the allocation of the subsidy contingents (Hulst and Huizinga 1990). Most of them had some involvement in residential planning. Of these regions, only 8 actually developed a long-term masterplan for residential planning. In most cases cooperation was limited to some mutual involvement with regard to the municipal *planningslijsten* for house-building.

However, Hulst and Huizinga point out, the significance of the activities was rather slight. From 1985, municipalities were supposed to annually hand in planning lists for a four-year period. These lists provided the Ministry of VROM insight into the upcoming development plans, thereby functioning as a subsidy forecast. In an ideal situation, the planning lists should be based on housing need surveys and provide insight in the feasibility of the building plans. Inter-municipal consultation on planning lists could be a form of inter-municipal residential planning. In practice, there was little regional adjustment. In most of the 33 regions, planning lists were only bundled, and the procedures for application were guarded. Hulst quotes several civil servants, who then said that cooperation with regard to planning lists was merely “beating a staple through the pile”. (Hulst 2000:74)

8.2.5 Nota volkshuisvesting in de jaren 90: further decentralized system

Stock expansion versus stock management and deregulation

In 1989, state secretary Heerma published the Nota Volkshuisvesting in de jaren negentig. The memorandum was revolutionary as it proposed two major developments. (Hulst and Huizinga 1990) First, it signaled that the importance of mass stock expansion declined. Instead, the existing housing stock should be improved, as well as its surroundings. Second, this shift in attention towards the existing housing stock made central government rethink state subsidies aimed at house-building. From now on, subsidy policies should be limited, and aimed at helping specific target groups in terms of income and housing expenses. Simplification of regulations and decentralization of tasks and responsibilities to municipalities and other lower governments should provide enough scope for policymaking to perform the tasks that the memorandum formulated. Also, the central government wanted to further strengthen the free market. Home-ownership was promoted, and the market should carry more risks in development of housing. For the regional scale, the memorandum formulated areas for special attention, which will be treated hereafter.

Inbalanced regional housing distribution

Inbalance (*scheefheid*) of (social) housing distribution should be fought. This is the situation that some people live in houses that are too cheap in relation to their income, whereas others cannot afford housing. As a consequence, some object subsidies were given to groups that did not actually need subsidization, whereas other groups with affordability problems were granted higher subject subsidies. Central government argued that instead of subsidizing people who didn't need help, the crookedness had to be fought. It was noticed that in some regions there were huge differences between municipalities. Some municipalities housed much 'too cheap'-living groups, often center cities. Their neighbouring municipalities often housed 'too expensive'-living groups. Inter-municipal coordinated housing distribution policies should stimulate moving up the housing ladder (Dutch: *doorstroming*).

Decentralization of subsidy budget management

Another area of special attention was the decentralization of budget management for so-called 'non-direct' municipalities through the Besluit Woninggebonden Subsidies. (BWS 1992, 1993). These non-direct municipalities were too small (less than 30.000 inhabitants) to receive their own funding for house-building and improvement, so a regional organization should manage the budget: a regional budget manager (Dutch *budgethouder*).

Since the implementation of NKS (*normkostensysteem*), the province provided the central government with a binding advise for allocation of the contingents. In some regions, province adopted the advise of RVCs. After 1992, the budget structure altered. The new budget existed out of four parts: a house-building fund, a fund for home improvement for disabled people, a 'kopkostenfonds' for special location-specific expenditures for new development and a fund for rent lowering of social housing. Through this new budget system, the scope of policy (*beleidsvrijheid*) increased, as the regional budget manager was free to decide how to spend the funding, whether it was for social housing, social owner-occupied housing, or renovation. Municipalities were no longer required to hand in individual building plans for approval. Also, it became possible to save budgets for a limited period, without losing the right on subsidies because of (*onderuitputting*) of contingents. This made it possible for municipalities to jointly make strategic decisions on how to spend the total budget.

Along with the new policy freedom came new risks. Risks that were the result of the budget manager's decisions with regard to spending of the budget were exclusively for the budget manager. For instance, because of decisions to spend the budget later (*saving*) the interest rates could be different. Also, the income development could turn out to be lower than calculated, so more subsidy was needed. Reverse, the budget keeper could also enjoy the advantages of windfalls. If the budget manager had more windfalls, it was able to build more houses than the contingent prescribed. Therefore, for the first time municipalities were able to 'play' with the contingent.

8.2.6 Market-oriented approach and liberalization

The memorandum *Nota volkshuisvesting in de jaren 90* marked a shift from government-led planning to a more market-oriented approach. While during the previous decades the emphasis of large-scale building locations was on social housing, city expansion now mainly existed of owner-occupied housing. Central government quit prescribing land prices for social housing construction, and subsidies for land development were reduced. From now on, the level of land prices for social housing became subject to negotiations between municipalities and housing associations. Already in 1988 central government stopped lending money to housing associations. Instead, central government became guarantor, which enabled housing associations to borrow on capital markets.

From 1995, all Dutch housing associations were privatized based on the Wet balansverkorting geldelijke steun volkshuisvesting. (Tweede Kamer, 1995) During this reorganization, the financial involvement of the central government ceased and housing associations gained autonomy. After the 'bruteringsoperatie', housing associations came under supervision of the non-departmental public body (Zelfstandig Bestuursorgaan) Central Fonds voor de Volkshuisvesting (CFV). The privatization, which took place from 1994 to 2000, included the phase out of subsidies from central government to housing associations. The cancellation of subsidies (in total Fl 36,8 billion) was compensated and settled with the outstanding debts (in total Fl 26,6 billion). (Tweede Kamer 1995)

As from the privatization, housing associations were responsible for their own financial well-being. The bruteringsoperatie was the end of an era of direct government aid. Development of social housing was from now on the responsibility of housing associations and municipalities, who should ensure that sufficient affordable land was available. During the development of VINEX greenfield locations, housing associations participated in Public-Private-Partnerships, composite development companies, as if they were private parties. Through settlement within the land development of an entire VINEX-building location, the higher revenues of owner-occupied houses compensated for social housing.

8.2.7 VINEX negotiations replaced the annual planning and programming cycle

In order to implement the VINEX ambitions, central government negotiated urbanization contracts with seven city regions and eighteen smaller urban regions. The remaining non-VINEX regions fell under restrictive spatial policie. In these regions greenfield development stopped, except for the remainders of already granted building permissions. The contracts between central government, province and regions included housing, infrastructure for public transport, nature and business parks and coupled subsidies for house-building (BWS), land development shortages (BLS, see 3.5.3) and funding for (public) infrastructure. The VINEX Implementation Covenants consisted of concrete agreements on all locations for a period of 10 years (1995-2005), thereby replacing the planning and programming cycle of contingent allocation. The subsidies were coupled to regions' performances. The progress of housing production would be monitored, and if targets were not met, regions had to pay back the subsidy. One can argue that is strange that it was a bit curious that municipalities were held accountable for housing production targets, while at the same time, the primacy of housing production should shift towards the private market. However, as next period will show, the economy prospered so all production goals were amply met.

Despite the use of a road map (spoorboekje) to steer the process, negotiations between the Ministry of VROM, provinces, and the city regions progressed slowly. First a start-covenant needed to be signed, followed by a definitive Implementation Covenant (Implementation Covenant). Still, central government succeeded in signing contracts in all regions.

"The tight schedule set by the Ministry of Housing, Physical Planning, and the Environment (VROM) was not met by a long shot. Of the four big cities included in the plan, the Rotterdam Region was the first to sign the start-up covenant (in December 1991) and Utrecht the last (March 1993). Then, in February 1994, negotiated agreements on key issues were signed with the Amsterdam Regional Advisory Council (Regionaal Overleg Amsterdam), the Utrecht Regional Advisory Council (Regionaal Beraad Utrecht), and The Hague Region (het gewest Haaglanden). Then, in April 1994, an accord was signed with the Rijnmond Advisory Council (Overleg Orgaan Rijnmond). The first implementation contract (with the Utrecht Region) was signed on 22 December 1994; the last one (with the Eindhoven Region) was signed on 6 October 1995. For the 18 smaller city regions, accords were signed on 1 July 1994 between the state and the provinces involved. [...] The covenants stipulate that 456,000 dwellings are to be built in VINEX development areas between 1995 and 2005. Another 152,000 dwellings are to be built elsewhere. Between the years 2005 and 2015, hundreds of thousands of dwellings will be added." (Spaans 2007)

Of the 456.000 dwellings, almost 300.000 had to be built in the seven Kaderwet Regions (see 3.5.4 on the Kaderwet). The main point of argument between central government and municipalities was the height of compensation for land development shortages. This conflict will be treated in the land policy section (3.5.3).

Central government	Planning and programming cycle remained in force – yet with improvements and standardization. Regionalized funding: in 1992, 1993 and 1995, the subsidies for house-building altered into a mutual regional fund.
--------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Province	Still had a central role in the cycle and negotiation processes. Actively pushed municipalities to build enough houses.
Region	From 1985 municipalities cooperated in prescribed regions (see next section) and bundled their planning lists. In practice, little regions produced long-term policies or aligned their planning lists. From 1990 till 1995 seven city regions were formed. Cooperation entities became budget managers for 'non-direct' municipalities.
Municipality	From 1992, large municipalities received subsidies and contingents based on planning lists. Smaller municipalities received subsidized through regional budget managers, the cooperation arrangement in which they participated.

Table 8-2: institutions that structured the policy arena of public housing of 1983-1995

8.3 Land policy 1983-1995

8.3.1 Begin 80s recession and reorientation on land policy

Till the mid-eighties, municipalities pursued active land policies. They purchased upprepared land, prepared it and consequently sold the land to construction companies. Costs for site preparation were included in the price for the prepared sites. Municipalities had much control over the process of land development, and therefore bore little risks: object subsidies and location subsidies covered development deficits. (Ekkers 2002).

The eighties started with a financial recession, which brought many municipalities into financial problems as a result of the pursuit of active land policy. Municipalities owned large amounts of building lots and had to reorganize the finances and purge debts because they got less contingents than they hoped for. (Vulperhorst 1983) Higher revenues were necessary to make the operation of municipal land agencies at least break even. As a measure, municipalities sold building lots to market parties. As the Locatiesubsidie covered 100% of a land development deficit, a large part of the financial burden was carried by central government. (Koffijberg 1997)

Gradually, along with an upcoming market, the importance of the private sector increased. By investing in land, the influence of market parties on land development and spatial planning grew. Private parties had a different orientation than municipalities, as they pursued a certain return instead of only public goals. Therefore, with regard to land prices, private parties were mainly interested in the actual market value of houses, instead of the cost price, which was leading for municipalities. (Wigman 2003) The municipal land development (grondexploitatie) needed to change, as it had to be more market-oriented. Parts of land development became privatized, such as the sale of prepared sites to private builders.

Till the early nineties, the Bruine boekje method and location subsidies remained in force, till they were replaced by the BWS and BLS legislation.

8.3.2 Subsidy based on performance instead of plans

The *Nota Volkshuisvesting in de jaren negentig* captured the reorientation on land policy. (VROM 1989) Municipalities would become fully responsible for land development. Future city provinces would include a mutual land agency. In fact, the Rijnmond region started with such department that bore all land development risks.

Location subsidies (locatiesubsidie) turned into a 'lump sum' arrangement: a standard sum per location which was predetermined by the central government. With the introduction of the Besluit Locatie-Gebonden Subsidies (short BLS), this arrangement became decentralized. (BLS 1995) VINEX-municipalities received a standard amount as financial aid for their regional VINEX-task, which was only paid out in return for an agreed upon performance in terms of a number of new houses.

The BLS-subsidy of 1995 only covered 50% of the expected land development costs that were the result of location dependent costs on VINEX greenfield locations. The other 50% had to be brought up by the municipalities, who also bore the risks. 100% of the financial setbacks (or windfalls) were at the expense of the building municipalities. Thereby, central government incentivized cost-efficient land development and a more market-oriented land price policy. Within a few years, the proportion of subsidized social housing versus private sector construction changed from 70-30 to 50-50 to 30-70. As a result of this change, the progress of land development became more dependent on the whims of market parties and the state of the market. (Rigo praktijk van grond- en bouwpreizen)

8.3.3 VINEX negotiations on expected land development deficits

The main argument between central government and the city regions were the expected deficits in land development and construction of infrastructure, which were calculated on the basis of cost estimates. Many agreements of the covenant did not only refer to VINEX, but also to the Structuurplan Verkeer en Vervoer II (1990) which contained contributions for infrastructure for public transport. The Ministry of V&W provided major financing for the implementation of the VINEX policies. (Spaans 2007)

The promised subsidies of the VINEX Implementation Covenants did not cover all deficits. Therefore, central government proposed three possibilities to manage the deficits:

- Supra-local settlement between building locations, to settle the deficit of one VINEX-location with the surplus of another location. This only happened in the seven covenant areas.
- Raising land prices on VINEX-locations, for example by implementation of inter-municipal land policy that covers the whole region. Because of the combination of restrictive spatial policy (only building on VINEX-locations) and uniform land policy, competition between municipalities should be less.
- Higher density of dwellings. In many regions in the Randstad, a higher density is realized. (For example, compare Ypenburg in the Hague with Brandevoort in Brabant).

Some regions managed to negotiate lower target amounts, because of resistance of municipalities. For instance, the target for Noordrand I/II in Rotterdam dropped from x to x. (Lansingerland 2014)

As a result of the lengthy VINEX negotiations, market parties had enough time to acquire lands on strategic spots, as the central government had already appointed locations in official documents. Thereby, developers ensured their building rights. They consequently sold their land to local authorities in exchange for a construction claim (bouwclaim), which meant they had the exclusive right to build the site. Some developers opted for self-realization: they applied for permission to develop the land themselves by complying to municipal land-use plans. These self-realization claims hampered the discretion of municipalities, as they had not yet sufficient means for cost-recovery for large-scale public services. (Priemus and Louw 2000)

Central government	Till BLS: used locatiesubsidie and the Bruine Boekje. After implementation of BLS: granted subsidy for land development in the form of regional funds.
Province	
Region	
Municipality	VINEX-municipalities negotiated with provinces and central government on subsidies for land: BLS-subsidies. Non-VINEX municipalities received no BLS-subsidy

Table 8-3: institutions that structured the policy arena of land policy of 1983-1995

8.4 Structure of public administration 1983-1995

During the eighties, decentralization became an important theme. First, this section treats the wave of decentralization and reorganization of public administration. Second, it elaborates on the failed implementation of city provinces around major cities.

8.4.1 New Joint regulations act 1984

The Joint regulations act (*Wet gemeenschappelijke regelingen, abbreviated Wgr*) of 1950 led to the establishment of hundreds of mutual arrangements, causing an intransparency and complexity. There was no uniformity in the areas of cooperation. Municipalities could be engaged in multiple arrangements with disparate territory boundaries. In order to untangle the patchwork, in 1984 the 1950 act was replaced. Though the spirit of the Wgr is that cooperation is voluntary, the 1984 act introduced mandatory cooperation areas, which meant that cooperation arrangements should match the cooperation area in which a municipality fell. Provinces were supposed to map a lay out. (Huizinga and Hulst 1990:7) Municipalities were granted a transition period of five years to comply their arrangements to the new mandatory cooperation areas. According to Huizinga and Hulst (1990:8), most of the Regionale Volkshuisvesting Commissies (RVCs) that advised provinces on the division of contingents were adjusted to the new mandatory cooperation areas. Also, in many mandatory areas, 'basis' arrangements were formed to bundle the multitude of arrangements that were aimed at a specific service or policy coordination. (Hulst 2000:15).

According to Hulst and Huizinga (1990), there were roughly three legal (formal) models of cooperation on public housing. First, regional cooperation could be formalized on the basis of the new Joint regulations act. This meant

that that public housing was treated in one of the committees that fell under the 'basis' cooperation arrangement. Second, the province could establish an advisory committee, based on Article 65 or the Provincial act. This happened when the province actively wanted to stimulate inter-municipal cooperation, and did not wait till voluntary cooperation emerged. This was the case in Zuid-Holland, where ten of the eleven RVCs were established by the province. Only The Hague region established a voluntary basis arrangement themselves, so their advise on public housing came from their housing committee (*bestuurscommissie*). Third, in some regions there was no legal basis for cooperation, as there was only inter-municipal consultation between portfolio administrators: deputy mayors that were responsible for housing. Hulst and Huizinga observed that in these regions, the province did not allow for advise on contingent allocation. Therefore, the deputy mayors only consulted each other on exchange of contingents *within* the region. As mentioned in the previous section, the establishment of RVCs led to varying results. Some regions managed to establish public housing policies that were coupled to the allocation of contingents. Other regions produced no policy, even after a few years after establishment.

8.4.2 Montijn and the BON-memoranda

In 1985 the Agglomeratie Eindhoven and Openbaar Lichaam Rijnmond were repealed after a successful lobby by, amongst others, Bram Peper (Witte 2002). The general opinion was that the regions' job responsibilities became wedged between those of municipalities and the province. However, there was still a need for strong governance of city regions. The new 1984 Joint regulations act did not solve the problem, as the voluntary character led to impasses (Huizinga and Hulst 1990:9). In 1989, the central government got two influential advisory reports: the advises of committee Montijn ('Grote steden, grote kansen') and the Raad voor binnenlands bestuur (rbb, 'het bestuur in grootstedelijke gebieden'). These reports noted urgent, multifaceted problems in city regions called for new forms of public administration in the urban regions of major cities.

Sequence of white papers

The official 'answers' to these reports resulted in four official white papers, the Cabinet standpoint (Bestuur en grote steden), and the Bestuur-op-Niveau memoranda, of which there were three consecutive versions. With the memorandum 'Bestuur en stedelijke gebieden: bestuur op niveau', short BoN-1 (1990), the third Cabinet-Lubbers formulated an answer to the recommendations of Committee Montijn and the Rbb. The Cabinet acknowledged the need for reorganization of the structure of public administration, especially around four major city regions: the Hague, Rotterdam, Amsterdam and Utrecht. They followed a 'bottom up' philosophy: renewal of governmental structures needed the input of municipalities. Though remaining rather vague, the memorandum stated that in several urban areas for 'some form' of a regional public authority (bestuurlijke autoriteit). The Cabinet invited regions and provinces to reflect on this idea of a regional authority. During the policy development, lower-level governments were consulted through their representative bodies: VNG and IPO.

Reaction to BON-1 proposal: establishment of regional authorities

This proposal was welcomed by the regions (internal conflicts will be treated later on), yet rejected by provinces. In the second BON memorandum, IPO's reaction is full of doubts. IPO loudly rejected the formation of a regional entity with provincial authorities. IPO argued that the existing set of instruments provides sufficient possibilities for tailor made solutions on the organization of the region. These possibilities should be explored before a new governmental form is created. Provinces rejected independent supra-local entities next to the classic provinces. In order to solve the governance problems in urban regions, IPO proposed to scale up the municipalities: a city regional municipality can be a workable alternative. The provinces accused the central government of steering towards one solution, the city province, despite its claim of 'keeping options open'. According to the provinces, adjustment of the existing Joint Regulations Act should be sufficient: it can be expanded by possibilities to top-bottom issue obligatory cooperation. To conclude, IPO considered a city regional authority unfit to cope with provincial tasks, as these should be executed by a public entity that is democratic legitimate.

In BON-1, the Cabinet also acknowledged the necessity for solving the urgent need for space in several urban areas. Center cities should not be completely dependent on the whims of their neighbouring municipalities. The societal and financial position of center cities needed to be strengthened, especially in The Hague.

BON-2 and BON-3: Cabinet decides on process towards city province

In the memorandum that followed, BON-2 (1991), the Cabinet judged the proposals that were done by several city regions. Also, BON-2 listed the tasks that could be decentralized towards the new city regions. The second memorandum explicitly did not propose an end result, as the regional authority should be the product of the bottom-up process. However, at the same time, the memorandum sketched the perspective of a city regional authority.

In february 1993, the Cabinet published the third memorandum (BON-3), thereby continuing the BON-process. The seven city regions that were mentioned in BON-2 would 'grow' in phases into a regional authority, which would become a full administrative tier. In time, the regional tier would merge with the provincial authority, so city provinces would emerge. The classic province would be split, and a new, smaller province within the borders of the classic province would be established. The definitive design of the new regional authority would be implemented with a special act per region. City region Rotterdam would be de first region that would become a city province. The non-Kaderwet Regions were still subject to the prescribed territories of the Wgr 1985.

8.4.3 Implementation of the Kaderwet in verandering

The process of policy making concluded in the *Kaderwet bestuur in verandering* (Government in transition act, hereafter abbreviated to *Kaderwet*) of april 1994, which was implemented in january 1995. In seven specifically appointed regions, so-called *Kaderwetgebieden*, a new regional organization should be established. The regions of Amsterdam, Rotterdam, The Hague, Eindhoven, Arnhem-Nijmegen, Utrecht and Twente gained a special status. The additive '*verandering*', translated 'in transition', meant that the Kaderwet had a temporary character. As no definitive organizational form for regional governance was agreed upon, the regional organization could 'mature'. Through analysis of the practice, experiences should lead to a definitive form. However, already in the first BON memorandum, the central government expressed its wish for the so-called city province.

The Kaderwet obliged municipalities in the Kaderwet Regions to establish a cooperation arrangement based on the Wgr. The new entities had to perform a number of statutory functions, derived from the Kaderwet and several other State memoranda, resulting in a 'minimum range of duties'. This range existed out of two components. First, there were tasks that the municipalities had to transfer to the regional entity. Second, the Kaderwet directly appointed tasks towards the regional entities. The minimum range of duties included the following:

- Implementation of a regional structural plan
- Allocation of house-building contingents
- Budget management of location subsidies (locatiegebonden subsidies, BLS)
- Budget mangement of housing subsidies (woninggebonden subsidies, BWS)
- Implementation of housing distribution regulations (huisvestingsverordening)
- Implentation of a regional traffic and transport plan (verkeers- en vervoersplan)
- Operation of regional public transport (exploiteren openbaar stads- en streekvervoer)
- Implementation of regional land policy
- Serving regional-economic matters
- Implementation of regional policies with regard to the environment

Central government	Established seven Kaderwet Regions that would become city provinces
Province	Would (in the future) lose part of their authorities to the city provinces
Region	Kaderwet Regions became special public entities. Other regions were still organized based on the Wgr 1985. In the other regions, the Wgr 1985 arrangements (with much less authorities) were still in force.
Municipality	In Kaderwet Regions, municipalities were forced to participate and delegate authorities to the regional entities. For other municipalities, their regional organization did not change.

Table 8-4: institutions that structured the public administration of 1983-1995

8.5 Institutional context 1983 – 1995

This section treats the institutional characteristics of the housing network from 1983 to 1995. During this period, the facilitation of inter-municipal cooperation increased dramatically. The network composition altered in favor of inter-municipal cooperation through decentralization of tasks towards new inter-municipal orgazations. A reward structure that incentivized cooperation was implemented. Institutional change sparked intensive inter-municipal interactions.

8.5.1 Network composition

Between 1983 and 1995 there was an immense growth of shared inter-municipal institutions as a result of decentralization of planning tasks. The Dutch housing system underwent the largest institutional change since WWII. All four instruments of decentralization were used: transfer of responsibilities and authorities, transfer of financial means, diminishment of supervision by higher-level government and diminishment of prescriptions and procedures to comply with. Central government transferred responsibilities with regard to public housing to

regions and larger cities, as well as the management of accompanying budgets. Step-by-step, regionalization elements were put in practice and supervision from higher-level governments was diminished. Initially, central government chose not to enforce changes in the public housing arena onto the municipalities. Instead, it chose to run pilot projects in order to gain support for institutional change. With decentralization step, municipalities received more policy freedom. At the beginning of the 80s, central government judged the exact composition of building programmes per project. From the mid 80s, municipalities received contingents and funding based on their long-term plans, instead of requesting approval up front. A new standardized calculation system was implemented that used fictional housing programmes to calculate subsidies (NKS). A decade later, municipalities were almost free to compose the building programmes for their entire municipality and were allowed to save 50% of the contingent for the next year. A major step forward was the implementation of obliged regional demarcations through the Wgr of 1984.

Central government put much effort in making institutions compatible across different policy arenas. However, during the transition, there was a mixture of institutions that either facilitated or blocked inter-municipal cooperation. For example, provinces established regional advisory committees in the late 80s, while the planning and programming cycle was still in force. This system required detailed programmes of individual municipalities. In practice, the municipal programmes were only gathered and bundled, instead of making an integrated regional plan. This practice ended with the implementation of the VINEX-covenants, which were made from the viewing point of the region.

8.5.2 Reward structure

For the first time, an explicit reward structure was implemented. Regional performance subsidies were introduced: the collective of municipalities became responsible for reaching production targets. The spatial policy of the fourth memorandum was materialized and coupled to new regional organizational arrangements. The VINEX-contracts included the prospect of gain. At the end of the ten-year period, the housing production would be evaluated and if targets were met, regions definitively received funding for land development (BLS). During the VINEX-periods, the regions would monitor progress themselves. The VINEX contracts constituted the reward structure.

8.5.3 Inter-municipal interactions

The institutional changes intensified interactions between municipalities. Important facilitating institutions were the cooperation arrangements that followed from Wgr 1985 and the Kaderwet. Next to negotiations on residential plans, municipalities had to negotiate the terms of future cooperation: each region was invited to give its opinion on its future cooperation arrangement. After accepting the conclusions of Committee Montijn in 1989, central government engaged in rounds of consultation with lower governments in order to find a suitable organizational form for the organization of regional administration. The consultation was concluded with the second BON-memorandum, which discussed the input of regions and provinces, and proposed the Kaderwet in Verandering. BON-2 included a process outline in which moments of consultation were marked. The process would end in 2002, when all regions would have reached their legal 'end status' (BON-2). Given the row of failed reorganization attempts during the seventies, this process of consultation was clever. Regions committed to the process of organizational transformation. This means that institutional change itself facilitated interaction: during the VINEX- and Kaderwet negotiations, many process agreements (e.g. BON-1 and the road map) and preliminary covenants (e.g. the VINEX start covenants) were made, marking the decision-making rounds. Also, municipalities were incentivized to cooperate, as they would gain greater policy and spending freedom for a period of ten years. Municipalities that neighboured major cities cooperated obedient, as they believed they could thus outrun annexation.

9 VINEX execution 1995-2005

During the period between 1995 and 2005, the VINEX policy was successfully executed. However, the plan to establish city provinces failed in a highly politicized process. Government involvement in housing production began to decrease, as the market took over. The land and house-building markets flourished. Central government ceased steering on social housing, which was now the responsibility of municipalities and housing associations.

9.1 Structure of public administration 1995-2005

9.1.1 Accelerated trajectory Rotterdam

Seven Kaderwet-region would become a city province before the expiration date of the Kaderwet: January 1, 1999, eventually extendable to 2003. Rotterdam was the testcase, as other Kaderwet Regions would follow its steps. Therefore, the Kaderwet included a separate chapter with an accelerated legal trajectory for the establishment of the city province. (art. 35 KBV). The chapter established a committee that was concerned with the administrative reorganization. Its job was to reach an agreement between the involved governments: Rotterdam municipality, province Zuid-Holland, the regional cooperation entity (Regionaal Openbaar Lichaam) Overlegorgaan Rijnmond (OOR, in 1994 relabelled Stadsregio Rotterdam) and the Minister of the Interior. The committee VBO (vernieuwing bestuurlijke organisatie) was intended to perform its task within four years (article 46, 47 KBV). At the end, a Lex Specialis would be implemented to give region Rotterdam its special status.

Despite an enthusiastic start, the trajectory towards city provinces failed. In 1996, a mass majority of the Rotterdam citizens voted against the city province Rotterdam in an highly controversial 'correcting' referendum, which would split the municipality in five smaller parts. The referendum was held in imitation of Amsterdam, the municipality for which the prospect of becoming a city province wasn't as concrete as Rotterdam's at the time. In Amsterdam too, a majority rejected the city province.

In march 1995 Minister Dijkstal and State secretary Van de Vondervoort surprised the country by announcing that of the seven Kaderwet Regions, only The Hague, Amsterdam and Rotterdam would become a city province. They argued they wanted to prevent a variety of government forms. (Witte 2006:142). That same month, the Tweede Kamer supported the Rotterdam Lex Specialis 'on outlines' (hoofdlijnen), despite withdrawal of support by the municipality of Rotterdam, who found itself confronted with the negative result of the referendum. Definitive decisions of the parliament, both the Tweede and Eerste Kamer, were yet to be made.

9.1.2 In search for a variant with political support

The reorganization committee VBO sounded the alarmbell, as it considered the implementation deadlines (january 1999) not viable due to the quickly deteriorating support. Several 'variants' of administrative structures were studied, regarding the split of Rotterdam, or a slower 'growth' model for implementation. However, none of the variants gained sufficient political support. In february 1996, Cabinet-Kok decided to withdraw the bills for implementation of the Rotterdam city province. (Witte 2006)

As the Kaderwet had a temporary character, it would 'stop' in 1999, unless it was extended. A new 'external' committee was installed, committee Andriessen, that was issued with drafting a proposal for a new regional organization of Rotterdam, including its scale and job responsibilities. The committee proposed to establish a 'pre-province' with a directly chosen board. It would not split up Rotterdam. (Kamerstukken I 1997-1998, 25 328, nr. 100e). These 'kwartiermakers' of the regional board should pave the way for the city province, that would be established in the second phase.

Since the Cabinet still wished to continue with the formation of a regional entity in Rotterdam, it proposed the Interimwet provincie Rotterdam. Though hesitating, the Tweede Kamer supported the interim act. However, the Eerste Kamer decided not to treat the interim act it decided that it should not establish a pre-province if the tasks and authorities were not clear. These responsibilities and powers were included in the Wet bijzondere bepalingen provincie Rotterdam (wbbpr) that would be treated at a later moment. The Eerste Kamer wanted to treat both acts at the same time and decided to postpone decision-making. Postponement meant the deathblow of the special status of Rotterdam. (Witte 2002) It also meant that trajectories towards the provincial status of other regions were ceased. (Mok, 2009)

9.1.3 Extension of the Kaderwet – no new proposal for city provinces

Though there was also dissatisfaction with the Kaderwet, it was extended because the Cabinet did not want to harm the VINEX- and infrastructure covenants that were made with the Kaderwet Regions. Withdrawing the legal

basis of these regions would mean the end of one of the contract partners, thus threatening the central government's policy goals with regard to housing and mobility. (Mok 2009) In January 1999 the Cabinet introduced the update of the Kaderwet, in which the separate chapter for Rotterdam was removed. The city province was officially dead, and the Kaderwet became a band-aid. The Kaderwet was extended to January 2003 and later on to January 2006.

In 2002 Cabinet Balkenende I presented a new policy memorandum: 'Bestuur in stedelijke gebieden', which proposed to maintain the Kaderwet Regions, yet with another legal basis. Their legal status would be incorporated in the Joint Regulations Act of 1985, resulting in so-called 'Wgr-plus regions'. This is still in force (in December 2014), yet plans to abolish the act are currently subject of parliamentary decision-making. As opposed to the city province, councils of the Wgr-plus regions are not chosen directly.

Central government	Constituted the legal form of regions, abandoned the city province plan
Province	Lost parts of financial means and authorities to Kaderwet Regions
Region	Kaderwet Regions: cooperation arrangements constituted by law, owning legal authorities. Other regions: classic 'light' cooperation arrangements based on WGR, authorities owned by province and municipalities.
Municipality	Dependent on whether it was located in a Kaderwet region had to hand in powers to the regional entity.

Table 9-1: institutions that structured the public administration of 1995-2005

9.2 Spatial planning 1995-2005

9.2.1 VINEX in force

During this period, the VINEX-policy and later its actualization VINAC remained in force. The policy goals protection of green space and urban development in designated areas were successfully implemented. Provinces were instrumental in execution of the restrictive policy. Kruythoff (1997:117) argued in 1997, two years after the official start of execution, that this provincial task should be taken seriously, as small towns in rural areas were pushing against the restrictive limitations.

"One problem is that small towns have the tendency to stretch the volume of their allowed housing production to its limits. And they have several reasons to do so. Besides the revenues from the sale of land, they stand to gain from increasing -- or at least retaining -- the economic base for services and the income from local taxes. In addition, the local authorities naturally want to provide enough housing to meet the needs of the current population and, of course, to maintain their electoral constituency. Over the past few decades, households have been thinning out. Thus, in the event that the number of dwellings would remain the same, the local authorities would see a decline in their population size. Restrictive policy predates VINEX. Nevertheless, it did not have the intended effect in the past; its failure is evident in the enormous growth of automobile traffic. In the future, the provinces will have to take enforcement more seriously, if the concentration policy and the VINEX development areas are to be successful. The wisdom of this standpoint was emphasized in the latest planning report. Municipalities that fall under the restrictive policy must comply with state-imposed limits on built-up areas, and the provinces will be held accountable for strict oversight." (Kruythoff 1997:117)

9.2.2 Failed Vijfde Nota

This restrictive planning philosophy was captured by Minister Pronk's Vijfde Nota, the fifth memorandum. Apparently, central government wanted to make sure that open space was protected. Instead of trusting the provinces with restrictive policy, it drew so-called 'red outlines' (rode contouren) around villages and towns in rural areas. (BZK 2001) These red outlines were met with great resistance, as they were perceived as too centralized and solid.

However, the fifth memorandum was never implemented. Before ratification of the Vijfde Nota, the second Cabinet-Kok fell due to the Sebnica-issue. As a result of the following elections, the next Cabinet was led by Christian prime Minister Balkenende. Pronk's successor Minister Dekker (2003-2006) chose a completely different direction, which is treated in the section on the period 2005-present (3.7).

Central government	Executed VINEX and VINAC, drafted the restrictive Vijfde nota
--------------------	---------------------------------------------------------------

Province	Executed VINEX and VINAC. Implemented strict red outlines in anticipation of the never-implemented fifth memorandum
Region	Developed according to the VINEX and VINAC (and accompanying covenants)
Municipality	Was continuously subject to restrictive policy, except for designated VINEX regions

Table 9-2: institutions that structured the policy arena of spatial planning of 1995-2005

9.3 Public housing 1995-2005

9.3.1 Delayed VINEX housing production

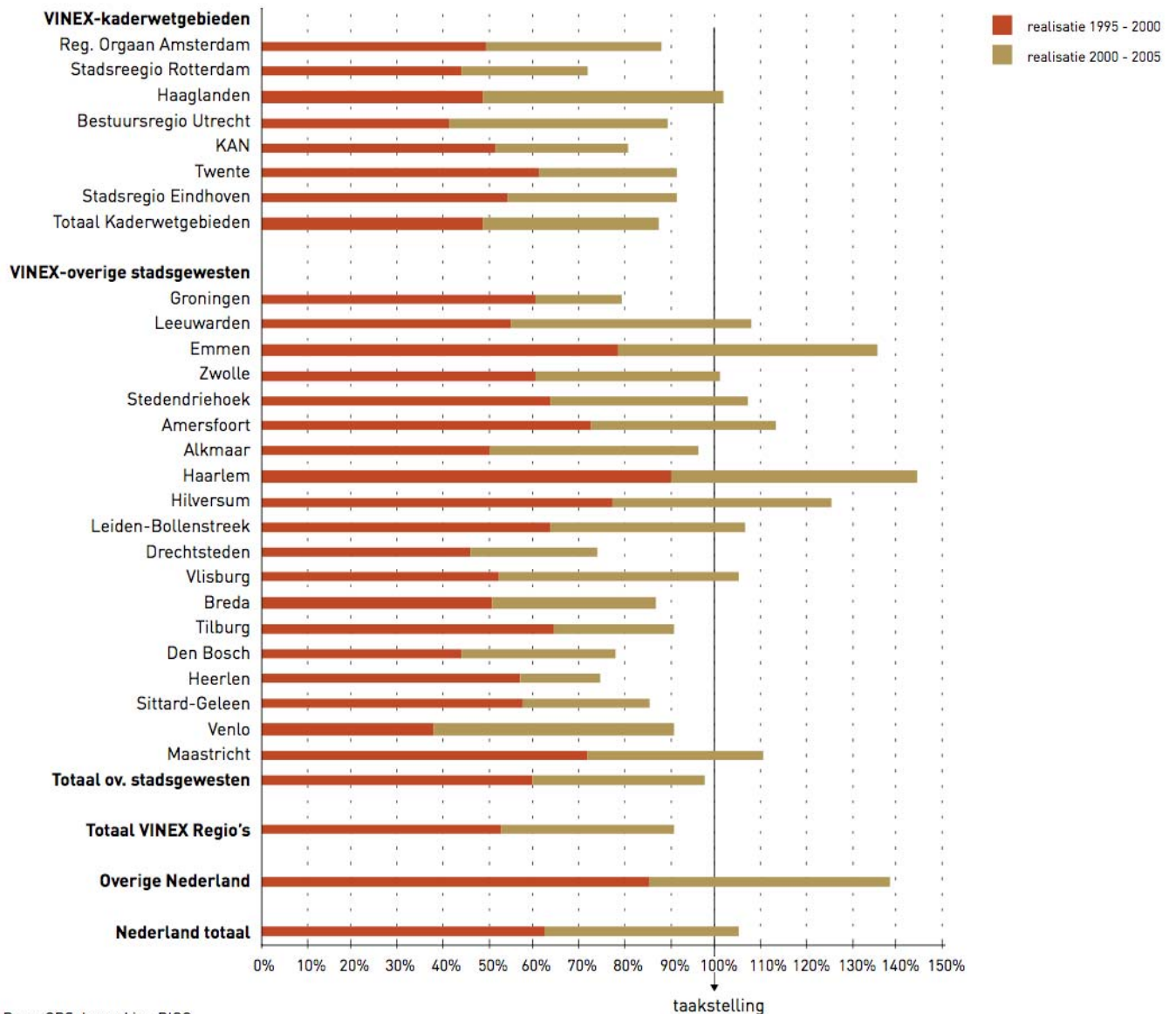
Between 1995 and 1998, many VINEX building locations had a delayed start. However, VINEX-targets could be reached by developing prepared sites from the pre-VINEX period, so-called 'doorloopgebieden':

“VINEX werd met een hoge productie van bijna 100.000 woningen per jaar in de eerste jaren ‘gered’ door de opvang op de oudere, pre-VINEXlocaties met rest- of doorloopcapaciteit, aldus geïnterviewden. Daardoor kon 1995-1998 de vertraging die bij ontwikkeling van VINEX(uitleg)locaties was opgetreden, worden gecompenseerd. Toen de restcapaciteit op de doorlooplocaties vrijwel geheel was benut moesten de VINEXuitleglocaties voor de hoofdmoot van de capaciteit gaan zorgen. En dat lukte, volgens geïnterviewden, bij een aantal stadsregio’s in onvoldoende mate. Vooral in veel kaderwetgebieden (met name ROA, SSR en ook BRU) zijn minder goede resultaten in woningbouwprestaties geboekt, zowel binnenstedelijk als in de uitleg. Er is één kaderwetgebied, stadsgewest Haaglanden, dat de woningbouwopgave wel heeft gerealiseerd.” (VROM 2006:23)

Former Ministry of VROM (2006) argued that opening up areas through construction of infrastructure was a major factor of delay in Kaderwet Regions. The fact that VINEX still became successful is because of the choice to build 70% of the dwellings in the private sector. Housing development was very profitable in an upgoing market, so private developers speeded production up. (VROM 2006:24)

In 2001 the housing market slowed down and the demand for cheaper dwellings rose. Housing production decreased (both rent and owner-occupied). Instead of renegotiating the VINEX Implementation Covenants, VROM installed several boost teams (aanjaagteams) resulting from the Taskforce Woningbouwproductie (VROM 2002). Since 2003, these boost teams intervened on 10 large VINEX greenfield locations to prevent stagnation. By mediation, they improved relations between stakeholders. The effect of the boost teams was varying, as some regions were refractory to intervention. However, even if the teams were not invited, their existence contributed to the awareness that stagnation must be prevented. (VROM 2006:49-52)

At the end of the VINEX-period, the overall targets were reached with 105%. (VROM 2006:70) In general opinion VINEX is considered a success story, despite criticism on the spatial and architectural qualities of VINEX-neighbourhoods.



Bron: CBS, bewerking RIGO

Figure 9-1: housing production in comparison with policy targets. Source: CBS, edited by RIGO (2006)

9.3.2 VINEX actualization: VINAC agreements

In 1999 new urbanization deals were made between central government and regions for the period 2005-2010, commonly known as the 'VINAC-afspraken'. These agreements were included in the VINAC, the actualization document of VINEX, including the production of 170.000 new dwellings in urban regions, of which 100.000 were to be built in the seven Kaderwet Regions. The actualization did not introduce new planning concepts. This study assumes VINAC negotiations went smooth, as no accounts of major conflicts or failed decision-making processes were found. Just like VINEX, VINAC was accompanied by deals on location subsidies, resulting in Besluit Locatiegebonden Subsidies 2005. (Tweede Kamer 2004)

It was agreed that in 2001/2002 the VINAC covenants would be recalibrated in relation to future policies on spatial planning (Vijfde Nota over de Ruimtelijke Ordening) and public housing (Nota Mensen Wensen Wonen, see next sub section). During this recalibration central government negotiated twenty covenants of intention with urban regions, known as the 'Intentie-afspraken Verstedelijking tot 2010'. (Tweede Kamer 2002) The new covenants had an integral character as they treated housing, environment, health, safety, regional economy, public transport and infrastructure. The Cabinet intended that the covenants would be ratified during the parliamentary discussion on the fifth memorandum. However, as the fifth memorandum was never ratified, the covenants were never implemented either. (KAN 2004)

During the trajectory towards the fifth memorandum the economic climate worsened, thus pressuring the housing production. The first Cabinet Balkenende chose to spend the BLS-budgets solely on reviving the house-building market. The intention agreements of Cabinet-Kok were left, the original VINAC agreements were reaffirmed and labeled 'woningbouwafspraken 2005-2009'. The agreements worked the same way as the VINEX Implementation Covenants: regions were held accountable for housing production. In return, regions received BLS-funding. In Kaderwet Regions, this funding was jointly managed in a land cost fund. (Haaglanden 2002)

9.3.3 Mensen Wensen Wonen and Grotestedenbeleid

New public housing memorandum: continuation of policy yet with more quality

Eleven years after Nota Volkshuisvesting in de jaren negentig, central government published a new memorandum: Nota Mensen Wensen Wonen (2000). This memorandum continued the motto of 'more market, less government'. For instance, it stated that housing associations were allowed to easily sell their properties, thus turning social housing into affordable owner-occupied dwellings. Central goals of the memorandum were improvement of urban quality and meeting individual consumer preferences. There was much criticism on the monotonous VINEX neighbourhoods. (Van der Cammen 2003) It paid attention to special needs like care at home and 'life-proof' dwellings for elderly. Qualitative shortages should be met, instead of solely focusing on quantitative shortages. An 'integral approach' was regarded necessary. Next to the policies of Mensen Wensen Wonen, the Grotestedenbeleid was in force, which started in 1994. This policy for major cities was aimed at city improvement. First, this policy was targeted at the G4, later it was expanded to 30 other cities (G30).

No regional director – province should supervise

Neither Mensen, Wensen, Wonen, nor the Grotestedenbeleid specifically addressed regional cooperation entities. In order to implement the policy, 'new forms of inter-governmental cooperation' had to be found. (NAI 2006:24) The municipality would become the 'director' of housing development, a role that it currently still fulfills. Municipalities were asked to draft and implement their own visions on housing: the municipal *woonvisie*, in which they could name for example target groups. Individual governments were supposed to execute the policies. They were also expected to make sure their municipal housing policies were aligned with neighbouring municipalities, in order to provide for a balanced and differentiated living environment in the region. However, central government did not expect every region to succeed in voluntary cooperation. Therefore, central government emphasized on the role of the province as middle-tier, and its instruments to protect supra-local interests:

"Bovenlokale afstemming is en blijft in de eerste plaats een verantwoordelijkheid van gemeenten zelf. Op dit moment biedt de Wet Gemeenschappelijke Regelingen de mogelijkheid om op vrijwillige basis tot regionale samenwerking te komen. Maar niet overal loopt de samenwerking en onderlinge afstemming even goed. In die gevallen is er een rol weggelegd voor de provincie. De provincie krijgt nadrukkelijker de zelf. Op dit moment biedt de Wet Gemeenschappelijke Regelingen de mogelijkheid om op vrijwillige basis tot regionale samenwerking te komen. Maar niet overal loopt de samenwerking en onderlinge afstemming even goed. In die gevallen is er een rol weggelegd voor de provincie. De provincie krijgt nadrukkelijker de verantwoordelijkheid om dit proces daar waar nodig te stimuleren en, daar waar gemeenten er onderling niet uitkomen, belemmeringen op te lossen. Een verdere professionalisering van provincies op het terrein van het wonen is daarvoor een voorwaarde. Aan provincies zal de verplichting worden opgelegd een visie met betrekking tot het wonen (woonvisie) op te stellen (zie paragraaf 10.2). Het Rijk krijgt op dat punt een aanwijzingsbevoegdheid. Die visie kan overigens deel uitmaken van een integrale ontwikkelingsvisie ten aanzien van ruimte, economie, wonen, welzijn en zorg. Interactieve instrumenten zoals gebiedsgerichte convenanten tussen provincie, gemeenten, corporaties en private partijen bieden hierbij een kansrijk perspectief." (Nota Mensen Wensen Wonen 2000:229)

In practice, provinces were mainly occupied with making sure the housing production was sufficient, thereby pressuring local authorities. Inspired by the boost teams of the central government, some provinces installed provincial boost teams as well. For instance, Gelderland took its role as supervisor and booster very serious. (interview Gelderland 2014) It is not known to this author whether provinces actually supervised and steered the quality of municipal and regional housing visions.

9.3.4 End of object subsidies: 'integral' subsidies for urban improvement

During the period 1995-2005, the VINEX policies were executed according to plan. In 1997, city renewal and restructuring was evaluated, resulting in 'Belstato' (Beleid voor stadsvernieuwing in de toekomst). This memorandum stated that city renewal (stadsvernieuwing) was an 'ending operation', which would stop in 2005. It also noted that many problems in cities still dealt with typical urban problems, despite physical quality improvement. The main drivers for these problems were social-economic, so a more 'integral' approach was

regarded necessary: urban renewal (stedelijke vernieuwing). Therefore, the Grotestedenbeleid (GSB) was introduced in 1994, and the Stedelijke vernieuwingsbeleid in 1998.

The house-building subsidies (BWS) lasted till 2000. This marked the end of 50 years of object subsidies, as well as the end of subsidization of house-building on greenfield locations. Note that subsidies for land development (BLS) were continued under VINAC. From 2000 all ‘physical’ subsidies, except for BLS, were bundled into the Investeringsbudget Stedelijke Vernieuwing. The new act Wet Stedelijke Vernieuwing became the basis of the Investeringsbudget Stedelijke Vernieuwing (ISV), a bundled subsidy that could be applied for each five years. At the present, three rounds of ISV-budgets have passed till it was repealed in 2011 (bron). With the ISV, the policy space for municipalities was large, as they were responsible for monitoring and improving the physical space. Central government only monitored on outlines. ISV was directly allowed the largest thirty cities in particular on problematic neighbourhoods. These G30 cities were ‘direct’ municipalities, that received ISV subsidy directly from central government. The other ‘non-direct’ municipalities could receive ISV-funding from provinces, that designated ‘program municipalities’. (Nota wonen wensen mensen 2000:228) Many programmes were targeted at improvement of these so-called ‘Krachtwijken’. The management of ISV-budgets was primarily done by municipalities, *not by regional entities* as was the case with house-building subsidies. Except for the land development subsidy BLS-VINAC for VINEX regions, regional cooperaten arrangements received no more funding for house-building after ending the BWS-subsidie regulations.

Central government	Continued the ‘more market, less state’ strategy, followed a more ‘integral’ approach to tackle problems of major cities, cut back and bundled subsidies. Object subsidies ended.
Province	Was designated as supervisor of municipalities and regions to ensure housing production in qualitative and quantitative sense
Region	Executed VINEX and VINAC policy. Neglected in GSB-policy and got no official role in Mensen Wensen Wonen
Municipality	Executed VINEX and VINAC, received ISV-subsidies from either central government (larger cities) or the province (if labeled as a program municipality)

Table 9-3: institutions that structured the policy arena of public housing of 1995-2005

9.4 Land policy 1995-2005

9.4.1 Positive results of land development

The BLS-subsidy was granted lump sum, so municipalities bore the risks of land development, but also enjoyed windfalls. Through mutual land cost funds, VINEX regions settled land costs according to agreements that were captured in the VINEX Implementation Covenants and following further detailing documents. Settlement agreements between building locations were made before development started. As far as could be found, no major re-negotiations took place during execution of VINEX. Only in the Rijnmond region land costs were reconsidered as it started of with a regional land agency. After failure of the city province, the land agency had no future. Stadsregio Rotterdam decided distribute the funding and to pay a lump sum to the VINEX-building municipalities. This redistribution of means will be treated in the case studies. BLS was extended in 2005 for execution of the VINAC agreements. However, the outlines were agreed upon. As a result of the upward going economy, the deficits of land development were far less bad than expected. As house prices rose steadily (except for the 2002-2003 dip), private parties and municipalities were able to make profits.

In VINEX regions, the regional cooperation entity managed the lump sum in a land cost fund, accompanied with mutually agreed upon land cost regulations (grondkostenverordening). Once in a while, the land cost funds were recalibrated to include, for instance, inflation rates.

Evaluating VINEX, VROM stated that the restrictive spatial policy of VINEX worked positive as well, cancelling out competition: *“Het restrictief beleid gaf, volgens geïnterviewden, zekerheid aan de kaderwetgebieden aangaande de beperking van bouwmogelijkheden van gemeenten in de omgeving van deze bundelingsgebieden. De eigen bouwopgave kreeg daardoor minder hinder van concurrentie. Restrictief beleid zou bovendien een grondprijsopdrijvend effect hebben in de stadsregio’s, waarmee voor de gemeenten resterende tekorten op grondexploitaties konden worden afgedekt.”* (VROM 2006:14)

9.4.2 Possibilities for settlement of public services

During the VINEX period, many municipalities complained about the expenses of building lands that were acquired by market parties in an early stage. The municipality made costs for public provisions, while it had little means for

cost recovery. Municipalities asked for sufficient instruments to (re)gain control. VROM reacted with a memorandum Grondbeleidsinstrumentarium en de uitvoering van VINEX (1994). This memorandum stated that municipalities had to cooperate with market parties. They should divide financial risks among municipalities of the whole city region and give market parties an active role in development. Active land policy should be transformed into passive land policy. During the second half of the nineties, several instruments were explored to enable cost recovery and in 1996 the Wet Voorkeursrecht Gemeenten was expanded to greenfield locations. (De Wolff et al 2000) However, the land development levy was rejected by the Raad van State in 1998. (Groetelaers 2004) In 2008, the new Grondexploitatiewet was implemented as a part of the new Wet Ruimtelijke Ordening. (Tweede Kamer 2008)

9.4.3 Covenant municipal land policy

As a result of criticism on the spatial quality of VINEX-neighbourhoods, in 2000 the *Handvest Kwaliteit VINEXlocaties* was published. Part of this guideline pointed at land policy as a driver of spatial quality. Therefore, in 2001 VROM, VNG, NVB and NEPROM signed the covenant Gemeentelijk grondprijnsbeleid. This covenant proposed a standardized method of calculation: the residual land value method. Before, many municipalities used the land quote method (*grondquote method*). The evaluation of VINEX (VROM 2006) states that the covenant proved to be effective, despite the connotation that many municipalities still used their own 'mix' of methods. However, the use of the land quote became rare. In 2006, the covenant ended after publication of a new guideline (no new covenant) for land policy on owner-occupied housing (VROM2 2006).

Central government	Paid VINEX-regions lump sums to cover for land development deficits
Province	No specific role, apart from official responsibility to supervise municipalities' financial position
Region	Responsible for execution of VINEX/VINAC covenants, manager of land cost funds
Municipality	Participated in public-private-partnerships for development of VINEX-building locations, were monitored by regional entities. Bore the risks of land development.

Table 9-4: Institutions that structured the policy of land policy of 1995-2005

9.5 Institutional context 1995-2005

This section treats the institutional characteristics of the housing network from 1995 to 2005. During this period, the VINEX policy and the accompanying Kaderwet were fully operational. Facilitation of inter-municipal cooperation was one of the pillars of VINEX. The reward structure of regional funding incentivized cooperation and interaction.

9.5.1 Network composition

The institutional context for regional cooperation on residential planning was relatively stable, despite the capricious decision-making on the future government structure of regions. The Kaderwet (1994) constituted seven regional entities and their powers. VINEX Implementation Covenants that were agreed upon by central government, provinces and 26 regions formed the outline of the regional residential plan. The VINEX implementation covenants, regional funds for land subsidies and costs (BLS), regional funds for object subsidies (BWS) and obliged participation in inter-municipal arrangements, facilitated the execution of the VINEX-policy.

Central government failed to design institutional change with regard to the structure of public administration (i.e. the network composition). The city province was never implemented. Despite the high-stakes game with respect to change of the government structure, all other shared institutions remained in place. In fact, because all participating governments had the joint goal of upholding housing production agreements, the Kaderwet was extended because of its coupling with the VINEX Implementation Covenants.

9.5.2 Reward structure

The reward structure was intentionally designed to stimulate inter-municipal cooperation. Inter-governmental (between tiers) and inter-municipal dependencies were very clear and mutually acknowledged. VINEX-regions were bound to the VINEX Implementation Covenants as there was a mutual responsibility to reach housing production targets. Regional subsidies formed a direct link between central government and the regional entities. Defaulting from this contract meant losing BLS-subsidies, so there was a regional stake. Part of the VINEX Implementation Covenants were deals on settlement between building locations. Besluit Locatiegebonden Subsidies (BLS 1995) and Besluit Woninggebonden Subsidies (BWS 1992, 1993, 1995) regulated subsidization of land development and dwellings.

9.5.3 Inter-municipal interactions

The institutional context of 1995-2005 facilitated inter-municipal interactions. The VINEX Implementation Covenant can also be viewed as a large process-agreement as a facilitator of interactions. The covenant secured monitoring, evaluation moments and gains. Formal interaction between municipalities was arranged through the Kaderwet and the Wgr, since the acts obliged municipalities to participate in regional organizations. Despite the capricious developments around the establishment of the city province, inter-municipal cooperation on VINEX house-building was considered successful.

10 End of national policy 2005-present

From 2005 the support for regional entities with heavy job responsibilities diminished, and during parliamentary consideration of the new spatial planning act, urban regions' spatial authorities were taken away. Central government withdrew by transferring responsibilities for spatial planning towards provinces and cutting back subsidies. Till 2008, the housing market flourished, thereby making realization of the VINAC targets possible. In 2009 the crisis hit, and for the first time, central government did not take action, according to its new philosophy of decentralized planning. Provinces still struggle to fill in their new role.

10.1 Spatial planning and structure of public administration 2005 – present

For practical reasons, the policy arenas of spatial planning and the structure of public administration are treated together. As the following will show, the drafting and ratification processes of the Wro and Wgr were intertwined.

10.1.1 Wgr expanded and Wro in preparation

The Kaderwet in verandering was a temporary act, that could be extended one time. It would expire on Januari 1, 2003. Cabinet-Kok argued that there was still need for non-voluntary cooperation on spatial issues in the urban regions around major cities. (BZK 2004:4-8) Following the white paper 'Bestuur in stedelijke gebieden', it proposed an act with the same name. However, Cabinet-Kok fell over Sebrénica in april 2002. An emergency act (noodwetje) was drafted to extend the Kaderwet again, till January 1, 2005.

Cabinet-Balkenende decided to withdraw the act 'Bestuur in stedelijke gebieden'. Instead, a white paper (BZK 2002) proposed to expand the existing Wet gemeenschappelijke regelingen from 1985. In april 2004, the revised act was published and accordingly ratified by the Second Chamber. (Tweede Kamer 2004) The former Kaderwet Regions now became Wgr-plus regions. The 'plus' stood for extra spatial authorities that would normally be the province's. Wgr-plus was explicitly considered as a so-called support structure (helpstructuur), instead of a redivision of the main structure of public administration. Figuratively spoken, the act added a balcony to the house of Thorbecke. Wgr-plus regions were not only former Kaderwet Regions. Municipalities and provinces could also initiate a regional entity with heavier job responsibilities. As a result, Parkstad Limburg, which was no former Kaderwet-region, became a Wgr-plus region.

During the nineties, the planning practice changed due to the shift from government to market-led development. At the end of the nineties, governments wished for a fundamental revision of the WRO from 1965, in contrast of the little changes that it underwent the past decades. The Raad van State concluded that the WRO had become a patchwork of authorities. During the parliamentary discussion on the white paper of the revision (VROM 2000), the Second Chamber asked for a more prominent and practical land-use plan, that would be instrumental for housing development. The new act should bring clarity with regard to governmental tiers and their authorities, thus improving their decisiveness. It should also be an answer to the increased complexity and scale of spatial issues. (Stibbe 2008:13) After implementation, Planologische Kernbeslissingen (like the first-fifth memoranda) were history. Instead, each governmental tier could draft and implement its own structure vision, which would function as a framework for lower-level governments.

The revision of the Wgr anticipated on the new Wro that was drafted in a parallel trajectory. At the time of ratification of the new Wgr, it was expected that the spatial authorities of Wgr-plus regions would be included in the new act:

“Ten aanzien van de wettelijke taken van de plusregio geldt dat het regio- bestuur een aantal concreet omschreven bevoegdheden krijgt om het ruimtelijk beleid van de betreffende gemeenten effectief op elkaar af te kunnen stemmen. Aldus wordt bewerkstelligd dat deze taken op het relevante regionale schaalniveau in onderlinge samenhang worden uitgeoefend, en dat hiermee het grotestedenbeleid effectief op regionaal niveau kan worden afgestemd.

Dit zogenaamde minimumpakket voor alle plusregio's bestaat uit de volgende elementen:

1. Ruimtelijke ordening, inclusief ruimtelijke aspecten van verkeer en vervoer: in de nieuwe WRO wordt de bevoegdheid tot het opstellen van een regionale structuurvisie opgenomen.
2. Wonen: de regio neemt de bevoegdheid tot het maken van een huisvestingsverordening over van de inliggende gemeenten.
3. Grondbeleid: de regio krijgt instrumenten om een bovenlokaal grondbeleid te voeren.
4. Economische ontwikkeling: de regio krijgt de bevoegdheid tot het periodiek opstellen van een regionale ontwikkelingsstrategie.
5. Regionale afstemming grotestedenbeleid: de plusregio is het verband waarbinnen de grote steden hun ambities op het terrein van wonen, verkeer en vervoer, werken en groen regionaal afstemmen." (Memorie van Toelichting, Wgr 2004)

Next to spatial responsibilities, Wgr-plus regions would also be responsible for public transport and infrastructure, receiving direct funding from central government through a Brede Doel Uitkering (BDU).

10.1.2 Support for regional entities diminished

The new Wgr was a compromise, as IPO and VNG clashed over their view on the regional organization, just as they did during the early nineties. (Zuidholland 2004:1) VNG pleaded for strong regional entities as a successful form of extended local governance (verlengd lokaal bestuur). IPO argued that the regional entities added to the administrative pressure (bestuurlijke drukte). The heavier the job responsibilities, the more the regional entities would become the unwanted 'fourth layer'. The regional entities in urban areas were not considered democratic as their boards consisted of municipal delegations. In 2002, the by IPO-issued committee Geelhoed published the influential report 'Op schaal gewogen', which pleaded for sticking to Thorbecke and dividing authorities between classic provinces and municipalities. In case of metropolitan problems, municipal up-scaling (redivisions) was the solution, thus creating 'agglomeratiegemeenten'. (Geelhoed 2002:62)

The Cabinet was not entirely satisfied over the Wgr-plus solution either. In 2006 Minister Donner published a white paper 'Maatwerk in het middenbestuur' in which he explored issues of scale and possible solutions for the Dutch structure of administration. The white paper explicitly stated that support structures should not grow into becoming an extra governmental tier. In line with Committee Geelhoed's advises, the paper proposed municipal up-scaling as an option. A fragment shows Donner's dissatisfaction with the Wgr-plus construction:

"In de huidige gemeentelijke en provinciale indeling biedt op dit moment alleen het creëren van een speciale hulpstructuur een oplossing voor dit stad-rand-vraagstuk. Na jaren van tijdelijke grondslagen is sinds kort een structurele oplossing geregeld in de vorm van een hulpstructuur in de Wgr: de Wgr-plus-regio's. Duidelijk moet zijn dat deze hulpstructuur zo zijn beperkingen heeft. Met de Wgr-plus-constructie naderen we de grens van wat met hulpconstructies valt te regelen. Immers, deze regio's kennen slechts een indirecte democratische legitimiteit. Zeker wanneer in de toekomst nieuwe taken zouden worden overgedragen aan de Wgr-plusregio's, wordt deze grens overschreden. Deze regio's - voor alle duidelijkheid: het betreft hier in de eerste plaats de randstedelijke - worden dan te "zwaar". Een meer structurele bestuurlijke ingreep is dan noodzakelijk. Hiervoor moeten tijdig enkele opties worden ontwikkeld. Binnen het huidige grondwettelijke kader is dat een gemeente op maat (de regiogemeente) of een provincie op maat (de regioprovincie)." (BZK 2008:8)

10.1.3 Separate consideration of regional spatial authorities

In the meantime, awaiting new developments on the structure of public administration it was decided that the spatial authorities of regional entities would be treated separately during the Wro implementation. Chapter 5 of the draft Wro was intentionally left blank, as it would be included in the 'Invoeringswet Wro'. (Stibbe 2008) During a preliminary discussion on the Wro in march 2006, member of the Second Chamber Lenards got his proposed resolution ratified. This resolution stated that the Cabinet should not draft new proposals on extra authorities for inter-municipal cooperation entities, like Wgr-plus regions, on the area of spatial planning. (Motie Lenards cs. 28916, 29). IPO quickly reacted as this resolution endorsed the resolution, as well as the Cabinet's point of departure to distribute authorities over the three classic Thorbecke layers. (IPO 2006) Nevertheless, the Cabinet filled chapter 5 in and granted Wgr-plus regions the authority to draft their own structure vision, a new instrument that replaced the old regional spatial plan (streekplan). However, during the parliamentary discussion of the Invoeringswet, member of parliament Van Heugten, Van Leeuwen and Neperus continued Lenard's

philosophy and proposed an amendment that struck chapter 5 off. The amendment was ratified by the Second Chamber. Its elucidation stated the following:

“Dit amendement strekt ertoe dat Wgr-plusregio’s geen nieuwe bevoegdheden krijgen op het gebied van de ruimtelijke ordening. Het bestuur van een plusregio wordt niet rechtstreeks gekozen. De Wro en de bijbehorende Invoeringswet zijn niet de juiste plaats om een principiële keuze te maken rond het toekennen van bevoegdheden aan een «middenbestuur». Dit amendement is in lijn met de breed aangenomen motie Lenards c.s. (28 916-29), waarin de regering wordt verzocht niet met nadere voorstellen te komen voor extra bevoegdheden voor intergemeentelijke openbare lichamen, zoals de Wgr-plusgebieden, op het gebied van de ruimtelijke ordening.” (amendment Nepperus/Van Heugten/Van Leeuwen 30938, 13)

VNG reacted furiously as they argued that the removal harmed negotiated agreements between VNG, IPO and central government: the Wgr-plus act. (VNG letter d.d. April 21, 2008) VNG forecasted extra administrative pressure, leading to an ‘administrative spaghetti’. Decision-making processes would become endless, thus harming the decisiveness. Interrelated areas of policy would now be divided over multiple tiers. While provinces became responsible for spatial planning, the region was still responsible for (investments on) infrastructure, public transport, public housing and land policy. VNG warned for freeriders-behaviour if the regional entity would have no decisive powers (doorzettingsmacht), illustrated by the realization of a regional garbage that no municipality would want. VNG substantiated that the motto ‘decentralized if possible, central if needed’ was not followed. According to that philosophy, the regional gap should be filled by cooperating municipalities, not by the provinces. By granting provinces all supra-local authorities, Nota Ruimte would be harmed. Not surprisingly, IPO welcomed the gained authorities.

10.1.4 Positive evaluations Wgr-plus regions

In 2009 and 2010 two evaluations on the functioning of Wgr-plus regions were published. VNG issued Committee Nijppels for a reflection, resulting in ‘De Stille kracht: over de noodzaak van stadsregio’s’. The Wgr of 2004 stated that the act should be evaluated after five years. Ministry of the Interior published the report ‘Plusen en minnen: evaluatie Wgr-plus’. Both evaluations were positive about the functioning of the urban regions. Report-Nijppels argued that the perceived distance between municipalities and city regional authorities was small, and the cooperation arrangement provided municipalities with a ‘natural’ platform to reach agreements on regional societal issues such as economic policies and innovation. The committee concluded that because of its non-voluntary character, this administrative form prevented ‘free riders’ behaviour or paralyzing threats of vetoing or resignation from the cooperation arrangement. However, the BZK-report noted the ever-present provinces’ dissent.

“De Wgr-plusregio’s functioneren goed. De in de wet genoemde taken en verplichtingen van deze regio’s zijn alle gerealiseerd. Tevens wordt invulling gegeven aan de met de wet beoogde maatschappelijke doelstellingen. De regio’s spelen een belangrijke rol in het realiseren van een regionale dynamiek, waarin tegenstellingen tussen gemeenten worden overbrugd en de regio’s als geheel zowel in Nederland als in Europa op de kaart komen. De inliggende gemeenten ervaren meerwaarde, terwijl medewerkers van relevante vakdepartementen van mening zijn dat de Wgr-plusregio’s een goede bijdrage leveren aan het sectorale beleid. Provincies wijzen de Wgr-plusregio’s af, omdat hun aanwezigheid de provincies belemmert in hun ambitie integrale verantwoordelijkheid te dragen voor het gebiedsgerichte beleid.” (BZK 2010:5)

10.1.5 Repeal of Wgr-plus status

Despite the positive evaluations, national politicians grew less supportive towards the plus-regions. After four Cabinets Balkenende, Rutte-I was installed. The coalition covenant of Rutte and Verhagen announced proposals to abolish Wgr-plus regions and partial municipalities (deelgemeenten). (Rutte 2010:5) This announcement resulted in the Wijzigingswet Wgr-plus. Losing the ‘plus’ meant losing all kinds of authorities with respect to infrastructure and public transport. Also, the obligation to draft regional housing-distribution regulations (huisvestingsverordening) would be replaced by the right to establish regional regulations on a voluntary basis. (Wijzigingswet Wgr 2012) First, it was intended that Wgr-plus regions would lose their status as of January 1, 2014, which was later delayed to January 1, 2015. In July 2014, the act is yet to be ratified by the First Chamber.

The Wijzigingswet Wgr led to a clash between Cabinet-Rutte and the Raad van State, that called the plan irresponsible. The Raad van State’s warning included many similarities with VNG’s reaction to the taken spatial

authorities. Without forced cooperation, freeriders behaviour would become a risk. The council also feared new complex discussions on territories and structures. During the VINEX/VINAC period, the forced cooperation worked disciplining, so why change a winning formula that provided stability? Cabinet-Rutte rejected the council's advice and expressed its trust in the 'mutual acknowledgement of urban problems'. Therefore, it was expected that municipalities would want to cooperate on a voluntary basis. No obligations would be needed. (BZK 2013)

"Het kabinet verwacht dat de bestuurlijke verhoudingen in de grootstedelijke gebieden door de positieve ervaringen met de samenwerking van de afgelopen twintig jaar, blijvend zijn veranderd en dat de belangrijkste elementen daarvan onderdeel zullen blijven in een voortzetting van de samenwerking op vrijwillige basis. Het wetsvoorstel biedt de decentrale overheden daarom de mogelijkheid om hun samenwerking – na beëindiging van de wettelijke taken – als gewone gemeenschappelijke regeling voort te zetten. Het kabinet vertrouwt er op dat de ervaringen met de verplichte samenwerking de gemeenten hebben doordrongen van het gezamenlijke belang van dergelijke samenwerkingsverbanden en dat de betreffende gemeenten en provincies elkaar zullen blijven opzoeken in de toekomst. Het gevaar van een veelheid aan gemeenschappelijke regelingen en freerider gedrag, zoals de Afdeling stelt, ziet het kabinet dan ook niet." (BZK 2013a:3)

During the nineties, central government often threatened municipalities with redivisions if they would not cooperate. This Cabinet explicitly stated that redivisions would only happen on a voluntary basis. (BZK 2013b, brief Plasterk). The Cabinet also expected provinces to intervene in case of conflictuous situations. During the case studies, it can be examined whether municipalities actually perceived their cooperation as necessary, which is the Cabinet's assumption.

10.1.6 Central government quits national spatial policy

As described in section 3.6.2, Nota Ruimte (2005) formed a breach with earlier spatial memoranda. It stated the mottos 'decentralized if possible, centralized if needed' and 'more market, less government-led development'. The Nota Ruimte let go of the restrictive planning-philosophy and replaced it with development-facilitating planning (ontwikkelingsplanologie). During the time that Nota Ruimte was in force, there were still remainders of the never-ratified Vijfde Nota, as provinces obediently implemented the red outlines in anticipation of the strict memorandum.

Between 2005 and 2008 the housing market flourished and also the targets of the 'Woningafspraken 2004-2009' were (almost) reached. These positive results confirmed the central government's conviction that the two mottos were success formulas. Cabinet Rutte-I published the first national structure vision after implementation of the new Wro: Structuurvisie Infrastructuur en Ruimte'. This document literally expressed that central government from now on would stop with spatial planning. Spatial planning became the province's and municipalities' responsibility. The document only marked infrastructure and areas of national interest, such as trans-atlantic cables and mainport Rotterdam. The intentions of SVIR are summarized in the following two quotes:

"De verantwoordelijkheid voor de afstemming tussen verstedelijking en groene ruimte op regionale schaal laat het Rijk over aan de provincies. Daartoe schaft het Rijk het landschapsbeleid af en beperkt het rijksregimes in het natuurdomein." (I&M 2009:10)

"Vertrouwen in medeoverheden is de basis voor het bepalen van verantwoordelijkheden, regelgeving en rijksbetrokkenheid. Door hun regionale kennis en onderlinge samenwerkingsverbanden zijn gemeenten en provincies in staat om de opgaven integraal, doeltreffend en met kwaliteit aan te pakken. Provincies, gemeenten en waterschappen hebben voldoende instrumenten in handen om deze taken uit te voeren. De overgang naar de nieuwe rol- en taakverdeling zal het Rijk begeleiden. [...]De provincie heeft tevens een actieve rol bij de oplossing van bestuurlijke en financiële knelpunten van gemeenten." (I&M 2009:11)

Instead of steering by inter-governmental covenants to record agreements, SVIR proposed 'dynamic agendas' to align central and decentral interests. These agendas were used as input for the national Meerjarenprogramma Infrastructuur, Ruimte en Transport. During these MIRT-meetings all decentral interests (provincial, regional, local) would be (and still is) represented by one negotiating delegation. In practice, MIRT is mainly about infrastructural investments. The 'R' of ruimte (space) means little. (Interview Zuid-Holland) On alignment and supervision SVIR said the following:

"In de MIRT-gebiedsagenda's komen de nationale en decentrale belangen samen en worden deze door Rijk en regio integraal met elkaar afgestemd. Deze agenda's hebben een dynamisch karakter om flexibel te kunnen inspelen op nieuw beleid en veranderende opgaven." (I&M 2009:62)

“Het Rijk zal tijdens het opstellen en vaststellen van bestemmingsplannen dan ook niet toetsen op een correcte doorwerking van nationale belangen. Het Rijk zal, als daarom wordt gevraagd door gemeenten, in de voorbereidingsfase van de bestemmingsplanprocedure haar nationale belangen toelichten en, indien nodig, daarover advies geven.” (I&M 2009:93)

The title ‘Structuurvisie Infrastructuur en Ruimte’ reflected radical reorganizations of Ministerial departments. Ministry of VROM, for decades one of the most powerful ministries, was split up in four parts. Spatial planning went to the former Ministry of Verkeer & Waterstaat (Infrastructure & Water), thus forming the new Ministry of Infrastructuur & Milieu (Infrastructure & Environment). For the first time, infrastructure and spatial planning were integrated. Before SVIR, spatial planning and infrastructure were always treated in different memoranda and financed from different funds. The public housing part of VROM went to the Ministry of Binnenlandse Zaken en Koninkrijkrelaties (Ministry of the Interior and Kingdom relations). From now on, the housing market and spatial planning were to be treated separately. The split up was much criticized by both academics and politicians. (Volkskrant 2011)

10.1.7 Provincial implementation of SVIR

SVIR tasked provinces with a great responsibility. As from 2010, provinces had ultimate responsibility over spatial planning. In 2013, the Ministry of the Interior issued RIGO to investigate whether and how provinces interpreted their role as the ultimate spatial planners. RIGO concluded that provinces were clearly in a transition phase. Still, the report is positive on the outlook.

“De provincies bevinden zich voor wat betreft de doorwerking van het woningbouwbeleid, zoals vastgelegd in de SVIR (Structuurvisie Infrastructuur en Ruimte), duidelijk in een overgangsfase. Een aantal provincies - Groningen, Limburg, Friesland en Gelderland - is volop bezig de ingezette decentralisatie van het woningbouwbeleid richting gemeenten vorm te geven in haar structuurvisies en bijbehorende verordening(en). Provincies met relatief recente structuurvisies of herziene verordeningen zijn daar al verder mee gevorderd, al is de concrete uitwerking van hun nieuwe, meer faciliterende rol ook bij hen nog continu in ontwikkeling. Ook dient opgemerkt te worden dat provincies vaak ook in vorige structuurvisies al decentralisatie voorstonden. De decentralisatie die gemeenten een grotere vrijheid geeft vergeleken met het verleden, vindt daarmee een duidelijke doorwerking in het provinciale beleid. De provincies maken een beweging door van de oude rol (plantoetsing en directe sturing op aantallen en locaties) naar een rol te gaan die meer is gericht op regiovoering; het bieden van kaders en het faciliteren van gemeenten in regioverband zelf afwegingen goed te kunnen maken. Zoals gezegd is die beweging nog gaande. Het is dan ook nog te vroeg om vast te stellen of de met de nieuwe WRO beoogde resultaten (meer vrijheid voor gemeenten, transparantie in de besluitvorming en beoogde kwalitatieve doelen voor de woningbouw) worden bereikt.” (RIGO 2013:1)

This quote implies that between 2010 and 2012 coordinated steering on municipalities’ housing production was absent as provinces were still in transition. The covenants ‘Woningbouwafspraken 2005-2009’ expired as of 2010. The interviewee of Gelderland noted that it took sometime before the Gelderland civil servants found their new role between 2009 and 2012. Bear in mind that the financial crisis already hit in 2009. (interview Gelderland)

However, it seems that provinces become aware of their director’s role:

“In een groot deel van de provincies (Drenthe, Gelderland, Noord-Holland, Zuid-Holland, Noord-Brabant, Limburg, Zeeland, Utrecht en sinds kort ook Gelderland) wordt - om te zorgen voor (boven)lokale afstemming van de woningbouwprogrammering - regionale samenwerking actief gestimuleerd en georganiseerd vanuit de provincie. In deze provincies vallen alle gemeenten binnen een provincie onder een regio. De provincie heeft hier een belangrijke coördinerende en faciliterende rol in. De provincie zit letterlijk aan tafel met de gevormde regionaal samenwerkende gemeenten. Dit heeft er toe geleid dat er momenteel voor een groot deel van de provincies regionale afspraken kaders/woonvisies zijn gemaakt of nog worden ontwikkeld waar de gemeenten onderling afspraken maakt. Twee provincies waar dit nog niet volledig is volbracht, zijn ook bezig deze kant op te gaan. In deze provincies - Groningen en Overijssel - is dit deels - dus met enkele regio’s - volbracht. Tenslotte is in de provincies Utrecht en Flevoland voor een deel van de gemeenten (nog) geen intergemeentelijke regionale kwantitatief afsprakenkader gemaakt. Of deze regionale aanpak een succes wordt in termen van het voorkomen van (kwalitatieve) overschotten en tekorten op de woningmarkt, kan nog niet worden gezegd. Omdat die regionale afstemming wel expliciet het doel is van de SVIR en gelet op het feit dat gemeenten zich er - mede door hun eigen actieve betrokkenheid bij de totstandkoming ervan - expliciet aan hebben verbonden, lijkt het perspectief hiervoor echter gunstig.” (RIGO 2013:3)

Many provinces currently include the requirement of inter-municipal residential planning in their spatial regulations (Omgevingsverordening). For example, Gelderland states on its website the following:

“De provincie Gelderland ondersteunt gemeenten en regio’s bij het opstellen van een binnenregionale woningbouwprogrammering. De provincie vindt het belangrijk dat gemeenten, corporaties en andere ontwikkelaars de krachten bundelen. Goede fasering en prioritering zijn nodig om overcapaciteit, versnippering, onderlinge concurrentie en onrendabele investeringen tegen te gaan. Gedeputeerde Staten hebben er bij de gemeenten op aangedrongen geen nieuwe bestemmingsplannen voor grootschalige bouwlocaties in procedure te brengen voordat de regionale verdeling definitief is. Gebeurt dit toch, dan overweegt het provinciebestuur daartegen een zienswijze in te dienen.” (Gelderland 2014)

Although the fierce stance sounds promising, the province can only react to *new* land-use plans. There are no legal instruments to reject a land-use-plan that has been implemented. The province can only prevent further capacity.

Central government	Implemented Nota Ruimte, followed by SVIR. Introduced Wgr-plus with reluctance and took away regional authorities with regard to spatial planning.
Province	Gained a more important role, step-by-step. Successfully pleaded for a diminished influence of regional cooperation entities
Region	Turned from Kaderwet-region into Wgr-plus. Responsible for execution of Woningbouwafspraken 2005-2009. Other regions remained ‘normal’ Wgr-regions
Municipality	Executed Woningbouwafspraken 2005-2009, gained more freedom as a result of Nota Ruimte and SVIR

Table 10-1: institutions that structure the public administration and policy arena of spatial planning of 2005-present

10.2 Public housing and land policy 2005 – present

10.2.1 Execution of Woningbouwafspraken 2005-2009

Between 2005 and 2009 regions executed the Woningbouwafspraken 2005-2009, which followed from the 1999 VINAC agreements. VROM issued RIGO to evaluate the functioning of covenants. The research bureau concluded that 92% of the total housing production target was reached. Regions with a covenant performed better than those without agreements with central government. It was noted that the housing production increased with 18% in comparison with the production 2000-2004. The evaluation is very positive on the functioning of the covenants. In many regions, the covenant led to active inter-municipal steering, both on quantities and qualitative aspects such as the composition of the housing programme. The BLS-subsidy was instrumental, as it provided local officials with means to steer housing associations and commercial developers. The freedom of spending was evaluated positive as well, as it ‘increased the effectiveness of the subsidy instrument’. (BZK 2011:25)

Not all regions reached their production target. Multiple causes were recognized. Some regions had proposed extra targets on top of the VINAC-agreements. Afterwards, these targets appeared too ambitious. Also, the financial crisis hit the housing market in 2009. The house-building market collapsed, and developing projects came to a halt. The evaluation also mentions delays due to legal procedures with regard to the environment and land-use plan, and lacking land-use plan capacity. (plan capaciteit) Negotiations with market parties were also a delaying factor. Interviewed stakeholders mention the flourishing market as an important driver for production. The market pressure to produce sufficient housing was high till the crisis. Again, sufficient land-use plan capacity was a requirement.

The evaluation formulated several success factors and ‘lessons learned’ (BZK 2011:25-26)

- The coupling between the BLS-subsidy and production targets was effective
- The simplicity of the BLS-subsidy regulation was lauded
- The functioning of the covenants ‘Woningafspraken 2005-2009’ that forced municipalities to align their residential plans, as well as their contribution to administrators’ durable sense of urgency to cooperate and develop
- Market developments should be taken into account: demand is dependent on the market, not on inter-governmental agreements
- Regional cooperation and alignment of residential plans leads to a better fit between demand and supply of dwellings

- Land-use plan capacity should be fitted more realistic in relation to production targets. In some cases, the lack of planning capacity delayed housing production. Currently, the oversupply of planning capacity makes reconsideration of projects challenging. (see Ch1)

10.2.2 Supervisory vacuum during and after the financial crisis?

Despite the 'lessons learned' and positive evaluation of inter-governmental covenants, Cabinet Rutte neither implemented new inter-governmental covenants, nor extended the BLS-subsidy regulation. The 'Woningbouwafspraken 2004-2009' never got a successor. As from the ratification of SVIR, residential planning was decentralized and subsidies, like BLS, stopped. Municipalities had to carry the risks of land development entirely on their own. The third and final round of ISV-subsidies was granted, ending in 2014. From then on, central government only allowed for subject subsidies (such as the Huurtoeslag and Hypotheekrente-aftrek).

As of January 1, 2014 central government decentralized the entire ISV-3-funding towards major municipalities and provinces that managed the budget for smaller municipalities. The operation of decentralization of the third round was so drastic that the Audit Office (Rekenkamer) concluded that central government lost sight over its previously granted funding (ISV-2, second round). The Ministry of the Interior could not monitor anymore whether the ISV-2 subsidies were spent according to previously agreed requirements. The Audit Office concluded that, as a result the choice for a decentralized allowance without requirements, the Minister had given all his steering authorities away. A pity, argued the Audit Office, as the success of the Minister's policies is dependent on the ability to enforce certain requirements (Rekenkamer 2011).

Finding a new modus of inter-municipal and inter-governmental cooperation

As the RIGO-report on the implementation of SVIR showed (see 4.7.1), it took more than two years before provinces were adapted to their new role as ultimately responsible for residential planning. It is unknown to this author whether and how there was steering on housing production after expiration of the Woningbouwafspraken 2004-2009. However, it is known that many regions added more ambitions to the obliged production targets, stimulated by provinces. It is likely that municipalities just continued land development on their own, or at least attempted to, given the financial crisis.

As this thesis' first chapter shows, many municipalities endured major losses in their land agencies. The crisis on the housing market coincided with the decentralization transition. Apart from monitoring and speaking of concerns, no higher-level government (except for Overijssel) proposed fundamental measures to help municipalities in financial distress. In an interview, the civil servant from Gelderland noted that till present-day, there are two 'schools' in the province Gelderland, which is still in transition towards its new responsible role. Some officers want to cut back planning capacity that reflects current market circumstances and low demand. Thereby they aim to prevent oversupply of residential plans. Others are still in the modus that a future housing shortage must be avoided. The interviewed civil servant of Zuid-Holland made a similar statement: Zuid-Holland currently fears a new housing shortage in less than ten years. On the short-term, it has to pressure regions to cut back residential plans. With regard to the adaptive capacity of civil servants, the interviewee noted that civil servants are often slower than the provincial administrators. They follow their initiative.

Municipal action to limit financial losses

In the meantime, from 2010 to 2014, municipalities took measures within their territorial jurisdiction to limit losses. (Deloitte 2013) The following measures have a short-term character:

1. Savings in expenditures, like lowering quality standards.
2. Alternation of the segmentation of the housing programme to fit the altered demand: less pricey owner-occupied houses, more affordable (private) rented houses.
3. Rescheduling the development: dividing the building activities over a longer period.
4. Granting additional starters mortgages, on top of the bank's mortgage.
5. Lower the price of prepared lands.

Despite these efforts, municipalities experienced a structural mismatch of demand and supply (Ten Have et al 2010, 2011, 2012, 2013).

10.2.3 Transition: from pushing production to planning for demand

A quick scan of provincial regulations on spatial planning learns that most provinces currently practice deconcentrated (not decentralized) inter-municipal residential planning. Provinces ask regions to prepare a

regional structure vision, including a realistic and substantiated forecast of all regional residential plans. If the collective of municipalities succeeds in providing the province with a mutual programme and structure vision, the province implements the plan. This method is similar to the Regional Advisory Committees that advised provinces on allocation of contingents during the eighties. Since all spatial authorities were taken form Wgr-plus regions in 2008, regional entities have no power to legally implement their agreements. They are still dependent on the will of the province.

Even though there are some examples of regions that voluntarily cut back residential plans (like Stadsregio Rotterdam), regional spatial planning in bad economic wheather appears challenging. For example, in the Hague, negotiations have resulted in a deadlock. An obstacle is the financial loss that accompanies quitting or rephasing a residential project. Deloitte (2013) concluded that municipalities are unwilling to pay for eachother’s financial miscalculations. One can imagine that a ‘healthy’ municipality’s willingness to compensate bad-performing municipalities is even less. Apparently, municipalities are willing to share subsidies, yet stand reluctant towards sharing losses. This profit- or loss-sharing is a factor that needs further exploration during the case studies.

10.2.4 Land development act

The new Wro included a new chapter on land development, the ‘Grondexploitatiewet or shortly GREX-wet’. This act is supposed to enforce settlement. By the instrument of the obliged ‘exploitatieplan’, municipalities can force private parties to contribute to public services like roads. In practice, in 95% of the projects, private parties and the municipality make a deal in advance, an anterieure overeenkomst. (De Zeeuw 2014) Experiences with the new act go beyond the scope of this thesis.

Central government	Till 2010: Woningbouwafspraken 2005-2009 accompanied with BLS-subsidy. From 2010: dropped all responsibilities and subsidies at once. New Land development act.
Province	Monitored whether there was sufficient housing production. Managed BLS-budgets for small municipalities.
Region	Was the contract partner of the Woningbouwafspraken 2005-2009. Remained the contact point for province after 2010. Managed land costs funds, according mutual land costs regulations. After 2010, land costs funds were disentangled.
Municipality	Executed Woningbouwafspraken 2005-2009, was hit by the financial crisis since 2009. Primarily responsible for land development, bore risks. Till 2010 municipalities received BLS-funding. After 2010, no regional agreements on land policy.

Table 10-2: institutions that structure the policy arenas of public housing and land policy of 2005-present

10.3 Institutional context 2005-present

This section treats the institutional characteristics of the housing network from 2005 to the present. Ever since 2005, the housing network has loosened. In 2015, regional coordination is a mutual task of municipaplties and provinces, as the central government has retreated from the policy game of residential planning. Inter-municipal cooperation on residential planning is no longer forced by law.

10.3.1 Network composition

Compared to the stable VINEX-period, the period from 2005 is characterized by institutional change. With regard to inter-municipal cooperation, the institutional context has transformed from highly regulated and facilitative to loose and hindering. Today, municipalities are no longer obliged to cooperate in a regional arrangement. Nor are they required to reach regional production targets. While the *Woningbouwafspraken* covenants worked till 2010, following the decentralization philosophy, central government withdrew completely from being responsible for spatial planning and sufficient housing production. Policy instruments have been redistributed to municipalities and provinces, thus weakening regional organizations, that have become toothless entities. Today’s inter-municipal agreements have no legal status, unless the are ratified by governments that do have legal instruments, such as the land-use plan or provincial regulations. At the time of writing it is not yet clear how different provinces interpret their supervisory tasks.

Governance of the region has been subject to a battle for power, which is decided in favor of provinces. From 2001 till the ratification of the new Wro, IPO and VNG fought over distribution of authorities. Yet despite the power struggle, the practice of residential planning in regions was stable till the financial crisis. The VINAC-agreements, later Woningbouwafspraken 2005-2009 formed a solid framework for regional spatial planning, just as the VINEX Implementation Covenants till 2005. The recipe was the same, so municipalities and regional

authorities knew what to expect. They could mutually divide land cost subsidies, BLS, as long as housing production targets were met.

10.3.2 Reward structure

The VINEX/VINAC reward structure has been operational till the end of the Woningbouwafspraken 2005-2009. The BLS-subsidy formed an incentive for inter-municipal cooperation. Land development calculations were made according to the covenant on municipal land policy (see previous period). The covenants were positively evaluated as they functioned as a mutual institution. BLS-funding stopped at the same time as the Woningbouwafspraken 2005-2009, thus altering the reward structure. From 2010, there is no universal reward structure that incentivizes municipalities to cooperate. Today, regional entities no longer receive structural funding from higher-level governments.

10.3.3 Inter-municipal interactions

According to the SVIR of 2009, municipalities are supposed to manage housing supply by themselves under supervision of provinces. Municipalities are supposed to consult with neighboring municipalities in order to get their residential plans ratified by the province. By the repeal of the Wgr-plus status in 2015, the institution that facilitates durable interaction is taken away: municipalities are no longer forced to interact in an inter-municipal cooperation arrangement. Theory learns that joint problem-solving needs interaction. By having the facilitating institution of the Wgr-plus arrangement, municipalities had confidence that they would meet each other in another round. This repetitive game-effect diminished strategic behaviour such as a free-riders attitude of threatening with exit. So, by withdrawing the plus-status, participating municipalities automatically become less reliable stakeholders, unless new shared institutions are created to guarantee inter-municipal consultation. At the time of writing it is not yet clear how different provinces interpret their supervisory tasks and whether they are willing to facilitate inter-municipal consultation. Job interpretations vary by province, as well as the organization and practice of regional cooperation. As many provinces are currently occupied with the revision of their provincial regulations, it cannot be evaluated to what extent provinces facilitate regional consultation.

11 Conclusions institutional analysis

Based on the previous chapters on structures of the policy network of housing, this chapter can now answer the following sub question: To what extent does the structure of the policy network facilitate inter-municipal cooperation on residential planning? First, this chapter treats the categorization of historical periods into institutional regimes. Second, four institutional regimes are treated in historical order: self-governance, contingent allocation, inter-governmental covenants and supervised self-governance. The concluding section of this chapter draws conclusions from a comparison of the regimes.

11.1 Categorization of periods into institutional regimes

Since the policy network of housing has underwent substantial transformations, the facilitation of inter-municipal cooperation has changed as well. In order to discuss different degrees of cooperation, the seven periods that were discussed in previous chapters have been categorized into four institutional regimes with recognizable institutional features. These institutional features have been discussed in the final sections of each period chapter. In order to answer the question to what extent the structure of the policy network facilitates cooperation, this study has evaluated three factors:

- Whether the *network composition* includes institutionalized interdependencies between municipalities, like for example covenants or joint responsibilities;
- Whether the *reward structure* incentivizes municipalities to cooperate;
- Whether *inter-municipal interaction* is facilitated by formal institutions, such as periodical consultation.

The results are summarized in the following table:

Period	Start	End	Network composition	Reward structure	Inter-municipal interaction	Institutional regime
Absent state	1850	1900	--	--	--	Self-governance (1850-1940)
Foundations of policy	1900	1940	-	-	-	
Reconstruction era	1940	1970	-	-	-	Contingent allocation (1950-1995)
Complex subsidy cycles	1970	1983	+/-	+/-	+	
Preparing VINEX	1983	1995	+	+/-	+	
VINEX execution	1995	2005	++	++	++	Inter-governmental covenants (1995-2009)
End of national policy	2005	today	-	--	+/-	Supervised self-governance (2009-today)

Table 11-1: extent to which inter-municipal cooperation on residential planning was facilitated by the network composition, reward structure and chance to interact

11.2 Institutional regime of self-governance 1850-1940

Until 1941, when the Rijkdienst voor het Nationale Plan was established, municipalities mainly had to rely on themselves for cross-border residential planning. This institutional regime can be described as "self-governance".

Inter-municipal cooperation was not facilitated by law. Until 1900 there were hardly any instruments for housing and spatial planning, let alone legal provisions for cooperation. Only in 1950 the establishment of a regional cooperation body was made legally possible through the *Wet gemeenschappelijke regelingen* (Joint regulations act). With the introduction of the *Woningwet*, municipalities' set of legal instruments expanded. From 1926, the national government intervened only through regulating the height of land prices that exceeded a certain price level.

Inter-municipal cooperation was not stimulated by higher authorities. Indeed, in some regions there an inter-municipal competition for land, instead of cross-border harmonizations of residential programming. Although the legal sphere of influence of municipalities was limited to municipal borders, they could put a virtual claim to the territory of neighboring municipalities. Based on expansion plans they made a request to the government to expand the territory: annexation. If the request was honored, in many cases large cities swallowed in small villages. Through this strategy, and in the absence of alternatives for inter-municipal cooperation, decision came on the spatial organization of the region is not established by mutual agreement, but through the intervention of a higher authority.

In the twenties, national policy-makers grew more concerned of regional spatial planning and the need for inter-municipal cooperation. In 1931 the regional plan was introduced during the amendment of the *Woningwet*. The

regional plan was intended as a tool to steer regional scale urbanization in the right direction. The intention was that municipalities would cooperate once for the realization of the regional plan. The initiative should come from the communities themselves. However, few municipalities were willing to transfer any authorities. It has not been studied to what extent municipalities informally balanced expansion plans without the use of the regional plan. It is certain that provincial advisory committees for regional coordination in practice had little perseverance power to play a significant role. It can be concluded that this regime contributed very little to inter-municipal cooperation.

11.3 Institutional regime of contingent allocation 1940-1995

After World War II, a regime was introduced that could be summed up as the system of contingent allocation. Inter-municipal cooperation in housing construction program was facilitated to a limited extent. It was in any case not separate (independent) from higher authorities instead. A plan to bring regional districts in life was several times, in different variants, rejected by parliament. Informal regional cooperation was encouraged or indirectly by higher authorities.

With the Basiswet (1941) planning powers were centralized. After WWII, central government maintained the new hierarchy. The core idea of the system was that the central government imparted housing quota (contingents) to municipalities. Provinces fulfilled an important executionary role. To streamline the implementation central government implemented the planning and programming cycle in the late 60s. The contingent system resulted in strong institutionalized 'vertical' relationship between municipalities, provinces and the central government, which stood in the way of 'horizontal' cooperation between municipalities. After all, the province executed the deconcentrated authority to allocate quotas. The Wgr of 1950 made it possible for municipalities to set up a joint regulation. But the inter-municipal arrangement could not be tasked with any spatial planning or housing tasks, because these were reserved for the national and provincial governments. The regional arrangements of Eindhoven and Rotterdam were the only exceptions.

The cyclic system of planning and programming contributed to inter-municipal cooperation in two ways. First, the allocation of contingents was determined in cooperation between the province and municipalities, which provided input in the form of municipal plans. These plans were discussed in Adviescommissies Verdeling Rijkssteun Woningbouw (AVRWs) in which the municipalities participated alongside the province. The committees were chaired by the *Hoofd Ingenieur-Directeur* (HID), who facilitated the process of regional consultations on behalf of the province. Second, inter-municipal agreement stimulated in an indirect way. Subsidies were coupled to the housing contingents, that were allocated based on regional profiles. By clever consultation and management, together municipalities strived to collect more contingents for their region. Indeed, they had a common interest in enlarging the collective fund. Because of the link between contingents and subsidies, municipalities were inclined to ask for more quotas during the economic crisis of the early 80s. Shortages in municipal land development could thus be 'neutralised' by subsidies. In short, even though municipalities had no formal decision-power on allocation of funding, the regime gave rise to a barter of housing quotas, in order to get as much funding as possible. By the end of the regime contingent allocation, provinces attempted to formalize the inter-municipal cooperation by establishing regional advisory committees. These committees, in which all municipalities in a region were represented, were organized at a distance from the province. They formulated an opinion regarding the allocation of quota without interference from the HID. However, the province, and ultimately central government had the final say.

It can be concluded that the system of contingent distribution facilitated inter-municipal consultation (under the watchful eye of the province). But that there was no autonomous collaboration between municipalities. The vertical relationship between municipalities and provinces posed an obstacle. Yet indirectly, informal cooperation was encouraged by the method of contingent and subsidy allocation, which created a common interest for municipalities.

11.4 Institutional regime of inter-governmental covenants 1995-2009

From the 80s, decentralization options were examined in order to facilitate inter-municipal cooperation. With the introduction of VINEX and the BON-notes a new regime was introduced. The planning and programming cycle was gradually abandoned in many parts of the country. From now on, higher authorities managed housing production through 'inter-governmental agreements'. This regime facilitated and encouraged inter-municipal cooperation in different ways.

The national government, provinces and municipalities collectively agreed to covenants enhancing residential planning tasks and the associated subsidy budgets. By imposing a shared task and budget, higher authorities obliged municipalities to work together. To become a fully responsible covenant partner and budget keeper, municipalities in so-called BON areas were required by law to set up a heavy inter-municipal organization: a regional openbaar lichaam (ROL). With the Kaderwet (1994), inter-municipal cooperation was firmly established and facilitated. The ROL would act as a facilitator of decision-making processes and substantive decisions. By the ROL responsible for the tasks in the covenant and grant management was encouraged cooperation.

Since the amendment of the Wgr in 1985, the Netherlands has been divided in areas in which municipalities were expected to cooperate on housing and planning. In many of these regions there was some form of regional consultation. How these consultation arrangements functioned between 1985 and 1995 was not part of this study. The big difference between the BON regions and other regions was that the BON areas eventually would become city provinces. These provinces would receive administrative powers of a normal province. In the prelude to the city provinces ROLs were established that had to prepare the establishment of the city provinces. However, this new constitutional form was never implemented due to capricious political decisions. Already in 1997 the curtain fell. Nevertheless, the regime of inter-governmental agreements with arrangements for regional housing programs has worked until 2010. It continued despite the waning support for regional cooperation through inter-municipal organizations with legal authorities.

To summarize, based on the institutional characteristics of this period, it appears that the regime of inter-governmental covenants facilitated inter-municipal cooperation to a high extent.

11.5 Towards supervised self-governance 2009-today

The current legal situation and administrative practice receives the working title 'supervised self-governance'. Municipalities are supposed to manage housing supply by themselves under supervision of provinces.

Since 2010 national government has changed its mission statement with regard to housing as it desires to withdraw from its prominent role of spatial planner. This mission is explicitly expressed in the spatial policy document *Structuurvisie Infrastructuur en Ruimte* (2009), in which all spatial prescriptions have disappeared. Except for conceptual marks of 'mainports, brainports and greenports'. The 2005-2009 housing arrangements have expired, which means that the concern for adequate housing and spatial planning is now the full responsibility of provinces. Municipalities are supposed to consult with neighboring municipalities to achieve a proper regional interpretation of provincial instructions. This principle is similar to the regime in 1941, when regional coordination was, at least in theory, organized bottom-up.

Since 2006, the support for granting legal powers to a public body that would never become a full province steadily declined. In December 2014 the Senate finally votes on the repeal of the requirement to establish a Wgr region, thus repealing the Wgr-plus status of former BON regions. Core of the current policies is that cooperation should occur on a voluntary basis. This means that the Wgr-plus organization, the statutory facilitator of inter-municipal housing programming, will be liquidated. However, says central government, when municipalities fail to agree on regional management, provinces should intervene. At the time of writing it is not yet clear how different provinces interpret their supervisory tasks. Due to the recent and upcoming policy changes, it is therefore difficult to distinguish a clear institutional regime. Job interpretations vary by province, as well as the organization and practice of regional cooperation. In some regions, municipalities seem to pick up cooperation energetically whereas other regions find themselves in a deadlock. Only after some time it is possible to look back and discern an institutional regime. Therefore, the working title 'supervised self-governance' is suitable. It is unclear whether the emphasis is on *supervision*, and with the intervention of the province, or self-governance, and with policy and programming freedom for municipalities.

Despite this period of institutional transition, a number of conclusions can be drawn. In the future, inter-municipal cooperation is no longer facilitated by legislation that enforces participation in regional arrangement. Also, by eliminating subsidies from higher authorities, the continuation of stand-alone inter-municipal organizations becomes uncertain. One of the main arguments for the organizations' right to exist was their role as fund manager. Notwithstanding some incidental provincial subsidies, large-scale funding from higher authorities has stopped. As the inter-municipal organizations become dependent on the (financial) mercy of municipalities, their being (*bestaansrecht*) might become subject of debate.

11.6 Input for case studies

Having identified three institutional regimes, a comparison can be made. The regime of inter-governmental agreements seems most facilitating and encouraging with regard to inter-municipal cooperation on residential planning. The regime of self-governance on the other hand provides the least support for cooperation. However, the institutional analysis, the name says it all, only looked at institutional features of the policy network. It has been mapped out which laws and regulations were in operation in the past. It is also considered how these institutions impacted the ability of municipalities to cooperate – at least in theory, and if possible substantiated with anecdotal evidence. Hence, this institutional analysis provides no insight into actual decision-making processes on residential planning. For such insights, case studies are needed.

This study considers two cases in the time period 1990-2005, for two different reasons. Firstly, on the basis of this analysis, the regime of inter-governmental covenants appeared most fruitful. Since this study aims to find a solution for today's policy problem, it is obvious to further investigate the regime with 'best' institutional conditions. By that, it can be checked whether the favorable conditions indeed contribute to cooperation, as predicted by theory. The second factor is that the VINEX period is relatively well documented. One of the pillars of the VINEX policy was monitoring the production and decision-making. The advantage is that since the early 90 digitization has expanded enormously, so information is better accessible in comparison with earlier periods.

The past five years have been ignored deliberately as the subject of case studies, for two reasons as well. First, this institutional analysis shows that it is a challenge to distinguish the current regime. Given (a) the ongoing decision-making process regarding the legal status of WGR-plus, (b) the policy response to the financial crisis and (c) the unfinished implementation of SVIR (2009) by provinces. Of course, policies are always in motion. Only after some time they can be placed in perspective. Moreover, evaluation of policies is colored by the era and the discipline in which the researcher is at that moment. For illustration, there are many possible answers to the question "was VINEX successful?". VINEX was evaluated very positively in 2006; most targets were reached. On the other hand, some municipalities still bear the (financial and programmatic) legacies of VINEX, leading to tensions in their region. The second reason has to do with the availability of research material. In response to the financial crisis, provinces and municipalities currently reassess regional housing programs. Regional policies that were implemented around 2009 quickly lost their status as they did not fit the post-crisis housing market. Precarious inter-municipal decision-making on the consequences of the ailing housing market takes place behind closed doors. It is doubtful whether sufficient material can be collected to reconstruct very recent or ongoing decision-making and analysis. This applies not only to the housing program itself, but also the fundamental discussion about the survival or elimination of inter-municipal organizations in Wgr-plus regions.

Part 3

Case studies

The third part of this thesis contains two cases: Haaglanden and Rijnmond. Each case concludes with an analysis of factors that have caused stagnation, breakthroughs and outcomes. To conclude, chapter 14 compares both cases and extracts success and failure factors. Part 3 answers the following sub question:

What factors explain the outcomes of the inter-municipal cooperation on residential planning?

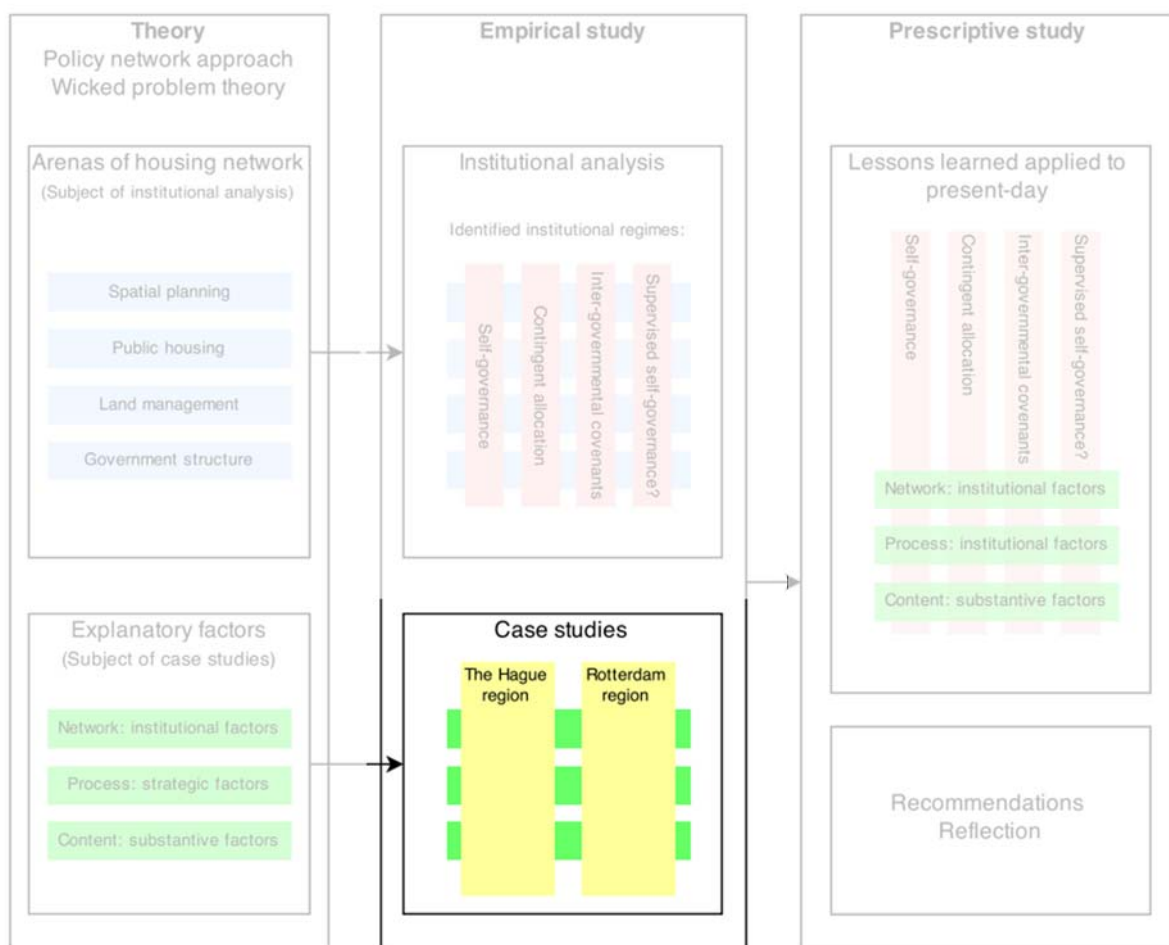


Figure 11-1: Report overview: Part 3 - Case studies

12 Case Haaglanden

First, the state of the Haaglanden network in 1990 is described, including actors' perceptions on regional problems. Second, this chapter treats the interactions between 1988 and 2005, divided into three rounds. At the end of each round, the outcomes are discussed with help of the earlier identified explanatory variables. To conclude, the last section discusses the breakthroughs and impasses of the entire period.

12.1 Haaglanden network and its problems in 1988

A short history of cooperation

The Hague region is one of the G4 cities that has had a cooperation cooperation for a continuous time. In 1967 the *gewest* Westland was established, followed by the *Haags Intergemeentelijk Overleg* (HIO) in 1968. HIO consisted of Den Haag, Leidschendam, Voorburg, Rijswijk, Nootdorp and Zoetermeer cooperated. In 1974, HIO turned into *Gewest 's-Gravenhage*. The new arrangement had the authority to enforce policy and give instructions. However, these powers were never used for two reasons, according to Janssen-Jansen (2004:161). First, municipalities were unable to agree on regional projects, such as the construction of infrastructure. Second, the regional arrangement lacked financial means. In 1981, the arrangement was reorganized and Wassenaar joined. This new arrangement was quite 'meagre' as it was only intended to keep eachtoher informed instead of facilitating cooperation. (Janssen-Jansen 2004:161)

Both The Hague and Westland regions have functioned until the eighties, and were converted to Wgr regions based on the 1985 revised Wgr. (Raat 1998:2, Janssen-Janssen 2004:160). Within the current Haaglanden territory existed two Wgr cooperation regions: Region Hague and the Delft region with Delft, Pijnacker and seven municipalities of the Westland region. The purpose of the cooperation arrangements was aligning policies that surpassed the municipal boundaries. The cooperation region Delft was an RVC that was established by the province as a provincial advisory committee. Region The Hague established its own cooperation arrangement. The *Gewestelijke Volkhuysvestings Commissie* (GVC) The Hague was the only committee in Zuid-Holland that was not established by the province (Fleurke et al 1990:102). The GVC was one of the sub committees of the basis arrangement of The Hague region, *Gewest 's-Gravenhage*, based on the Wgr.

In 1988 the municipalities of the Haaglanden region are part of two cooperation arrangements, as described in the first section. These cooperation arrangements perform the legal task of dividing contingents and subsidies. The relations between municipalities can be described as hostile. (Hulst and Huizenga 1990)

The Hague claims space for expansion

In 1988 the city published a memorandum: "Geef Den Haag de Ruimte" in which The Hague argued that it lacked space to expand. (Den Haag 1988) The territory of The Hague formed and still forms a continuous area with its surroundings, bordering Wassenaar, Leidschendam, Voorburg, Rijswijk, Monster and Wateringen. For the surrounding municipalities, The Hague fulfilled a role as centre city. For example, in 1990, 44% of all jobs were taken by non-Hague citizens. (Mok 2004) Expansion is regarded necessary to face its major urban problems (*grootstedelijke problematiek*). From the sixties, the Hague population has declined from 606.000 (1961) to 440.000 (1989) (Mok 2004:16). Less households meant less tax (ozb) income. Committee Montijn (1989) noted bad scores on several policy indicators, such as unemployment and educational level. The related segregation of incomes was a major issue. Middle to high income households left the city and moved to neighbouring places. Lower income groups remained often in old, declined neighbourhoods, bringing the overall purchasing power of the Hague lower than the national average. As a result of the lack of financial capacity, the profitability of the Hague's (public) services deteriorated as well. The Hague was in serious debt and was stuck in a vicious circle because its limited possibilities to attract higher income households. Space was also needed to renew inner city neighbourhoods, since households had to be moved. Next to spatial challenges, the Hague noted other developments that deserved attention: the increased amount of foreigners (*allochtonen*), aging of the population and rising criminality. These issues underwrote the need for a fierce approach of major urban problems.

The Hague proposed a bold solution: municipal redivisions that would lead to an increase of the Hague's territory. 'Groot Den Haag' would include Rijswijk, Voorburg, Leidschendam, Nootdorp, (parts of) Wassenaar and Wateringen. By annexation, the population would be comparable to Rotterdam's or Amsterdam's. (Mok 2004:18) The municipality's claim followed from a century of (mostly unsuccessful) attempts to claim (parts of) neighbouring municipalities in 1844, 1903, 1911, 1939, 1933, 1946, 1954. (Mok 2004:24)

Spatial claim puts inter-municipal relations under pressure

The 'claimed' municipalities reacted infuriated. Multiple municipalities express that they are "always" willing to cooperate, but unwilling to hand over (parts of) their territory. Despite these expressions, Fleurke et al (1990:104) note hostile relations between the municipalities. Consultations were ineffective and inefficient. Neighbouring municipalities blamed The Hague for choosing unilateral strategies, pursuing its own goals at the expenses of others. Mediation efforts by Province Zuid-Holland proved counter-productive. Mok (2004:25) points at a long smouldering conflict over the Verlengde Landscheidingsweg, currently known as the Noordelijke Randweg, which connects Scheveningen and high way A4. However, around 1990, Fleurke et al (1990:105) noticed some improvements in the mutual relations, as neighbouring municipalities started to experience lack of space as well.

Change came when central government started the decentralization operation at the end of the eighties, begin nineties. The VINEX memorandum indicated large building locations around The Hague, proposing more than 40.000 dwellings. Also, The Hague region was one of the seven BON-regions: regions that would transform into a city province. Despite the antagonistic relations between the Haaglanden municipalities, their understandings were about to change as a result of national policy.

12.2 Round 1: 1992-1997

The first round of the residential planning game spans from 1992 to 1997. First, this section treats the policy developments within the arena of public administration, focusing on the arrangement of cooperation. Second, it treats the arenas of public housing, spatial planning and land policy. As a result of the VINEX negotiations, these arenas became increasingly interrelated. For practical reasons, these themes are gathered. Third, this section explains the developments using the explanatory variables that chapter 2 introduced.

12.2.1 Interactions in the arena of public administration

Following the advises of Committee Montijn, three BON-memoranda were published. These memoranda proposed a transformation for seven regions, of which the Hague region was one. First, the region needed to become a Regionaal Openbaar Orgaan (Regional Public Entity). Since there already were cooperation arrangements in the region, it was mainly a matter of merger. On January 1, 1993 Delft and Pijnacker joined the Hague region, which continued with nine municipalities at that time. By 1992 the region was relabelled Haaglanden. On the 1st of January, 1992 a cooperation contract is signed between the nine municipalities, forecasting policies on housing building, housing distribution, economics, environmental policies and transport&infrastructure. (Mok 2004:44) Westland went separately further as the Samenwerkingsorgaan Westland, which was established in 1989. In 1994 the Kaderwet was published, announcing the future city province The Hague, in which Westland was included. Westland was obliged to join Haaglanden as of January 1995. Between 1990 and 2014 several municipal redivisions occurred. Mergers meant to strengthen the administrative power of municipalities. All border adjustments were related to the VINEX building locations. While some adjustments were voluntary, most were involuntary, which will be shown in later rounds. Parts of Nootdorp and Zoetermeer went to Leidschendam to facilitate the development of Leidschenveen as of January 1, 1993. This was a voluntary correction. Exactly one year later, part of Wateringen was added to The Hague for the purpose of expansion of The Hague. This part became the VINEX location that was labelled Wateringse Veld.

The Hague region becomes a ROL in advance of transforming to a city province

On March 1, 1995 Haaglanden became a Regionaal Openbaar Lichaam, a regional public entity. Within Haaglanden, 16 municipalities cooperated: Delft, 's-Gravenzande, The Hague, Leidschendam, De Lier, Maasland, Monster, Naaldwijk, Nootdorp, Pijnacker, Rijswijk, Schipluiden, Voorburg, Wassenaar, Wateringen and Zoetermeer. Upon establishment Haaglanden counted 420.000 houses. (Raaijmakers 1998:1) A governing board (Algemeen Bestuur, short AB), which counted 69 seats responding to a distributive code, governed the public body. The executive committee (Dagelijks Bestuur, short DB) had 17 members, each representing one municipality. After several municipal redivisions, the number of AB and DB members had dropped to respectively 65 and 10 in 2013. The municipal councils each chose a delegation of municipal councillors. Haaglanden became a Wgr-plus region in 2005, which in practice did not change its administrative authorities and form. At the start, five core tasks were defined: spatial planning, public housing, traffic and transport, environment, economics and regional employment.

Separate cooperation arrangements for specific development locations

Next to the ROL, municipalities established cooperation arrangements to manage the development of VINEX development locations. For example, around Ypenburg, Rijswijk, Pijnacker, Nootdorp and The Hague engaged in an arrangement based on the WGR. These arrangements will be treated in the next section.

The Hague on its way towards a city province

The Hague region was supposed to become a city province. Even though The Hague region was relatively early with its establishment of cooperation arrangement Haaglanden, municipalities were quite unwilling to cooperate. Cooperation in a ROL was the best alternative of bad choices. They feared losing independency and spending freedom: the threat of annexation was still fresh in mind. (Mok 2004:45-46) The Hague was also unwilling to engage in the cooperation. Despite the unwillingness it chose to cooperate in order to prevent the break up of its own territory into smaller municipalities: there was a scenario in which the city province of The Hague contained several smaller districts, for the reason of balance in the region. A similar scenario was used in Rotterdam region.

Despite the fact that municipalities felt forced to cooperate, after some time they actually regarded cooperation effective and successful. (Mok 2004:46) During 1994 there were many discussions on the formation of the city province. Province Zuid-Holland thought along and engaged in the policy-making process. The province regarded The Hague's lack of space as the most important argument for establishing the city province, or, as the province called it, a 'Provincie Nieuwe Stijl'. Therefore, The Hague's neighbouring municipalities were suspicious, as they still dreaded annexation or border corrections. (Mok 2004:47) In October 1993, cooperation arrangement Haaglanden expressed formally its wish to become a city province. Cooperation arrangement Westland remained unwilling towards its forced merger with Haaglanden. Traditionally, the Westland municipalities were more oriented towards Rotterdam because of the export of its vegetables and flowers. (Mok 2004:47) The rest of Haaglanden was very willing to include Westland, as it would mean a tighter grip on Westland's green economy. When Westland entered the arrangement, a separate advisory committee (bestuurscommissie) was established, exclusively for dealing with issues at the territory of Westland region.

The trajectory of Rijnmond and Haaglanden towards the city province and their interactions with province Zuid-Holland happened parallel, despite the fact that Rotterdam was supposed to become the first city province, having an exceptional position in the Kaderwet. The province kept doubting whether the establishment of a city province was enough to deal with all spatial problems. Redivision remained an option, which clouded consultations. (Mok 2004:52)

Referendum Rotterdam and Amsterdam effect Haaglanden's process

In the summer of 1995, corrective referenda were held in Rotterdam and Amsterdam. The outcomes were daunting. More than 90% percent of the constituents voted against formation of a city province. This meant they were against break up of the city Rotterdam into partial municipalities. While the region Rijnmond wanted to become a city province, the municipality of Rotterdam changed its stance. The Rotterdam case will treat this fight in detail. Still, Cabinet-Kok decided to continue the political process: the acts that make the city province of Rotterdam possible had to be accepted by the House of Representatives. In the meantime, the Ministry of the Interior studied two tracks: the establishment of city province Haaglanden, and (plan B) redivisions if the establishment of a city province would fail (Mok 2004:58). This caused Leidschendam to adopt an even more cooperative attitude at VINEX location Leizo, as it dreaded annexation (see next section).

In October 1995, the administrators of Rijswijk, Voorburg, Wassenaar and Zoetermeer sent a letter to the Second Chamber. They blamed central government for altering the process towards the city province. Instead of the proposed process in the BON-memoranda (tailor-made solutions and a bottom-up approach), now central government chose a centralized approach. The four municipalities proposed to either add Leiden to the city province or to split the province Zuid-Holland and divide municipality The Hague into smaller municipalities. Redivisions that added their municipalities to The Hague were not necessary, they argued; The Hague was large enough and their cooperation was successful.

At the end of 1995 it appeared that the Second Chamber was divided on the matter of city provinces, especially on Rotterdam. The Lex Specialis, which arranged the establishment of Rotterdam province, would be treated in February 1996. In the backrooms, there was feverish consultation. (Witte 2002) In order to escape the impasse, D66 (Scheltema) and PvdA (Van Heemst) drafted an amendment that proposed to abandon the plan to break up Rotterdam into smaller municipalities. Also, the city province of Rotterdam needed to be reevaluated and possibly enlarged. The Second Chamber accepted the amendment. As a result, Cabinet-Kok found continuation of the political process too risky. On February 13th, they withdrew the Lex Specialis for Rotterdam.

Consequences of withdrawal Lex Specialis Rotterdam

As a result of the compromise between PvdA and VVD, the Ministry of the Interior started to work on two scenarios: the establishment of city province The Hague, or redivisions without any form of city province. Redivisions were regarded more as a 'local' issue, hence contain much less political risk for the coalition than the process towards

the city province. In the memorandum *“Vervolgtraject vernieuwing bestuurlijke organisatie”* (Cabinet-Kok, 1996) the Cabinet expressed that the developments of Rotterdam will have effect on other regions. No other regions were specifically mentioned.

Province Zuid-Holland rejoiced the failed attempts. Short after withdrawal of the Rotterdam Lex Specialis Zuid-Holland expressed it would stop all consultations and procedures towards formation of Haaglanden city province (April 18, 1996). The province restated its provincial tasks to deal with supra-local spatial issues. The Provincial Council concluded on November 22, 1996 that:

“In het gebied Haaglanden thans onvoldoende draagvlak is voor de ovrming van een stadsprovincie met en voldoende zwaar takenpakket op de terreinen ruimtelijke ordening, grondbedrijf en financien.” (Zuid-Holland 1996)

The province proposed two scenario's. On the condition that territorial up-scaling would lead to a better financial position of the Hague, the municipality could merge with its neighbouring municipalities. This was exactly The Hague's proposal in 1988. The other variant was the so-called *“bouwlocatie-ontwikkelingsvariant”* which meant that the three intermunicipal VINEX-locations Leidschenveen, Ypenburg and Wateringse Veld would be added to The Hague. This variant was regarded as *“the minimum that was necessary”*. (Mok 2004:67)

The Remkes resolutions put an end to the city province Haaglanden

In 1996 and 1997, VVD-member of the Second Chamber Remkes proposed two resolutions with regard to municipal redivisions. He aimed to put an end to the large amount of requests for municipal redivisions, applied by major cities. With the first resolution in October 1996, the Second Chamber expressed that redivisions are only desirable if they lead to solvence of spatial problems. The resolution did not specifically point at Haaglanden. At the end of 1996, the three largest municipalities (The Hague, Delft and Zoetermeer) were still pro-city province, as it would strengthen their position and possibly enlarge their financial means.(Janssen-Jansen 2004) The smaller municipalities also still wanted the city province to prevent annexation. However, they kept campaigning for the break-up of The Hague into smaller municipalities for a more balanced city province.

In 1997 *“resolution-Remkes”* put definitively an end to the future of a Haaglanden city province. Remkes rejected the idea of cooperation without any extra measures. Redivisions were necessary. The resolution contained an exact map on which the new borders of The Hague were drawn, reflecting the province's second option: redivision of the VINEX development locations. Leidschenveen should be connected to The Hague with use of a corridor, popular known as *‘het slurfje’*. (Mok 2004:83).

“van oordeel, dat op het grondgebied van de provincie Zuid-Holland volstaan kan worden met de vorming van een sterke stadsprovincie Rotterdam;

van mening, dat de stad Den Haag, indien de financiële gevolgen daarvan per saldo positief zijn, versterkt moet worden met de bouwlocaties Ypenburg, Leidschenveen en het nog resterende deel van Wateringse Veld en een corridor om Den Haag een zelfstandige regiefunctie te geven over dit gebied;

voorts van mening, dat op korte termijn een snelle en fundamentele sanering van de financiële positie van Den Haag noodzakelijk is, waarbij ook de rijksoverheid een financiële verantwoordelijkheid heeft;

nodigt de regering uit hiertoe met voorstellen te komen;

nodigt de regering tevens uit te onderzoeken of, zo nodig bij wijze van experiment, rijkstaken naar de provincie kunnen worden gedecentraliseerd en wettelijke maatregelen worden getroffen om de regisserende en arbitrerende rol van de provincie te versterken, (...)”

The Artikel-12 research that was performed by the Inspectie Financien Lagere Overheden (IFLO, 1995) underwrote The Hague's 1988 claim that lack of space meant a negative financial outlook. However, a pile of studies, issued by both proponents and opponents of redivisions, showed different outcomes with regard to the actual benefits of the transfer of three VINEX development locations. Advisory bureau Kolpron calculated an annual benefit of E88 to E213 million guilders, whereas the report of the neighbouring municipalities calculated at most E11,3 million. (Mok 2004:100)

Too many people involved, it was clear that the resolution was entirely politically motivated. (Mok 2004: 80) With reference to the need of financial means, municipality The Hague already met the requirements for an Artikel-12 allowance. It was already decided by Cabinet-Kok that The Hague would receive a financial injection of more than one billion guilders, thereby removing the financial argument. This meant that Remkes knew that the central

government would help The Hague to solve its financial problems. Was redivision still necessary? Remkes' party, the VVD was always doubtful about the city province, and leaned towards strengthening of the province. The lack-of-space argument was therefore used in the resolution.

The central government handed the responsibility for the border corrections over to province Zuid-Holland. The worst fear of The Hague's neighbouring municipalities became reality: they would lose parts of their territory to the Hague. Remkes' resolution and its consequential acceptance by the Second Chamber can be viewed as a crucial decision in the first round.

12.2.2 Interactions in the arenas of spatial planning, public housing and land policy

Despite the uncertainties that resulted from the implementation of the city province, the implementation of the VINEX Implementation Covenant and the derivative agreements from the covenant went quite well. This section treats the aspects of land policy, public housing and spatial planning.

VINEX negotiations and its development locations

The Haaglanden region was not only quick in its establishment of the ROL, it also was the first region to sign the VINEX start covenant. The fourth memorandum indicated six building locations for region Haaglanden, covering 43.000 dwellings, of which more than 30.000 on greenfield locations. Three of these locations involved multiple municipalities: Wateringse Veld (Wateringen and The Hague), Ypenburg (The Hague, Rijswijk, Pijnacker and Nootdorp) and Leidscheveen (The Hague and Leidschenveen). Province Zuid-Holland was also a partner during the consultations, because of its legal spatial role based on the WRO.

Details of the negotiation process on the VINEX Implementation Covenants are not known to this author. However, two factors might have helped: the early establishment of the ROL and the fact that previous spatial plans of municipalities or province Zuid-Holland already pointed at the locations. These locations did not appear out of thin air. They stemmed from older regional spatial plans, like the 1978 provincial regional spatial plan. Fleurke et al (1990:104) notice that by 1990, the lack of space was already felt by both the Hague and its surrounding municipalities. As treated in chapter 3, there was one difficult moment during the trajectory. Haaglanden already accepted the start covenant, while Rotterdam, Amsterdam and Utrecht acted reserved. The final bid of the central government was worse than the Start covenant. Haaglanden felt betrayed and threatened to end the negotiations. In the end, central government and Haaglanden decided to restart the VINEX negotiations, which resulted in the Implementation Covenant. (Korthals Altes 1995)

In 1978 a provincial region plan indicated that part of the territory of Leidschendam and Nootdorp should be used for housing. The location was then labelled Leino (Leidschendam-Nootdorp), later Leizo (Leidschendam Zuidoost) and currently known as Leidschenveen. Both Leidschendam and Nootdorp were not content with the plan, as it mainly fitted the urban renewal desires of the Hague, containing a lot of social housing. In 1985, Leidschendam and the province agreed on obliging cooperation, sealed with a covenant. Three years later, the memorandum "Geef Den Haag de ruimte!" desired to annex Leizo. (Mok 2009)

In order to prevent annexation, Leidschendam and The Hague engaged in consultation. After a difficult process, both municipalities agreed in 1989 on a covenant including the differentiation of the houses that should be built. The formal authorities and responsibilities remained in the hands of Leidschendam, yet The Hague civil servants and relevant deputy mayors would stay involved and advise on the project. The Hague thus guaranteed a supply of social housing. (Derksen en Pronk 1990:83-84 via Mok 1994:28). For practical reasons, the border between Nootdorp and Leidschendam was redrawn, resulting in border corrections as of 1 January 1993. Despite the covenant, the relation between The Hague and Leidschendam was difficult. The municipalities argued over quantities of affordable housing that should be available for The Hague residence seekers. In 1996, Leidschendam and a few private companies founded the Ontwikkelingsbedrijf Leidschenveen (OBL). Private parties owned 50% of the shares of the public private partnership, which had the structure of a cv/bv. Leidschendam owned 30% and the Nederlandse Investeeringsbank (NIB) 20%. The development company OBL 'owned' 90% of the land that the participants had previously bought.

Wateringse Veld was less complicated to develop, as the border correction between Wateringen and The Hague resulted in a logic demarcation of the location. The Hague engaged into cooperation with one single party: Bouwfonds. By putting a 'non-housing' destination on lands of other land owners, Bouwfonds remained the only party that owned land on locations that could be developed for house building. (Janssen-Jansen 2004) On January 1, 1996 Bouwfonds and The Hague founded the Ontwikkelingscombinatie Wateringse Veld (OCVW) that aimed to build the required 15.000 dwellings. Their mutual activities were described in a cooperation agreement. The

Stedenbouwkundige Visie (1995) and Integraal Ontwikkelingsplan (1997) dealt with agreements on the house building programme. These agreements fitted within the boundaries of the VINEX Implementation Covenant and other regional documents.

Ypenburg was spread over the territory of four municipalities. Prior to signing the VINEX Implementation Covenant, The Hague, Rijswijk, Pijnacker and Nootdorp signed a covenant to develop former 11000 dwellings at airport Ypenburg in 1992. They engaged in an arrangement based on the WGR, Bestuurlijk Overleg Ypenburg, in which each municipality has a vote of 25%. For Rijswijk and Nootdorp, cooperation with The Hague is born out of 'strategic necessity' (Mok 2004:30) as they want to prevent annexation. The Hague felt itself forced, as it lacked space to expand. The BOY cooperation functioned without major conflicts.

Next to the VINEX greenfield locations, there were more developments, stemming from older documents, such as the BELSTADO agreements. Also, 'non-VINEX' municipalities wanted to expand, such as municipality Delft. Their expansion plans resulted in tensions between Delft and Westland municipalities. These interactions will be treated further in the next round.

Land costs fund

The VINEX Implementation Covenant was very detailed. It not only included quantities of housing, but also a detailed draft of the composition of the house building programmes. Based on the VINEX Implementation Covenant, Haaglanden would receive subsidies for land development costs (BLS) and houses (BWS). BLS subsidies were collected in the Land costs fund, which was based Land costs regulations (grondkostenverordening), containing agreements on the calculation method.

Prior to drafting the Land cost regulations, the ROL issued Kolpron Consultants to study whether there would be price (value) differences between greenfield locations. (VROM 1994:124) If so, a municipality with a better location would be able to receive higher returns, and it would be 'fair' to grant a municipality with advantages less subsidy. The advisory bureau found little differences with respect to market potential. Therefore, the ROL concluded that the plot prices would be similar in the entire region. This eased the process of drafting the Land costs regulations, as no discussion on differentiation of profits was needed. According to the Kaderwet, a ROL such as Haaglanden was allowed to manage land development. However, all Kaderwet Regions, except for Rotterdam, chose to leave the responsibility for land development with municipalities. (De Wolff 1996) The Land costs fund and its regulation applied to all greenfield locations, excluding inner city developments in The Hague and Delft. As municipalities were in charge, ROL Haaglanden functioned as a director. Municipalities were free to look for optimization of the land development. Subsidies from the Land costs fund were allowed based on pre-calculations of costs, profits and risks. In practice, no re-calculations were necessary. (VROM 1994:128)

Noordanus (1996) observed in Haaglanden that 'traditional' settlement (binnenplanse verevening) within building locations was challenging, as private parties had taken strategic positions. The Grondexploitatiewet (2008) was not yet implemented, so municipalities had little instruments to force parties to contribute to public services. However, the Land costs regulations provided for inter-location settlement. Profitable development locations could compensate for loss-making locations. Next to settlement of profits, there was a remaining deficit of the entire VINEX project. Municipalities were supposed to deposit to the fund, based on their relative benefit:

"Het saldotekort van het fonds zal over alle stadsgewestgemeenten worden omgeslagen naar rato van het belang en het profijt dat de afzonderlijke stadsgewestgemeenten hebben bij de ontwikkeling van de locaties. Voor de omslagen per stadsgewestgemeente wordt verwezen naar bijlage 2 behorende bij deze verordening." (Haaglanden 1995)

As the ROL Haaglanden was only the director, not the entity in charge, it judged municipal plans to test its compliance with regional plans. The ROL was responsible for the financial management of the Land costs fund. As mentioned, allowances were based on pre-calculated costs and risks, which provided clarity to the receiving municipalities. They carried 'normal' market risks.

However, in case of extraordinary developments, a hardship clause was possible. The clause fitted the VINEX Implementation Covenants. If there would be stagnation of housing sale as a result of a down-going market, the Land costs fund would cover for the lost interest. If changing policies of the central government allowed for a reduction of the housing programme, the ROL would lodge a claim with the government. The hardship clause worked 'one way': financial setbacks would be settled mutually, while windfalls were for the responsible municipality. This was a built-in incentive to stimulate prudent land development.

Directing task

In November 1995, the Haaglanden council ratified a formulation on the 'directing task' (regiefunctie) of the city region. This directing guidelines emphasized on information exchange. (Priemus 1996) The information served as a basis for both mutual consultation and the obliged progress reports on the spending of the subsidies. These were requirements of central governments and the regulations around the Land costs fund. The organization of Haaglanden became manager of a mutual housebuilding data set, as well as information on housing market information (i.e. consumer preferences). It was expected that the housing market could fluctuate. Therefore, the Haaglanden municipalities agreed to prioritize building projects if the housing market would enter stagnation. Projects could also be accelerated or delayed, as long as it would result in a balanced, differentiated regional supply of dwellings. Each year (opzoeken) the overall housing programme would be evaluated and adjusted if regarded necessary. Municipalities also agreed that if the adjustments were drastic, external advisory bureaux could be hired in order to provide 'objective' information.

In practice, adjustments to the house building programmes became more difficult when municipalities entered into agreements with private companies. At some point, Leidschendam announced that it would only bring stands to the Haaglanden negotiation table that would be based on unanimity amongst the OBL participants. (Mok 2004). Development of building locations was mainly a local matter, except for the Ypenburg location. In practice, the original VINEX Implementation Covenant formed the boundaries within the municipalities and made agreements on differentiation. The market was upgoing, so reprioritization was not necessary.

Public housing

In order to make agreements on public housing, the Haaglanden municipalities asked advisory bureau OTB (Priemus, van Rosmalen, Wassenberg) to draft a proposal. Priemus et al presented the Regionaal Volkshuisvestingsplan Haaglanden in 1996. The report included a thorough analysis of the Haaglanden housing market and the organization of housing distribution. It dealt not only with the VINEX tasks, but also with older plans, such as the BELSTADO agreements. The plan also contained an analysis of the organizational difficulties of merging two housing distribution systems: Westland and The Hague region. Westland was used to building only for its own population. The Hague wished to expand its population. Each chapter ended with a list of issues that Haaglanden needed to decide upon. The document can be viewed as an integral collection of all agreements that were made prior to 1996. Haaglanden and the Vereniging Sociale Verhuurders Haaglanden (18 cooperating housing associations) agreed on this plan.

Spatial planning

It took several years before a regional spatial plan was developed. The Regionaal Structuurplan Haaglanden (short: RSP) was accepted in 2002. Prior, spatial plans followed traditional procedures. Municipalities would draft land-use plans that would fit into the province's regional spatial plan. The VINEX-PKB had already drawn the borders of the VINEX greenfield locations. The VINEX was drafted in close collaboration with provinces, so it used locations that were already nominated for development. This is the reason that in general, VINEX development took off quite soon after signing the Implementation covenants. Since the major inter-municipal development locations were included in a range of overarching Haaglanden documents, such as the VINEX Implementation Covenant and Regionaal Volkshuisvestingsplan, there was little to argue about between municipalities. In practice, filling out the details of a greenfield location was subject to negotiation between municipalities that had a direct interest. However, as will be shown in the next round, negotiation *outside* of the VINEX greenfield locations brought tensions.

12.3 Round 2: 1997-2001

The second round was about the redivision plans that resulted from the resolution-Remkes. In the public administration arena there were fights between The Hague, the province and Ministers on the one hand, and The Hague's neighbouring municipalities on the other hand. In the other arenas, development of building locations happened according to plan.

12.3.1 Interactions in the arena of public administration

Failed procedure by province Zuid-Holland: protesting municipalities win by delaying tricks

In response to the resolution-Remkes in march 1997, province Zuid-Holland started the procedure for border adjustment, based on the Act Ahri (Wet algemene regels herindeling). The border adjustments should be in force as off January 1, 1999. In September 1998, the province published draft redivision regulations. The process of border adjustment is possible if less than 10% of the population is moved to another municipality. Immediately,

two camps were formed. (Mok 2004, Verhoeven 2011, Janssen-Jansen 2004) Naturally, The Hague cooperated very well to the Ahri procedure. The redvisions were aimed at solving The Hague's problems. The opponents were all municipalities that were about to lose parts of their territory. They were infuriated and they actively put their population against the plans, by targeted PR campaigns. They worked closely together in a new cooperation arrangement: the Stuurgroep tot Behoud Autonomie, abbreviated BAUT. (Verhoeven 2009) In total, more than 2 million euro was spent to 'inform' the population. Multiple Anti Annexation Committees were founded and supported with financial means and work force of civil servants. At one point, at a public consultation evening from the province, as many as 4500 citizens showed up to protest the redvisions. Many of them looked on screens outside of the meeting hall. (Mok 2004) The AACs tried to delay the procedure. The longer it took, the more people would inhabit the VINEX locations, thus harming the 10% rule. They facilitated the sending of 23 000 (!) protest letters (bezwaren), that the province had to answer according to the Act Ahri. Therefore, province Zuid-Holland hired two smart students, who wrote a computer program to automatically respond to standard protests with 99 coded answers. (Mok 2004:117)

The resisting municipalities found a legal loophole in November 1998: the employees councils of the municipalities should have been consulted, based on Article 25 of the Act on the Employees Councils. (Tweede Kamer 2001) The Ondernemingskamer (part of the Court) put the employees councils in the right. They should be granted more time to draft an advise on the draft regulations. The province is forced to hold its plans. Later on, the Supreme Court annulled the ruling in January 2000 (Mok 2004:122). However, their tactic worked: the process was delayed, putting in danger the Ahri-procedure. The 10% rule could only work if the development locations were still 'empty'. However, due to the building activities, an increasing amount of citizens started living at the VINEX locations. Therefore, the province feared it would not meet its deadlines. Zuid-Holland concluded on December 4, 1998 it could not continue with the redivision procedure and returned the responsibility to the Ministry of the Interior.

Mediation by professor Van der Zwan

Bram Peper, former mayor of Rotterdam, became Minister of the Interior. Before starting a new official redivision procedure on June 18, 1999, he tried mediation. Peper hired mediator Professor Van der Zwan. The mediation attempt failed, as the camps were too polarized. During the mediation process, Van der Zwan explored the problems of the region and possible solutions. The process was also aimed at normalization of the hostile relationship between the local authorities. Van der Zwan asked the municipalities to express their stands in a brief memorandum, including a view on the problems in the Hague region and their desired solutions. Leidschendam, Nootdorp, Pijnacker, Rijswijk and Voorburg handed in the memorandum 'Oplossingen voor Den Haag en de regio'. The Hague published 'Varianten in perspectief'. Van der Zwan concluded that while the problem analysis of both memorandum contained many overlapping parts, both camps proposed different approaches. He also noticed a different 'affinity' with the problems. (Janssen-Jansen 2004, Mok 2009, BZK 2001)

The Hague was much more concerned on its own major urban problems – viewing them as a regional problem. The Hague wanted municipal redvisions because their preferred solution, the city province, was rejected in the Second Chamber. The other municipalities viewed the major urban problems more as a national problem that needed a national approach. They put the lack of development space into perspective. They were cooperating just fine, so redvisions were not necessary. At the end of the mediation trajectory, it appeared that no mutual solution was available. Yet, the neighbouring municipalities acknowledgement for the Hague's problems grew.

Van der Zwan attempted to include both approaches into a concept cooperation agreement. This draft agreement was used as an aid during Van der Zwan's consultations, in order to make positions clear. He translated the option of the neighbouring municipalities into a far-reaching cooperation that would eventually lead to a regional entity (regionale gebiedsautoriteit). The new entity should develop all VINEX-locations that were relevant to The Hague, including business parkes Forepark and Vlietzone. The public entity would manage a joint real estate department and exist for an indefinite period. (Janssen-Jansen 2004) By using the draft agreement, Van der Zwan was able to systematically compare the redivision option (favoured by The Hague) with the cooperation option (favoured by the neighbours). The mediator concluded that both options could possibly fix The Hague's problems, yet both solutions had limitations. He noted: *"Tegenover het voordeel, dat herindeling voor de korte termijn voor Den Haag gering beter scoort op verbetering regie en financiële positie, staat het nadeel, dat langere termijnoplossingen ernstig worden belemmerd. Herindeling past logisch binnen de motie-Remkes en is ook met het regeerakkoord te motiveren, ook nu de provincie met haar procedure gestrand is. Wanneer evenwel bedacht wordt hoe betrekkelijk het oplossend vermogen van herindeling ten opzichte van samenwerking is, en hoe beperkt deze oplossing in de tijd is, zou moeten worden overwogen over het regeerakkoord heen te springen en nu te kiezen*

voor een samenwerkingsvorm, die op termijn een bijzondere en duurzame basis kan krijgen.” (Memorie van Toelichting, Wet gemeentelijke herindeling van Den Haag en omgeving, 2001)

Cabinet chooses redvisions for political reasons

After the failed attempt to bring the camps any closer, Minister Peper chose to continue municipal redvisions. His choice was in line with the political wishes of the Cabinet-Kok and rejected the far-reaching cooperation option from Van der Zwan. He used three arguments for his choice, which are summarized in the MvT of the redvisions act. Peper was succeeded by Minister Klaas de Vries.

“1. De gebondenheid aan het regeerakkoord, dat er vanuit gaat dat er een herindeling zal plaatsvinden met betrekking tot Den Haag.

2. De opvatting, dat oplossingen voor bestuurlijke vraagstukken in het algemeen worden geplaatst in een duurzaam perspectief. Oplossingen met betrekking tot intergemeentelijke samenwerking, zoals ontwikkeld onder leiding van prof. Van der Zwan, neerkomend op de oprichting van een gemeenschappelijk grondbedrijf, hebben deze duurzaamheid niet, noch in de tijd, noch vanuit democratisch perspectief. De problematiek doet zich dan op korte termijn opnieuw en in ten minste dezelfde mate van urgentie gevoelen. Dit terwijl de urgente nood van Den Haag, zowel op korte als op langere termijn moet worden gelenigd.

3. Een alternatief voor herindeling, zo er daarvoor al ruimte zal zijn, zal voldoende concurrerend moeten zijn met de op grond van de motie-Remkes voorziene herindeling. Dit alternatief is de vorming van een sterke stadsprovincie Haaglanden per 2002, zoals die naar voren was gebracht door de bij de besprekingen betrokken gemeentebesturen. Daarbij dient te worden gerealiseerd dat deze stadsprovincie Haaglanden meer gemeenten omvat dan de bij de besprekingen betrokken gemeenten.” (Tweede Kamer 2001)

On January 26, 2001 the new act for redvisions was accepted by the Cabinet. Two months earlier, Minister made a last attempt to change the positions of the neighbouring municipalities. He offered them E60 million for compensation of redvisions, resulting in indignant and rejecting reactions by the neighbouring municipalities. On May 9th, 2001, citizens of Leidschendam and Voorburg could vote in a referendum. More than 90% voted against redvisions. (Mok 2004:177) The Cabinet did not change its opinion.

Negotiations and side deals in the margins, along political party lines

Loud protests from the neighbouring municipalities continued. The neighbouring municipalities put much effort in persuading the politicians to vote against the law. At the same time, by using political party ties, the executives used lobby tactics to improve the proposal. The VVD-lobby from Voorburg succeeded in keeping the old neighbourhood Voorburg-West. The PvdA-lobby from The Hague captured de Bras from Pijnacker, which came as a surprise to Pijnacker. (Mok 2004:176) The D66-lobby from the mayor of Leidschendam succeeded in keeping Park Leeuwenbergh. The revised act was accepted by the Second Chamber on May 23, 2001.

More side deals were made. The Hague and Westland agreed in January on the construction of 4 000 luxury dwellings on the territories of The Hague, Monster and Wateringen. In exchange, The Hague promised to not make annexation plans till 2020. The mayors of Wateringen and The Hague were both CDA members and close acquaintances, which made negotiations easier (Mok 2004) (see section 12.3.2 for further details on the negotiations). As a consequence of the Westland side deal, Minister de Vries considered adding the remaining area of Wateringse Veld (Essellanden and Zwethove) to the Hague not necessary, which was drawn in the original resolution-Remkes. Currently, Westlandse Zoom is still in development, as it has been hit by the financial crisis. Eventhough Westland and Delft were not part of the redvisions act, deals were made here as well. Schipluiden (currently part of Westland) and Delft agreed in 2000 on a covenant to engage in far-reaching cooperation around building location Harnaschpolder. Schipluiden did so in order to prevent possible annexation, as it was warned by the plans from ‘Stedenland-West’, which announced the development of Westlandse Zoom and Harnaschpolder. (Jansen-Jansen 2004 166)

Two mergers were proposed by Leidschendam, Voorburg, Pijnacker and Nootdorp. They aimed at strengthening their regional position, especially in relation to The Hague. The mergers of Leidschendam-Voorburg and Pijnacker-Nootdorp were added to the act.

First Chamber ratifies municipal redivisions including alterations from side deals

For the neighbouring municipalities, the decision of the First Chamber was the final hope. The VVD party was internally divided. Remkes had torpedoed the city province. However, the local VVD executives of the neighbouring municipalities protested targeted their national representatives. Prominent VVD members lived in the neighbouring municipalities. The VVD senate group was unwilling to support the act. One of the VVD senate members, Roscam Abbing, was the wife of the former mayor of Rijswijk. The coalition put enormous pressure on the VVD group. On July 10, 2001 Minister Klaas de Vries of the Interior successfully led the act through the First Chamber. The border adjustments would come into force as of January 1, 2002.

12.3.2 Interactions in the arenas of spatial planning, public housing and land policy

Most agreements about residential planning were made during the first round. Development of the VINEX locations went according to plan. No major changes were made with regard to the housing programmes.

However, residential planning outside of the VINEX-locations continued and resulted in a 'fight for space' (Houtenbos 2006).

“De gemeente Den Haag zocht eind jaren negentig naar ruimte voor de bouw van een omvangrijke villawijk. De centrumgemeente had voor de villawijk het oog laten vallen op het grensgebied langs de kust met het Westland. De toenmalige Westlandse gemeenten waren mordicus tegen. De Haagse wens zou ten koste gaan van honderden hectares glastuinbouwgebied. Zij vreesden bovendien verdere annexatie van hun grondgebied.” (Houtenbos 2006:473)

In 1999, The Hague, Delft and Zoetermeer published their plans in the memorandum 'Stedenland West', which was officially meant as input for the national Fifth Memorandum on Spatial Planning. (Delft, 1999) The 1995 structure plan of Westland (which was accepted by Haaglanden) became quickly outdated, and was replaced by the Integraal Ontwikkelingsplan Westland (IOPW), accepted by Haaglanden as well (Janssen-Jansen 2004:169). This new vision on Westland included plans for restructuring.

As a result of the side deals during the redivisions debate, Westlandse Zoom and Harnaschpolder were left out of the IOPW. Project Harnaschpolder enhanced the replacement of greenhouse farming with a water treatment plant, housing and a business park.

In 2002, Haaglanden finally agreed on the regional structure plan (RSP). (Houtenbos 2006, Janssen-Jansen 2004) This was a legal document, as Kaderwet Regions were obliged to implement their plans in such document. However, the ROL did not have the authority to react to municipal land-use plans. ROL Haaglanden could request the province to force municipalities to alter their plans. The RSP was the result of an intensive and difficult negotiation process, in which Haaglanden played a mediating and facilitating role (Janssen-Jansen 2004, Houtenbos 2006:473):

“Het dilemma was daar en het Stadsgewest Haaglanden kwam als opsteller van het RSP in een bemiddelende rol te verkeren. Onder leiding van zijn voorzitter werden de besprekingen gevoerd. Zware twistpunten waren de aantallen woningen, de aan te wijzen bouwgronden, de inrichting van de groenzones en de financiële vergoedingen, met name die vanuit Den Haag aan het Westland zouden worden uitgekeerd. Een cruciaal element in het proces waren de afspraken over de gemeentegrenzen, dat door de recente annexaties van de gemeente Den Haag bijzonder actueel was en door de Westlandse gemeenten maar al te graag werd afgewend. Na een half jaar van pendeldiplomatatie en stevige overleggrondes ontstond er een vergelijk. De onderhandelingsresultaten werden in 2001 vastgelegd in de Intentieovereenkomst Westlandse Zoom. Deze overeenkomst werd als een ruimtelijk uit te werken opdracht in het structuurplan opgenomen. Tezamen met de ontwikkelingsafspraken over de twee andere hiervoor genoemde kwesties kwam de weg vrij voor de vaststelling van het RSP.” (Houtenbos 2006:473)

The RSP could be characterized as a collection of municipal plans and sectoral plans, such as traffic&transport, water and environment. Some 'spots' were intentionally left open, such as the Westlandse Zoom and Harnaschpolder. The RSP also referenced to documents such as the VINEX Implementation Covenant, and the actualization of VINEX, the VINAC agreements. The RSP did not fit entirely into the provincial regional spatial plan, which was in force till 2005. Therefore, all spatial legal developments remained subject of lengthy negotiations between municipalities, Haaglanden and province Zuid-Holland. (Janssen-Jansen 2004).

12.4 Round 3: 2002-2006

The third round began after the First Chamber voted in favour of municipal redivisions. Despite the rulings, neighbouring municipalities did not give up their resistance easily. Parallel, the process of untangling the cooperation arrangements on the level of building locations started.

12.4.1 Interactions in the arena of public administration

Final resistance and the marker-line lawsuits

The Hague's neighbouring municipalities were heavily disappointed by the decision of the First Chamber to proceed the redivisions. Rijswijk did several attempts to block the act. It points at an obliging Article from the Referendumwet that redivisions should be subject to a corrective poll. The Referendumwet is not applicable to this case, despite the fact that it was accepted in the First Chamber at the same day as the decision on the redivisions. The Referendumwet was published in the Staatsblad just a few days later than the redivisions act. Some political parties from the Rijswijk council consider filing a lawsuit at the European Court, or starting a legal procedure against the VVD senate members. They also called for hindering the untangling of the cooperation arrangement Ypenburg. These ideas were not put into practice.

There was also a conflict on where the borders of The Hague actually were, as the act that regulated the border adjustment was drawn with a 'thick marker', leaving literally room for interpretation of 10 meter. Rijswijk and Leidschendam petitioned. However, the Minister considered the protests inadmissible. A court procedure followed, in which at the end the Raad van State ruled that the petitions were admissible. In the meantime, Leidschendam-Voorburg, The Hague and the Ministry of the Interior engaged in negotiations on the border. In 2004 another border correction follows: three areas, 20.000 square meter is given back to Leidschendam-Voorburg.

Voluntary redivisions

As off January 1, 2004, seven municipalities that formerly formed the region Westland merged into two municipalities. De Lier, 's-Gravenzande, Wateringen, Monster and Naaldwijk formed the new municipality Westland. Maasland and Schipluiden became the new municipality Midden-Delfland. These redivisions were voluntarily. Schipluiden was eager to join Midden-Delfland, since it did not want to be added by Delft. Therefore, in 2000 Schipluiden and Delft signed a cooperation covenant.

In 2009 the cooperation arrangement Ypenburg was unbundled after finishing the VINEX project. Participating municipalities regarded the municipal borders between The Hague and Pijnacker-Nootdorp not logic at three spots. Therefore, they drafted a proposal for border adjustment, which was accepted and ratified by the province. As off January 1, 2011 the new borders came into force.

In 2010 24 municipalities of the regions of Rotterdam and The Hague decide to study the possibility of establishing a new cooperation arrangement, in anticipation of losing the Wgr-plus status. An important motive is to preserve subsidies for traffic and transportation, which would otherwise be transferred to Transport authorities (Vervoersautoriteiten) that are governed by provinces. Haaglanden and Rotterdam region argued that they could form a Transport authority by merging their cooperation arrangements. On April 6, 2010 signed a letter of intent. Since they have been occupied with the establishment of the new cooperation arrangement, which has currently been signed by 21 of the 24 municipalities.

12.4.2 Interactions in the arenas of spatial planning, public housing and land policy

Disentanglement of supporting cooperation arrangements

All agreements that were made around the VINEX Implementation Covenant, ruling about settling land costs, granting subsidies, housing programmes, the amount of social housing, etcetra, remained in force. However, as a result for the border adjustments, the partnerships on the three inter-municipal VINEX locations were untangled. The untangling of Ypenburg happened without major conflicts. The moment that 4/5 of Ypenburg is added to The Hague, the cooperation BOY with four municipalities stops. Pijnacker-Nootdorp keeps one fifth of the location and wishes to continue in the BOY cooperation. Both municipalities agree to such cooperation.

Leidschenveen went from Leidschendam to The Hague. The transfer was difficult as Leidschendam claimed that it had to be compensated: the business case of Leidschendam was profitable. The Hague did not understand this standing position, since there were all kinds of technical problems. In their view, Leidschendam should be happy

to be relieved from their burdens. Both municipalities fought each other with financial analyses. After lengthy negotiations, the transfer is done. The public private partnership (cv/bv structure) turned into a cooperation between The Hague and a consortium of the four private companies. The quantity of relatively expensive houses were reprogrammed and replaced by more affordable housing, that met the 2002 economic circumstances.

Smooth implementation of Westlandse Zoom and Harnaschpolder

VINEX location Wateringse Veld was already part of the Hague, and Wateringen agreed to build houses as a part of project Westlandse Zoom. According to Janssen-Jansen, plans for Westland were made on the level of the region. A covenant was signed between Haaglanden, province Zuid-Holland and multiple municipalities. The province agreed to implement the spatial plan that accompanied the covenant.

“In juni jl. is door Haaglanden, de provincie en de gemeenten Monster, Wateringen en Den Haag een akkoord bereikt, vastgelegd in een convenant en bijbehorende structuurvisie Westlandse Zoom. Daarmee is de beleidsmatige basis gelegd voor het ontwikkelen van een aantal luxe woonlocaties, deels op Westlands, deels op Haags grondgebied (Madestein en Uithofslaan). Het uitwerkingsplan Westlandse Zoom geeft de gewenste ontwikkelingen een plek in het regionaal structuurplan Haaglanden. Na inspraak, vaststelling door gemeenteraden, ter visielegging en vaststelling door Haaglanden, zal de provincie de structuurvisie overnemen in het streekplan Zuid-Holland West.” (Den Haag 2002)

ROL Haaglanden (with its RSP 2002) and province Zuid-Holland jointly coordinated the compliance of municipal land-use plans: *“Naast een rol in het beslechten van conflicterende belangen, het betrekken van achterbannen en het creëren van commitment heeft het RSP ook een toetsende functie. De vastgestelde rode contouren en de programma afspraken over kantorenbouw en bedrijventerreinen geven richting aan gemeentelijke plannen en daarop worden lokale initiatieven formeel getoetst. Uiteraard heeft de provincie Zuid-Holland een vergelijkbare positie wat betreft het toezicht op gemeentelijke plannen. Twee jaar na de vaststelling van het RSP heeft de Provincie haar verouderde streekplan voor dit gebied herzien. Zij heeft het RSP vrijwel geheel overgenomen. Dat betekent in de praktijk dat Haaglanden en de provincie Zuid-Holland, hoewel elk met een eigen bestuurlijke verantwoordelijkheid, veelal gelijk optrekken in de begeleiding en beoordeling van gemeentelijke plannen. Zolang het provinciale streekplan en de RSP onder de gegeven omstandigheden ambtelijk en bestuurlijk goed gecoördineerd zijn, is de kans op conflicten tussen de twee plannen beperkt.” (Houtenbos 2006:474)*

The execution of the plans like Westlandse Zoom was exclusively local. Westland, Midden Delfland and Delft dealt with their own land development and bore their own risks. For these locations, no deals were made for settling land costs. The BLS subsidies were destined for VINEX projects; they were not intended for the Harnaschpolder and Westlandse Zoom.

During the evaluation of the VINEX period, the Ministry of VROM concluded that all Kaderwet Regions failed to reach the agreed targets, except for one: Haaglanden. Despite the fights over municipal borders, the Haaglanden cooperation proved to be very successful with regard to joint residential planning and implementation of VINEX.

12.5 Impasses, breakthroughs and assessment of outcomes

This section discusses the impasses, breakthroughs and outcomes of the Haaglanden decision-making process between 1995 and 2005.

12.5.1 Institutions

Despite multiple conflicts, the Haaglanden municipalities managed to implement well-functioning institutions that were complementary to the VINEX Implementation Covenant. At the end of the reviewed period, the following formal institutions were (still) in practice:

- VINEX Implementation covenant, including an agreed upon housing programmes for three VINEX-locations;
- Settlement agreements between major VINEX-locations and a mutual land costs fund;
- Joint policy documents on public housing (volkshuisvestingsplan, huisvestingsverordening);
- Inter-municipal cooperation agreements on Westlandse Zoom and Harnaschpolder;
- A regional spatial plan (Regionaal StructuurPlan);
- Haaglanden was still a composite actor: a joint arrangement between municipalities (Regionaal Openbaar Lichaam, ROL).

While the institutional arrangement of ROL Haaglanden remained unchanged, there were major changes in the network composition:

- Municipal redivisions put the major VINEX-locations under one single administration: municipality The Hague.
- As a consequence of the municipal redivisions, institutional support arrangements such as BOY (Ypenburg cooperation between Pijnacker, Nootdorp, Rijswijk and The Hague) were disentangled. Despite disentangling the support structures, the settlement agreements remained in force.
- The number of municipalities decreased as a result of municipal mergers, thereby reducing the complexity of the network

Between 1995 and 2005 there were strong institutional links between the policy arenas of public housing, spatial planning, land policy and the structure of administration. As a result of the Kaderwet, municipalities were forced into a joint arrangement: Haaglanden was transformed into a composite actor (ROL) that functioned as a contract partner for higher-level governments. The VINEX Implementation Covenant had an important function as it constituted the reward structure: the covenant provided requirements for receiving land costs subsidies (BLS). The collective of municipalities was required to meet certain performance targets, so they were incentivized to cooperate. The covenant regulated the relation between municipalities, province Zuid-Holland and the central government. When it was signed, Haaglanden was expected to become a city province. Even when the perspective of a city province was gone due to decisions of the Cabinet, the covenant proved to be a strong and binding institution.

The mutual Land costs fund had a disciplining effect. Because of the settlement deals, all VINEX-building municipalities had a stake in the performance of others. Municipalities did not feel like paying for other municipalities' bad management and the consequential land development deficits of building locations. By periodical monitoring, Haaglanden municipalities kept each other alert.

The VINEX Implementation Covenant did not cover development locations in Westland and Delft. There was no institution that supported negotiations on these spaces. It took years of negotiation before cooperation agreements were signed. There was a breakthrough in 2002 as a result of institutional change in the arena of public administration. Inter-municipal agreements on the Harnaschpolder and Westlandse Zoom were a direct result of side deals of the municipal redivision negotiations. It can be concluded that there was a coupling between the arena of public administration and the other arenas. The cooperating municipalities did not establish new settlement agreements for Harnaschpolder and Westlandse Zoom: every municipality was responsible for land development within its own borders.

12.5.2 Substance and process

The outcomes of the Haaglanden interaction process can be read in two ways: a negative and a positive assessment.

At the end of the period, in 2005, relations between (some) Haaglanden municipalities were very hostile. There was deep distrust between The Hague, Pijnacker-Nootdorp and Leidschendam-Voorburg. Till 2005, municipalities that lost space to The Hague, kept pursuing conflicting strategies (see: 12.4.1) Next to fights over municipal borders, it took many years before Westland-municipalities, Delft and The Hague agreed on development of extra housing next to the VINEX-building locations. When agreements were reached, municipalities chose a decentralized approach: no supra-local settlement agreements were made.

On the positive side, in 2005 the entire area of Haaglanden was 'covered' by inter-municipal agreements on housing production. The VINEX production targets were amply met by 105%. Haaglanden used a process-type agreement: the directing guidelines that were ratified in 1996.

These negative and positive outcomes can be explained through discussion of the main causes for stagnation and breakthroughs. In the arena of public administration, there were many impasses. The Hague and its neighbours pursued conflicting strategies, and continued to do so till unilateral intervention of central government put an end to the conflict. For instance, the resisting municipalities tried to block the provincial trajectory of border adjustment. On the other side, inter-municipal cooperation on the inter-municipal VINEX-location Ypenburg went smooth. There was a linkage between these two parallel processes. Municipalities that resisted municipal redivisions pursued cooperative strategies in the arenas of spatial planning, land policy and public housing, in order to influence the arena of public administration. By this cooperative attitude, they attempted to persuade central government and province Zuid-Holland that municipal redivisions were not necessary to guarantee housing production and solve The Hague's financial problems. Redivisions would harm these municipalities' core value: loss of autonomy.

These persuasion attempts appeared fruitful during the mediation process with Professor Van der Zwan. Because of showing off their 'best behaviour', Van der Zwan proposed a solution that entailed a joint regional land agency. Municipalities were willing to transfer their authorities with regard to land development to a regional organization. Van der Zwan was able to propose an enriched solution with goal intertwinement: both The Hague's and the other municipalities' needs were met. However, despite the promising enriched solution, the Minister decided otherwise and rejected the idea of far-reaching cooperation. As a result, especially Leidschendam and Rijswijk adopted a non-cooperative attitude. Negotiations on transfer of space were tough (see round 3). In this conflict, the Haaglanden organization did not act as a process manager. The processes of border adjustment and redivisions were managed by respectively province Zuid-Holland and central government (Ministry of the Interior). Neither Zuid-Holland, nor central government were regarded independent. They had a strong tendency to back The Hague's interests.

While Leidschendam, Voorburg, Nootdorp and Rijswijk were incensed, the Minister's decision to force municipal redivisions led to breakthroughs in the south-west of the Haaglanden region, the Westland region and Delft. Out of fear for annexation, Westland region municipalities (Wateringen, Monster, Schipluiden) made side deals with their threatening neighbours: Delft and The Hague. Finally, after years of negotiation, cooperation deals could be closed. This means that there was a linkage between the arena of public administration and spatial planning. In both deals, the Haaglanden organization played a pivotal role as facilitator and mediator (see round 2). Province Zuid-Holland was also engaged, as it had to approve of the regional spatial plan and include it in the provincial spatial plan. ROL Haaglanden had no decisive power with regard to approval of land-use plans, despite its legal task to draft regional plans. Westland municipalities changed their strategy because their perspective on gain changed. When choosing between being annexed or accepting to contribute to the expansion plans of neighbours, they chose the latter option. Again, this choice can be explained from the core value of municipalities: protection of autonomy.

The outcomes with respect to cognitive learning were mixed, just as the process results. On the one hand, (in 2005) there were joint perceptions on VINEX Implementation Covenant related decisions and the realization of Westlandse Zoom and Harnaspolder. On the other hand, there was a strong divergent perception with respect to the benefits of municipal redivision between The Hague and its eastern neighbours. Westland municipalities, The Hague and Delft were satisfied with the end results, while Rijswijk, Leidschendam, Voorburg and Nootdorp were discontent.

After signing the VINEX Implementation Covenant, specifications were necessary. Haaglanden needed for example an elaborative public housing plan and further agreements on land subsidy allocation, settlement and periodically monitoring. ROL Haaglanden acted as a content manager. The organization issued multiple joint analyses. For instance, Kolpron investigated whether there were differences in land prices. Fairness was key: no municipality should be better or worse off. OTB proposed a public housing plan that was ratified by the Haaglanden council. It can be concluded that there was no significant disagreement on residential planning on VINEX-locations.

During the Westland negotiations, Delft, The Hague and Zoetermeer published their advocative analysis Stedenland West. Instead of persuading other municipalities of the need for urbanization, ROL Haaglanden fulfilled a mediating role, thereby working towards goal intertwinement. This succeeded: in the end the Westland municipalities were satisfied because they would not be annexed, and The Hague and Delft were able to give room to their expanding populations.

Despite the agreement on residential planning, The Hague and its eastern neighbours clashed on the subject of municipal redivisions and the benefits. The Hague argued that redivisions were necessary to solve its financial problems and issued research bureaus to substantiate this claim. Rijswijk, Leidschendam, Nootdorp and Voorburg rejected this claim by issuing counter studies. These studies showed little gains from redivisions. Mediator Van der Zwan actively tried to manage substance, by asking all parties to hand in their information. By information exchange, mutual understanding emerged, in the end leading to an enriched solution: intensive cooperation in a regional land agency. Despite this major achievement, the Minister made his own judgement and unilaterally chose a solution that was only favoured by The Hague.

As the other municipalities strongly opposed the Minister's decision, they immediately started to doubt its validity. They engaged in legal procedures to dispute the legitimacy of the act that regulated the redivisions. In the end, final decisions on the interpretation of substance (in this case the act) were made by the court of The Hague.

13 Case Rijnmond

First, the state of the network in 1990 is described, including actors' perceptions on regional problems. Second, this chapter treats the interactions between 1988 and 2005, divided into three rounds. At the end of the chapter, the outcomes are discussed with help of the earlier identified explanatory variables.

For practical reasons, the region is called consequently Rijnmond in order to prevent confusion with Rotterdam, which can refer to both the city region (Stadsregio Rotterdam) and the municipality. However, the official label of the (current) cooperation arrangement of the Rijnmond municipalities is Stadsregio Rotterdam. The abbreviation ROL SR (*Regionaal Openbaar Lichaam Stadsregio Rotterdam*) will be used when speaking of this public body.

13.1 Rijnmond network around 1990

Following national policy debates, Rijnmond would become a province as of January 1, 1986. Province Zuid-Holland would be split, and 'lose' the territory of Rijnmond. In 1984 Rotterdam changed its opinion in disfavour, being afraid that the new Rijnmond province would obtain more powers than a classic province. Rotterdam was afraid that its urban (grootstedelijke) problems would be overlooked. (Witte:68) In April 1984, Cabinet-Lubbers decided to withdraw its plans for province Rijnmond.

All Rijnmond municipalities were mad at Rotterdam for its lobby for a 'weak' province. Even though they often considered Rijnmond's interfering annoying, they did not rejoice in its disbanding. The public entity proved its importance on a number of areas of policy: spatial planning, public housing, the environment and leisure. The Rijnmond municipalities regarded province Zuid-Holland unfit to take over these tasks, and they dreaded the dominance of Rotterdam. Before disbanding, the Rijnmond municipalities considered Rijnmond as a necessary evil, as the entity protected them from Rotterdam that would otherwise 'bulldoze' over them. (Witte:74)

The city of Rotterdam had problems that were similar to The Hague's. In 1986, mayor Peper held a depressed new years speech. (Witte 2002:80) Rotterdam had severe social-economic problems and would go bankrupt within a few years. For instance, unemployment rates were bad, the massive foreigner's population brought issues and the port needed improvement. Peper argued that Rotterdam's problems imposed a regional problem that needed regional solutions. This was in line with the recommendations of Committee-Montijn.

The unbundling of Openbaar Lichaam Rijnmond urged the Rijnmond mayors to cooperate, as they feared to be charged for 'left-over' OLR employees that could not be taken in by province Zuid-Holland. This cooperation grew into a platform that lobbied for a new regional solution during the draft of the BON-memoranda. The platform was called the Overleg Orgaan Rotterdam, abbreviated OOR. Later, in 1992 this platform was relabelled Stadsregio Rotterdam. Rotterdam participated, yet from a distance (Witte:96) In 1991, the Cabinet decided that Rotterdam would become the first city province. The same arguments for establishment of the Openbaar Lichaam Rijnmond were used again: the interwoven and complex region Rotterdam needed a strong regional authority. In February 1992, the Second Chamber accepted the resolution De Cloe/ Van der Heijden that requested an administrative form that would fit into Thorbecke's main structure. A Lex Specialis (*Wet bijzondere bepalingen*) would be drafted to establish the city province.

In the meantime, the VINEX-PKB appointed three large VINEX locations: Noordrand I/II (Bergschenhoek and Berkel and Rodenrijs), Nesselande (Nieuwerkerk aan den IJssel, Zevenhuizen-Moerkapelle and Rotterdam), and Carnisselande-Portland (Barendrecht, Albrandswaard). In and around Rotterdam, 53000 dwellings needed to be built.

The relations between most Rijnmond municipalities were good, except for Rotterdam. All other municipalities still blamed Rotterdam for its arrogance and torpedoing the Openbaar Lichaam Rijnmond. Between the Rijnmond municipalities and province Zuid-Holland, the relation was suspicious. Rotterdam also had a bilateral relation with higher administrative bodies, because of its status as a G4 municipality with major urban problems.

13.2 Round 1: 1990-1995

During the first round, the Rijnmond municipalities worked towards implementation of the city province Rotterdam. Parallel, VINEX negotiations took place and the Rijnmond municipalities closely cooperated to draft policy documents and covenants. The first round ended with the Rotterdam referendum, which was a big 'no' to splitting up the municipality of Rotterdam.

13.2.1 Interactions in the arena of public administration

City province design: divided Rotterdam

As stated, during the first years of the nineties, the Rijnmond municipalities lobbied for becoming a city province. Rotterdam altered its attitude towards a regional authority and became a fierce advocate of the city province. The lobby was successful, since Rijnmond got a special position in the BON-memoranda and the Kaderwet.

Province Zuid-Holland was not happy with the BON-memoranda (see chapter 10). While the board of executives of the province did not want to lose their position, the provincial council accepted a resolution at January 21, 1993, stating that Zuid-Holland should cooperate while being split. (Witte 2002:102)

In February 1993, Cabinet-Lubbers agreed to the redivision of Rotterdam into smaller independent sub municipalities, to make the administrative relations in the new city province more balanced. At the end of 1993 the pre-draft Lex Specialis is published: the Wet bijzondere bepalingen provincie Rotterdam, shortly Wbbpr. The Lex Specialis paved the way towards a city province. Meanwhile, central government drafted the Wet indeling provincie Rotterdam (WipR) that managed the division of province Zuid-Holland and the discontinuance and division of Rotterdam.

Negative Rotterdam poll, angry Rijnmond municipalities

Despite the progress towards legal implementation of the city province, resistance grew. Amsterdam decided to hold a referendum. Rotterdam felt it could not stay behind. Many Rotterdam citizens rejected the idea of a break up of Rotterdam. Begin April 1995, the Rotterdam city council (non-unanimous) expressed its wish to hold a corrective referendum. Within two weeks, a minimum of 10.000 citizens needed to petition for a referendum. On April 18, 16.000 citizens signed for a referendum and Rotterdam decided to hold the referendum on Juni 7, 1995. The Rotterdam deputy mayors still believed in the city province. Meantime, the other municipalities of the Stadsregio Rotterdam were infuriated, blaming Rotterdam for putting the city province trajectory into danger.

June 7, 1995 the referendum was held, in which Rotterdam citizens needed to answer the following question: *“In het belang van een slagvaardig bestuur voor de region heeft de gemeenteraad ingestemd met de vorming van een stadsprovincie, met onder meer als gevolg de vervanging van de gemeente Rotterdam door een aantal nieuwe gemeenten. Bent u “voor” of “tegen” dit besluit?”* Are you in favour of, or against establishment of the city province and replacement of the municipality of Rotterdam?

The turnout was 41,94 %, which was enough to reach the minimum turnout treshold. Off all voters, 86,39 % voted against the city province. The day after, June 8, 1995, the Executive Board of ROL SR (DB) gathered. Peper announced that Rotterdam would accept the outcome of the referendum and turn its back to the option of splitting up Rotterdam into smaller municipalities. All (non-Rotterdam) Rijnmond municipalities attacked Rotterdam and blamed the municipality for making a mess of the trajectory. Their hopes were on the Second Chamber that would have to accept the Lex Specialis, thus overruling Rotterdam. However, all municipalities acknowledged they were still part of a obliged cooperation arrangement (because of the 1994 Kaderwet), so the execution of (VINEX / traffic & transport) policies had to continue. Four days later, the SR accepted a resolution that called the Second Chamber for proceeding the implementation of the city province.

From now on, the relation between Rotterdam and the other Rijnmond municipalities chilled. Both camps became entrenched. Rotterdam wanted a city province with an undivided Rotterdam, the other Rijnmond municipalities wanted a city province and a broken Rotterdam.

13.2.2 Interactions in the arenas of spatial planning, public housing and land policy

VINEX Implementation Covenant

The VINEX-PKB (1991) stated that 53000 dwellings needed to be built in the Rijnmond region. After its publication, the Minister for spatial planning visited the region. January 22, 1991 a meeting was held with representatives of the Rijnmond municipalities, the OOR and province Zuid-Holland. During the meeting, the Minister requested cooperative behaviour from the region. He threatened: if you do not collaborate, you will be annexed by Rotterdam. The consultation also treated house building quantities, spatial solutions, infrastructure and financial means. (Lansingerland 2014). The reactions of the municipalities were mixed. For example, Berkel en Rodenrijs wanted expansion in order to improve its public services. More inhabitants meant a greater (financial) capacity. Bergschenhoek was more cautious, since it did not want too much risks, and at the same time it wanted to be in charge over its own territory. All municipalities had in common that they cooperated out of fear for annexation of border adjustments. (Lansingerland 2014)

After the meeting with the Minister, a negotiation trajectory followed that took years. OOR played a focal role in the negotiation process. The cooperation organization issued Kolpron to calculate the land development business cases. With use of these businesscases, OOR could give grounded replies to the central government and ask for more subsidies. In 1993 the Start covenant was signed. The first VINEX foundation pole was hit on March 7, 1995 in Bergschenhoek, four months prior to signing the Implementation covenant. The Rotterdam municipalities managed to scale down the amount of dwellings they had to build. Instead of the projected 15.000 dwellings, only 8.000 dwellings were required in Noordrand.

Sub-covenants between ROL SR and VINEX building municipalities

Since Rijnmond would become a city province, ROL SR became responsible for land development. The future province would carry all risks of acquiring and selling lands. After agreeing on the Implementation covenant, negotiations on so-called Deelconvenanten (sub-covenants) began. ROL SR and the municipalities that had a VINEX task needed to agree on housing programmes and spatial planning. Half a year later, in December 1995, ROL SR signed sub-covenants with all separate VINEX building municipalities. During these negotiations, there were discussions on house building quantities, differentiation (in terms of price class and sector), spatial implementation, financial consequences, authorities and distribution of risks.

A Land costs fund was established for management of BLS subsidies. The Rijnmond region was unique because of the fact that municipalities contributed extra to the Land costs fund, as the BLS subsidy did not cover all deficits. The municipal contributions were based on their number of inhabitants. However, non-building municipalities did not like being charged for housing development while not having any benefits (in their opinion). For example, Rozenburg was very critical. However, as a part of the ROL, it was forced to cooperate.

The calculations of all land development locations showed deficits. Since the ROL would manage the regional land agency, it would be able to settle between building locations. Thereby, supra-local settlement was incorporated in the organization structure.

Next to the Land costs fund, ROL SR established an Apportionment fund (Omslagfonds). This fund was filled by standardized municipal contributions, equivalent to the number of constructed dwellings and amount of square meter office space (BVO). The Apportionment fund was used for funding infrastructure and green of regional importance. (SR 2009)

Spatial implementation

Parallel to the VINEX negotiations, municipalities and OOR already started to develop spatial plans. For example, as off the end of 1993, ROL SR and Berkel Rodenrijs established a temporary cooperation arrangement. This Projectbureau 2B3 drafted an inter-municipal structure plan, which could be later included in the Regionaal Structuurplan. In the future province, a Integraal Strategisch Plan (ISP) would be obliged. The ISP would make a distinction between strategic and non-strategic locations. As a result the future province would have great influence over strategic locations such as residential areas and business parks. (VROM 1994) The Rotterdam harbor would be a typical example.

13.3 Round 2: 1995-1997

The second round is about the political process that followed from the negative Rotterdam poll. After the referendum, within the policy arena of public administration, two trajectories can be distinguished that led to decisions on the implementation of a new administrative arrangement. The first process was the process towards ratification of the Lex Specialis. It lasted from the summer of 1995 (right after the referendum) till February 1996. The second process took place from spring 1996 till mid 1998 and was about finding a new organizational solution. The developments in the policy arena of public administration affected the other policy arenas. After withdrawal of the Lex Specialis, the regional land development responsibility was disentangled.

13.3.1 Interactions in the arena of public administration: summer 1995 – February 1996

In search for a new compromise: rhomb variant

In the summer of 1995, VBO project leader Van Leeuwen invites all stakeholders of the process to Hotel New York. She attempts to find a compromise, that will later be known as the 'Ruitvariant', the rhomb alternative. The rhomb concept implied that within the ring of highways, Rotterdam remained undivided. Outside of the ring, municipal redivision would take place, resulting in independent municipalities. Neither Rotterdam, nor the other Rijnmond municipalities accepted the compromise.

After the failed search for a compromise that both camps accepted, national politicians got involved. Prime Minister Kok invited Rotterdam and representatives of the Rijnmond municipalities in his office, the famous 'Torentje'. There, Rijnmond expressed that they stood their ground, despite threats by Prime Minister Kok. Neither Rijnmond, nor Rotterdam accepted the rhomb variant.

In September 1995, Cabinet-Kok chose unilaterally to redraft the implementation act. It went through with the rhomb variant. Quite unexpectedly, Rotterdam added more demands. It not only wanted to stay undivided, but it also wanted direct control over Grotenstedenbeleid instruments. In spite of advocating the city province and the regional interest for years, suddenly Rotterdam considered itself strong enough to handle its own problems. Rotterdam also secretly issued a poll to find out the opinion of the citizens of other Rijnmond municipalities. The poll showed that the support for the city province is very low. Rijnmond executives reacted furious at the act behind their backs. The relations between Rotterdam and Rijnmond municipalities worsened even more.

Rijnmond municipalities make a last-minute U-turn

In the meantime, the date of parliamentary discussion on the act came closer. On November 15, the advisory committee of the Second Chamber organized a hearing for all stakeholders. Province Zuid-Holland expressed its approval. The province considered itself a comfortable position, as it calculated the province would automatically gain all supra-local instruments and funding in case of failure of ratification: the 'heritage' of the city province. For months Rijnmond left no room for negotiation. However, just days before the act would be considered in the Second Chamber, Rijnmond changed its stance and agreed with the rhomb variant. They preferred a bad variant of the city province over no province at all.

Second Chamber Amendment puts an end to the Lex Specialis

As members of parliament watched the conflictuous situation, they sought for alternatives for the draft act. Member of Parliament Scheltema-De Nie (D66) proposed to keep Rotterdam undivided, evaluate the city province after four years, and then add regions Drechtsteden and Hoeksche Waard (municipalities south of Rijnmond) to the city province. A growth model. The proposal was included in an amendment that was applied by Scheltema-De Nie and De Cloe (PvdA). During the parliament debate on February 13, 1996 a majority of the Second Chamber accepted the amendment. The Cabinet reckoned that the amendment altered the act in such a fundamental way that it decided to withdraw the act.

13.3.2 Interactions in the arena of public administration: spring 1996 – 1998

Continuation of city province for the sake of VINEX policies

Two weeks after withdrawal of the Lex Specialis, the Ministers of VROM, Economic affairs (EZ), Infrastructure (V&W) and the Interior (BZK) consulted. They acknowledged that they needed each other, as the implementation of national policies was dependent on the continuation of regional entities, the VINEX covenant partners. On March 1, 1996, the Cabinet decided to extend the Kaderwet to 1999, so that the Kaderwet Regions kept their legal basis. The extension of the Kaderwet was only a temporary solution. In April, Cabinet-Kok expressed it wanted to continue a trajectory towards city provinces. Their white paper 'Vervolgtraject vernieuwing bestuurlijke organisatie' again underlined the importance of a strong regional administration in Rijnmond, with a focus on the operational side of policy (uitvoeringsgericht). If necessary, the city province could be expanded by adding Drechtsteden. An external expert committee was established. Committee Andriessen was tasked to make a new proposal for the organization of Rotterdam. The Cabinet provided the committee with a few preconditions. The main structure of public administration, the House of Thorbecke, should remain intact, and the formation of metropolitan municipalities (agglomeratiegemeenten) was precluded.

Committee Andriessen proposes a two-phase process

In October, 1996, Committee Andriessen published the report 'De toekomst wacht niet', in which it proposed that the city province should be realized in two phases. In fact, the committee proposed a process design. As of January 1, 1998, a directly-chosen pre-province would be established. During the first phase, this pre-province should prepare the actual establishment of a province. In the Andriessen-proposal, Rotterdam remained undivided. However, its powerful position would be weakened by transferring authorities to the province. Andriessen named authorities on the areas of policy environment, transport, infrastructure, the harbor, education, and the police and fire brigade. Large parts of funding of municipalities would be managed by the new province, and the province would have the authority to collect taxes on property (ozb). On November 1, 1996, the Cabinet agreed on the outlines of the Andriessen-advice. At the end of October, the Second Chamber reacted critical to the report. However, it reluctantly agreed to the plan to draft the interim act.

Mixed reactions: Rotterdam cheers, Rijnmond municipalities boo

The municipality of Rotterdam welcomed the findings of the expert committee. The municipality would remain undivided; its main demand was accepted. However, the municipality demanded additions. Rotterdam wanted that the interim province would establish a provincial land agency, replacing municipal land agencies and limiting spatial authorities of municipalities. The municipality also demanded that the province would gain authority over social security payments.

There was strong resistance from the other Rijnmond municipalities. At the end of November 1996, Bleiswijk, Bergschenhoek, Brielle, Westvoorne, Rozenburg, Berkel en Rodenrijs, Hellevoetsluis, Schiedam and Spijkenisse, a majority of the Rijnmond municipalities, reacted highly critical. They saw their municipal job responsibilities diminish, 'uithollen'. If the Cabinet complied with Rotterdam's demands, they would lose their spatial authorities, as well as their financial autonomy. Rozenburg, Bernisse and Westvoorne were most sceptic, and Rozenburg even attempted to leave Rijnmond (see next section). In February 1997 they sent the Cabinet a letter to express their concerns. The pre-province should have its own funding, to prevent infringement of the municipal autonomy. Rotterdam warned State Secretary Van de Vondervoort that the authorities and tasks of the pre-province should be very clear, as the resisting municipalities were a threat to the implementation of the final province.

Cabinet-Kok complies with Rijnmond demands, Rotterdam remains stubborn

At the end of February 1997, the Cabinet decided to listen to the concerns of the Rijnmond municipalities. Van der Vondervoort decided to leave the plan of a provincial land agency, as well as the transfer of spatial authorities. The city province should only get a coordinating role on matters that were of strategic and provincial interest. The harbor remained the responsibility of Rotterdam, as Rijnmond argued that the transfer would be too complicated. Last, the State Secretary decided that the board of the pre-province would exist of municipal delegations, instead of directly-chosen executives.

The Raad van State expressed a negative advise. (Raad van State 1997) The proposed two-phase process implied too much uncertainty, as there was no political consensus on the final design of the province. According to the Council, the only solution was to immediately implement a final design, and skip the interim design. Despite the negative advise, Cabinet-Kok decided to continue the trajectory of the Interim act. As always, the VINEX policies needed to be protected, and the Cabinet was in a hurry to make sure the city province was ready for provincial elections in 1999.

On May 22, 1997, ROL SR organized a conference to reach an unanimous stand. Executives of Rotterdam don't show up. The other Rijnmond municipalities blamed Rotterdam for being arrogant and not willing to find consensus. Rotterdam's headstrong stance was affirmed in its letter to the Second Chamber on June 4, 1997. The executives of Rotterdam rejected the Interimwet and Wbbpr (lex specialis) as the acts did not comply to their demands. The Second Chamber reacted irritated. Rotterdam would never be satisfied, it seemed.

Lex specialis put on hold, First Chamber refuses to discuss Interim act

On October 2, 1997, the chamber ratified the Interim act. However, it decided to put the Lex Specialis (Wbbpr) on hold, for ample consideration on the exact distribution of authorities. In December 1997, a majority of the First Chamber refused to discuss the Interim act. The Chamber only wanted to consider the Interim act if the Lex Specialis had passed the Second Chamber. The politicians argued that it was too risky to only accept the Interim act, without a perspective on the final design of the province.

Upon the First Chamber's refusal of consideration Cabinet-Kok decided to withdraw the Interim act. The Cabinet regarded the political decision-making process too risky. There would soon be elections for the Second Chamber in May 1998. If the Interim act would be accepted after the elections, the earliest moment of ratification of the Lex Specialis would be in the fall of 1998. This would be too late for the Provincial elections in March 1999. For the second time, the implementation of city province Rotterdam failed.

This thesis' chapters 9 and 10 have described the end of the process. The Kaderwet is extended again, till 2003. After the Second Chamber elections, Cabinet-Kok II is tired of administrative reorganization. Rotterdam loses its special status, and becomes a 'normal' Kaderwet region.

13.3.3 Interactions in the arenas of spatial planning, public housing and land policy

Spatial planning

Despite the bumpy road towards the city province, ROL SR was quite successful with regard to implementation of policies. From April 1994 the executives of ROL SR had reached a range of crucial agreements. They agreed on

the regional spatial plan for traffic and transport (RVVP), which included billions of investments, mostly subsidized by the central government. Also, a regional 'Groenstructuurplan' was accepted. (Witte 2002:158)

In 1998, the Regionaal Structuurplan Stadsregio Rotterdam was accepted. Other than Haaglanden, this document was very detailed with regard to housing programmes and included actual land development calculations. This was possible because one advisory bureau drafted all calculations in the first place: Kolpron. (interview Rotterdam) To avoid suspicion of partisanship, ROL SR did not issue OBR, the Rotterdam land agency that usually lent its expertise to neighbouring municipalities.

Land development

The end of the trajectory towards a city province meant that new strategies were chosen with regard to the VINEX tasks. In the original plans, ROL SR bore all financial risks. As a city province, it would receive the policy instruments to actually carry out the land development of the VINEX building locations. The city province would have its own land agency. When the city province was no longer the endmodel, both ROL SR and the Rijnmond municipalities wished for change. On December 18, 1996, ROL SR sent a letter to the Rijnmond municipalities, proposing to rearrange the financial responsibilities within the Rijnmond region. ROL SR wrote that they could pay out the regional contribution to the land development all at once: a lumpsum contribution. All risks would be transferred to the municipalities. The lumpsum was meant for the execution of the entire urbanization task, including agreed upon quantities of new housing, which were captured in the Regionaal Structuurplan from 1998. Despite the transfer of all responsibilities, ROL SR indicated that if there were major external developments, its consequences would be mutually evaluated. This notion was rather vague. (Lansingerland 2014:12)

All Rijnmond municipalities agreed to the lumpsum solution, and engaged in negotiations with the ROL SR. These negotiations resulted in lumpsum covenants. The entire risk of land development was transferred to the Rijnmond municipalities. ROL SR would only keep its monitoring function, but was in practice powerless to intervene if municipalities could not handle the responsibility. Agreements on housing programmes and social housing remained the same and the RSP 1998 was leading for spatial implementation. The RSP had a high abstraction level with regard to spatial implementation. Municipalities were responsible for 'colouring' the RSP with land-use plans. The ROL had no means to adjust the land-use plans. Only the province had the legal authority to reject land-use plans. In practice, the province did not interfere.

13.4 Round 3: 1997-2005

During the third round, relations normalized as the proposal for a city province was off the table. All municipalities just worked on their VINEX task and looked ahead for future policies.

13.4.1 Interactions in the arena of public administration

Cabinet tired of reorganization trajectories

In the summer of 1998, Cabinet-Kok II expressed that it would not develop new administrative solutions for the regions. Rotterdam lost its special status and became a 'normal' Kaderwet-region. Bram Peper became Minister of the Interior. The project group VBO ceased to exist and was incorporated in the department for administration and law at the Ministry of the interior.

In January 1999, ROL SR organized a meeting to improve the relations between Rotterdam and the other Rijnmond municipalities. The relation between Rotterdam and the Rotterdam region changed positively. Witte (2002: 217) attributes this to the installation of a new mayor (Opstelten) and regional executive (Jansen). The municipal elections of 1998 brought many new city councillors that did not carry the weight of the past. Also, the hot issue of administrative reorganization was disappeared, thus removing a source of conflict. During the gathering in January, the ROL SR executives asked Rotterdam whether they could have a say in the spending of the ISV subsidies. These subsidies for urban renewal were granted directly towards the municipalities. ROL SR felt that it should implement new regional policies on public housing. Without financial means, these policies could not be executed. Rotterdam and ROL SR agree to study the possibilities to co-decide over the ISV budgets. (Witte 2002:217) Ministers Peper and Van Boxtel agreed on the premises of a 'solid regional programme'.

All of a sudden, province Zuid-Holland's Commissioner of the Queen said in a regional newspaper that he wanted to study whether Rijnmond could become a territorial committee of the province. The current form was not democratically legitimate, the CdK argued. This tentative suggestion was taken bad by the Rijnmond municipalities. (Witte 2002) Though the action stayed a trial balloon, it was illustrative for the province's altered stance. Once again, the province was after the inheritance of the city province.

Normalizing relations and making new plans

In the summer of 1999, ROL SR organized a brainstorm session to evaluate policy successes and make future plans. It was tired of administrative reorganizations, yet most municipalities acknowledged the need for regional cooperation. *“De bestuurskundige maffia (moet) buiten de deur worden gehouden.”* (Witte 2002:198) Because of lacking capacity in its civil service, ROL SR asked the Ministry of the interior to evaluate its history of policy making and implementation. Peper agreed to evaluate and a very positive evaluation follows. The report *“Woorden en daden, wetten en praktische bezwaren”* noted that a lot has been accomplished and that the democratic legitimation was sufficient. In the meantime, ROL SR also installed an independent committee for advise, consisting of Winsemius, Brox and Van Dam, who were very prominent (former) politicians.

In May 2000, committee Winsemius presented the report *“Ruimte voor Beweging”*. The committee pledged for a strong regional authority which would be chosen directly. Also, the authority should directly receive ISV funding and have instruments to be in charge of the regional land policy and spatial planning. Therefore, a change in the cooperation arrangement was needed. After the summer of 2000, again, no Rotterdam politicians showed up at a regional meeting, which, again infuriated the other Rijnmond municipalities. Opstelten saved the early positive relation by instructing the Rotterdam councillors and deputy mayors to adopt a more cooperative attitude.

Cabinet reacts reluctant to new regional plans

ROL SR started a lobbying trajectory towards the Minister. It took long before De Vries made up his mind. Almost a year after ROL SR proposed its new model, in May 2001 a new Cabinet standpoint was presented: *“Bestuur in stedelijke gebieden”*, which IPO tried to influence as well. The plans for a directly chosen authority for Rijnmond were rejected. Within Rijnmond, there were dissidents as well. In April 2001, Berkel en Rodenrijs, Brielle, Rozenburg and Westvoorne protested against the plans for direct elections, as they saw no surplus value. Rozenburg already attempted several times to withdraw from cooperation Rijnmond. Its withdrawal was stopped by province Zuid-Holland and the court. Under heavy pressure Brielle and Berkel en Rodenrijs gave in. They accepted the plans for a regional authority. However, Westvoorne and Rozenburg remained unwilling. All municipalities were needed for a univocal signal towards the Ministry. Out of desperation ROL SR asked its rival, province Zuid-Holland, to give an instruction (aanwijzing) for cooperation, or, more drastic, to kick both municipalities out of the cooperation territory of Rijnmond. Zuid-Holland refused, as it opposed ROL SR's ideas and wished to strengthen its own position. Rijnmond's bottom-up quest ended and after four years, the region became a Wgr-plus region.

13.4.2 Interactions in the arenas of spatial planning, public housing and land policy

As a result of the lump sum covenants, all municipalities developed their own locations, at their own risk. VINEX agreements and the RSP formed the boundaries within municipalities could move. Eventhough several policy documents were updated, no major changes occurred with regard to the housing programme. At the end of the VINEX period, Rijnmond had not reached its Implementation Covenant targets. In an internal memo, the ROL concluded that the disentanglement of the regional land agency had led to insufficient overruling power:

“Nu de afspraken in het kader van VINEX aflopen, is het van belang om de balans over de bereikte resultaten op te maken en lijnen voor de toekomst uit te zetten. De belangrijkste conclusie over de afgelopen 10 jaar is dat het de Stadsregio te weinig juridische slagkracht had om de gemeenten voldoende te helpen bij het realiseren van de VINEX-bouwopgaves. De positieve resultaten zijn met name te danken aan de groei in de vastgoedmarkt. Indien deze groei was achtergebleven, had de Stadsregio onvoldoende sturend vermogen om daar alsnog een positieve wending aan te kunnen geven. De belangrijkste oorzaak hiervan is een onevenwichtige verdeling van verantwoordelijkheden (de Stadsregio heeft wel afspraken met het Rijk gemaakt over de realisatie van een aantal grote structuurplannen) en bevoegdheden (de Stadsregio heeft niet de mogelijkheid om op deze structuurplannen voldoende te kunnen sturen). Een en ander kwam onder andere door het niet doorgaan van de Stadsprovincie en het politieke klimaat dat was ontstaan nadat bleek dat de Stadsprovincie niet doorging.” (SR 2004)

The report was negative on the accomplishments of ROL SR. (SR 2004:12) Many of the conclusions were tied to the fact that by paying out the lump sums, the ROL lost control. ROL SR was only able to implement the main infrastructure of VINEX building locations in a structure vision. Land-use plans were the exclusive domain of municipalities. For that reason, the ROL was not able to influence the outcomes of land development. During the lump sum negotiations, the ROL could not make any binding agreements on land acquisition and sale. Therefore, the ROL was unable to carry any risks and its role as a regional director diminished. Through the disentanglement, the collective of municipalities did not reach 'the optimal financial scenario'. There was no settlement on land

development. Financial consequences, either losses or profits, were for the responsible municipality. The report concluded that some municipalities could hardly handle the immense responsibility, as they lacked professional capacity.

This lack of settlement between building locations was compensated by the Apportionment fund. However, this fund was only used for supra-local provisions, not for compensating land development deficits.

At the end of the VINEX period, the Land costs fund was repealed and succeeded by the Fonds Verstedelijkingsafspraken en Stedelijke Vernieuwing 2005-2010 (FVSV). According to Winsemius' approval, ROL SR received the ISV funding of Rotterdam and Schiedam next to its own portion. The BLS contribution for the Woningbouwafspraken 2005-2009 were also managed in the FVSV, as well as the remaining BWS-funds. (Rotterdam 2005) During the period 2005-2010, ROL SR amply reached its Woningbouwafspraken targets, mainly due to the flourishing real estate markets. (Rotterdam 2011)

13.5 Impasses, breakthroughs and assessment of outcomes

This section discusses the impasses, breakthroughs and outcomes of the Rijnmond decision-making process between 1990 and 2005. The evaluation of the Rijnmond policy game is quite negative. Little institutional learning has occurred. Strategic and substantive learning came too late, as central government had already withdrawn from the decision-making process when Rijnmond proposed its own organizational solution.

13.5.1 Institutions

When discussing Rijnmond's shared institutions, two periods can be distinguished. The failed ratification of the *lex specialis* for the city province marked the transition. Before 1996, municipalities expected Rijnmond to become a province with provincial authorities. After 1996, the future institutional arrangement of Rijnmond became uncertain.

From 1993 to 1996, Rijnmond municipalities shared the prospect of becoming a city province. In line with the future network composition, institutions were created. The ROL itself was a binding institution that provided the municipalities with procedures and voting mechanisms for decision-making. The city province would run the regional land agency, including all risks. After signing the VINEX Implementation Covenant, the Rijnmond organization negotiated sub covenants with the municipalities. All went well. The VINEX Implementation Covenant was a strong point of reference. Municipalities reached agreements in all sectoral policy arenas. The arenas were coupled: for example, the spatial plan included highly detailed housing programming and land costs calculations.

When central government withdrew the *lex specialis*, the prospect of the city province disappeared, as did the expected network composition. As a consequence, Rijnmond started to disentangle the network, changing the reward structure. The organization reasoned that without the provincial status and authorities, it was not able to fulfill its role as land agency. By implementing lump sum covenants, dependencies between municipalities decreased. The lump sum was based on a snapshot: the calculated land development deficit in 1996. When the lump sum was secured, interaction between municipalities on land development were no longer regarded necessary: municipalities no longer felt a dependency on the ROL Rijnmond. The promised lump sum was not accompanied with any substantial conditions. There were no land costs settlement deals on the regional level. Municipalities received great policy freedom. ROL Rijnmond had little steering possibilities, as it had no spatial authorities to reject land-use plans. The lump sum covenants had set municipalities free, so management of land development was impossible.

Because of the far-reaching disentanglement of the network, it can be concluded that the degree of institutional learning was quite low.

13.5.2 Process and substance

Substantial disagreement played an important role during the Rijnmond policy game. As a consequence, actors pursued conflicting strategies. The conflict was situated in the policy arena of public administration. There were little divergent perceptions in the sectoral policy arenas. With regard to public administration, there was never a dispute about whether there should be a city province; the main disagreement was about the exact organization of a future province.

In the sectoral policy arenas, ROL Rijnmond functioned as a facilitator for knowledge gathering. The organization issued multiple studies and assignments. For example, Kolpron was asked to set up all land development business cases. By means of this joint analysis, disputes on content were prevented.

In the arena of public administration, there were many attempts to enrich solutions, make a selection out of a variety of solutions, and aim for goal intertwinement (see previous section on process). However, none of these solutions were accepted by national politicians.

The parallelity of decision-making processes in Rijnmond is remarkable. While interactions in the policy arena of public administration were conflictuous, in the sectoral policy arenas municipalities cooperated almost stoical. Municipalities jointly worked on residential planning as long as there was a perspective on the city province. ROL Rijnmond acted as the process manager. After the major institutional change, the withdrawal of the *lex specialis*, the intensity of the interactions in sectoral policy arenas diminished (due to the disentanglement), yet there were still no major conflicts on planning. Therefore, this section mainly discusses the developments in the policy arena of public administration.

From 1993 till Rotterdam decided to hold a referendum, the relations between municipalities were stable, despite a turbulent past (see section 13.1). The Rijnmond municipalities jointly progressed towards a the city province. However, the referendum exposed a core value of Rotterdam: being 'one', undivided city. The board of executive of Rotterdam decided to back its population and protect its own core value. Rotterdam changed its strategy from cooperatively to go-alone. A conflict emerged and national politicians began to meddle in.

The second round entailed two years of parliamentary discussions on the implementation of the *lex specialis*. During this round there were two cases of process management. The first process was managed by Van Leeuwen and Prime Minister Kok, the second by Committee Andriessen and Van der Vondervoort). Both processes included classic core elements of process design, in which the process managers attempted to find enriched solutions and intertwine goals. All parties were invited to put their concerns on the agenda (open process). The results of the trajectories were not rejoiced. Both proposed compromises (Van Leeuwen's rhomb variant and Andriessen's two-phase implementation) were met with reserve by the Rijnmond municipalities, including Rotterdam. Rotterdam would still pursue a go-alone strategy and stubbornly demand for more favours. Near the end of the first process, Rijnmond municipalities changed their strategy and backed the rhomb compromise. Their perspective on 'gain' changed, favouring a compromise over no city province at all. However, as national politicians wanted a variant that was backed by the entire region, the ratification failed due to unworkable amendment of Scheltema-De Nie and De Cloe. During the second process, the solution was adapted multiple times to the likings of both Rijnmond and Rotterdam. Rijnmond municipalities continuously feared that their autonomy would be undermined if too many (spatial) authorities would transfer to the city province. However, the 'risky' compromise was not ratified by the First Chamber.

During the third round, relations improved. The city province was no longer a prospect, so the pressure was off. Municipalities no longer feared their core values would be harmed. They explicitly acknowledged inter-municipal dependencies, thereby underlining the need for interaction and regulation by a mutual institution. Again, a process design was made and an independent process manager was appointed: Committee Winsemius. For the first time, the collective of municipalities managed to agree on a solution for the organization of the region. And again, central government – in this case Minister De Vries – chose to reject the compromise. Rijnmond became a Wgr-plus region with no 'extras'.

There are many similarities between the three mediation processes. There was always a process manager who aimed for substantive learning. The reason for stagnation was always the divergence in perceptions of stakeholders. Especially Rotterdam held on to fixations.

14 Conclusions case studies

This chapter draws conclusions from both case studies. The findings underwrite the usability of the explanatory factors from the network theory. Impasses, breakthroughs and learning abilities can be explained by looking at shared institutions, the presence of process management and the presence of shared perceptions on problem formulations and solutions. Section 14.1 treats institutional factors that explain the outcomes of the policy games. Section 14.2 discusses the strategic factors (process) and section 14.3 concludes with substantive factors. The conclusions are listed in the following table.

	Success factors	Failure factors
Institutions	<p>1. Compulsory institutional learning: higher-level governments oblige municipalities to establish shared institutions that increase compatibility of policy arenas and the stability of the network composition</p> <p>2. Higher-level governments create cooperative reward structure that encourages inter-municipal cooperation. Subsidies coupled to performance targets as incentives for progress.</p>	<p>1. Tendency to disentangle the policy network if establishment of shared institutions is not obliged by higher-level governments.</p>
Process	<p>1. Inter-municipal organization functions as a content and process manager, facilitating joint analysis and regular interaction.</p> <p>2. Presence of process-type agreements that structure interaction and information gathering, following compulsory implementation of institutions.</p> <p>3. Threat of command and control by higher-level governments to enforce creation of shared institutions. Especially threat of limiting municipalities' autonomy.</p>	<p>1. Municipalities' pursuit of conflicting, non-cooperative strategies as a result from divergent perceptions</p> <p>2. Unreliable behavior by higher-level government: capricious decision-making makes the future institutional context unstable and unpredictable. Results in opportunistic behaviour of municipalities.</p>
Substance	<p>1. Unbundling of roles of decision-makers and experts through (a) establishment of a regional civil service and (b) outsourcing research to academics and advisory firms</p> <p>2. Bundling of activities: mediation by an expert who creates mutual understanding for problem perceptions and substantive variety. Bundling of process and substance management.</p>	<p>1. Inability to break through cognitive fixations on problems and solutions, resulting in dialogues of deaf, advocative analysis and unilateral decision-making.</p>

Table 14-1: conclusions case study: succes and failure factors for inter-municipal cooperation on residential planning

14.1 Institutional factors

Institutions, and the lack thereof, can be considered as an important explanatory factor for the successes and failures during the VINEX period. Section 14.1.1 describes the beneficiaries of the institutional design of the national government. Section 14.1.2 discusses the effectiveness of a cooperative reward structure. Section 14.1.3 treats the opposite of institutional learning: disentanglement of the network.

14.1.1 Compulsory institutional learning

Both the Rijnmond and the Haaglanden case show that the Kaderwet and the VINEX Implementation Covenants provided a stable institutional context for inter-municipal cooperation and forced them to implement mutual institutions. This clearly was a success factor. Municipalities knew that they were interdependent for the next ten years and needed to cooperate to secure rewards (subsidies). Cooperation did not emerge spontaneously, as the years prior to the Kaderwet, relations were hostile.

Compulsory establishment of a regional organization

The Kaderwet required municipalities to establish a standing organization that would take care of the imposed tasks. Such mutual organization entangled the regional network and eased decision-making of the collective of municipalities. The functioning of the standing organization will be further explored in the sections on 'process' and 'substance'.

Institutional learning with the covenant as a starting point

Institutional learning followed from the covenant. In both regions multiple agreements were reached on land policy, housing policy and spatial planning, the sectoral arenas, despite the conflicts in the arena of public administration. These agreements were derivatives from the VINEX Implementation Covenant, which functioned as a framework. Some of the agreements followed from legal obligations from the Kaderwet, like the

establishment of a Land Costs Fund. Part of the derivative agreements remained in force till the end of the VINEX period (2005), proving to be durable institutions. Others were cancelled following the major change in prospect when the plans for the city province were withdrawn. The changes in Rijnmond were largest.

The VINEX Implementation Covenant and derivative agreements put an end to years of disputes in both Rijnmond and Haaglanden. However, the Implementation Covenant did not cover all building locations. In Haaglanden, those building locations that were not covered by imposed institutions, were subject to inter-municipal dispute. No accounts were found of disputes on non-VINEX locations in region Rijnmond during this study. However, this subject was not looked into in particular. Further investigation on the differences between VINEX and non-VINEX locations is recommended.

Strength of paper institutions and prospect of stability

It is striking that despite the rapidly darkening prospects for the city province, VINEX plans were implemented and executed according to original plan, as long as the future province existed 'on paper' (in Rijnmond) and as long as the Haaglanden municipal redivisions were not ratified by the First Chamber. The civil services of both inter-municipal organizations worked almost 'stoical' on housing production, till officially ordered to change and, in the case of Rijnmond, dismantle its land policy activities.

Location-bound support structures

In both Rotterdam and The Hague region, institutional support structures were created in order to execute the VINEX agreements and further detail the tasked developments. The support structures existed out of steering groups, shared development companies or executive bureaus. Actors who took an interest in that specific location participated in such group or organization. If the site was located in multiple municipalities, they were represented in the organization. Some support structures were exclusively 'public', while private parties and housing associations participated in other support structures. In both regions, these executive organizations eased cooperation between municipalities and the alignment of local activities and the overarching regional management. This meant that potential 'local' conflicts could be handled in the periphery. It can be concluded that the VINEX Implementation Covenant and the Kaderwet provided for institutional stability as many shared institutions have been built upon them.

14.1.2 Cooperative reward structure

As a result of the reward structure municipalities were motivated to cooperate. There were mutual resources they could obtain. Only through cooperation municipalities would receive financial means. For example, subsidies for housing were to be managed by the regional organization. Another important factor was that the subsidies were coupled to performance targets. The cooperative reward structure caused municipalities to carefully monitor each other and building activities in the region. Mismanagement would have consequences for the overall production performance of the region, hence the total amount of subsidy the national government would grant. As a consequence, municipalities were incentivized to perform well on housing production targets.

14.1.3 Disentanglement of the network

In both Rijnmond and Haaglanden there was disentanglement of dependencies after withdrawal of city province plans. However, there are differences with regard to the cause of disentanglement and its effects. After the Cabinet decided to withdraw the *lex specialis* in February 1996, ROL Rijnmond decided itself to decentralize all land development activities, despite the legal authority to manage land policy (Kaderwet). The Rijnmond disentanglement was thus far-reaching that it had negative effects to the cooperative capacity of the region. As described in previous chapter, the lump sums were not accompanied with conditions or reservations. Neither the ROL, nor other Rijnmond municipalities had any instruments to manage bad performing municipalities which caused the region, according to the ROL SR, to perform worst in terms of developed quantities of housing. (VROM 2006)(SR 2004). In Haaglanden, there was little disentanglement in the sense that the authority over Ypenburg and Leidscheveen changed. Instead of four cooperating municipalities on Ypenburg, only two remained. Leidscheveen went from Leidschendam to The Hague. In practice, the center city of Haaglanden gained control over the majority of the VINEX-building locations. This thesis did not study the management of separate building locations in detail. Yet it is certain that the Haaglanden VINEX performance was best in comparison with other regions in the Netherlands. (VROM 2006) It is important to note that despite the transfer of authority, the original settlement regulations that accompanied the Haaglanden Land Costs Fund remained in force till the end of the VINEX period. So, in spite of disentanglement of dependencies on the building locations, there remained binding institutions on a regional level.

It is remarkable that when given the choice, it seems that municipalities do not tend to entangle their engagements, and even lean towards disentanglement. This means they reduce inter-municipal dependencies and create more autonomy. Municipalities aim to prevent other municipalities to have a say in spatial matters between their own borders. For instance, Harnaspolder and Westlandse Zoom were not included in the VINEX Implementation Covenant. After lengthy negotiations, and through deals in the public administration arena, a cooperation covenant was signed. However, it was decided that the actual responsibility for development of Harnaspolder and Westlandse Zoom would be borne by individual municipalities. As shown during the institutional analysis, land development responsibilities have always (mainly) been shouldered by municipalities, except for some compensatory location subsidies. It is therefore not likely that the responsibility will ever be centralized.

14.2 Strategic factors

There are multiple factors that either accelerated decision-making or caused deadlocks. This section treats the regional organization as a process manager, the presence of process-type agreements, the pursuit of conflicting strategies and the threat and use of command and control.

14.2.1 Regional organization as process manager

The presence of a ROL, an inter-municipal standing organization, can be regarded a success factor. The institutional arrangements of Rijnmond and Haaglanden have played a significant role in the materialization and monitoring of inter-municipal agreements. By its nature as public organization, ROL provided transparent procedures for decision-making, like majority voting and regular public meetings. Municipalities had also possibilities to raise issues on the agenda. The organization could take on multiple roles with respect to municipalities. Administrators and officials of the ROL also functioned as mediators who dealt with issues in the periphery. In Rotterdam, the ROL was the partner that municipalities negotiated with for funding. In Haaglanden, the organization was a mediator between The Hague and the Westland municipalities.

The civil service of the ROL established its role as provider of substantive information. The studies the organizations issued were (as far as could be found during this study) undisputed by the municipalities. Given the great amount of detailed inter-municipal agreements that followed from the rough VINEX covenant, both the Rijnmond and Haaglanden did well.

14.2.2 Process-type agreements

The BON-memoranda and the following Kaderwet can be viewed as an institutionalized process design. The documents stipulated *when* decisions had to be taken while they did not prescribe the actual content of the decisions. For example, the Kaderwet required municipalities to establish a ROL, but part of the design and distribution of responsibilities was unstrained. The proposed trajectory had a time horizon of more than 10 years. Till the ratification of the city province failed, this process design worked quite well for municipalities.

Also, while further detailing agreements and capturing them in official regulations, municipalities agreed on pre-arranged evaluation moments. At such moments, regulations could be adjusted to the possibility of new circumstances, such as the inflation rate or the state of the housing market.

14.2.3 Command & control

In both cases, national politicians (Ministers, members of parliament) played a decisive role. Their aim was to align municipalities' strategies, if not voluntarily by mediation, then by force. Their interventions were both beneficial and counterproductive with respect to inter-municipal cooperation.

The 'shadow of hierarchy', also known as the threat of unilateral intervention, often influenced municipalities' perspective on gain. The potential loss of autonomy weighed heavier than regionalizing spatial rights. The courses of both Haaglanden and Rijnmond are (in the end) decided by central government. In Rijnmond there was a non-decision, sticking with the status quo of the Kaderwet. In Haaglanden, central government pushed municipal redvisions that transferred part of the VINEX building locations to The Hague. In the case of Haaglanden, central government fulfilled an active role. The threat of intervention in the autonomy of municipalities had positive and negative effects. In Rijswijk, Leidschendam, Nootdorp and Voorburg, the threats led to better, intensified cooperation as the municipalities wished to change the Minister's mind about the redvisions. However, as the First Chamber ratified the act for redvisions, the four municipalities' behaviour changed as they started to block implementation of the redvisions act with all (legal) means they could find. On the other hand, the threat of annexation led to a breakthrough in the conflict expansion of Delft and The Hague in the direction of Westland.

As the Westland municipalities flipped a coin, it calculated that making a cooperation deal was better than losing territory. Looking back, one can argue that the transfer of a few acres was less radical than the implementation of an entire city province. Apart from the transfer, the network composition of Haaglanden remained the same.

In Rotterdam, the intervention was less strong. National politicians observed the internal conflicts and aimed to serve as many interests as possible. They acted passive. The threat of annexation was never explicitly used, as the general opinion was that Rotterdam should become a city province, even if it would be one of two remaining candidates. After both mediation rounds, an adapted legal proposal went through the parliamentary decision-making process. However, both proposals stranded before ratification, through the Cabinet's withdrawal (Feb 1996) and blocking of the First Chamber (Dec 1997). The last Rijnmond proposal was only partly adopted – no special law was ratified.

It can be concluded that the decisions of central government have been decisive with regard to the final network composition of the municipalities. While the Rijnmond turmoil resulted in non-intervention, in Haaglanden changes were implemented accurate to the nearest meter.

14.3 Substantive factors

The cases show that substantive arguments played a great role in the decision-making processes of both regions. This section treats the beneficial effects of outsourcing research and the practice of mediation and consultation. On the other hand, it discusses cognitive fixation as the cause for deadlocks.

14.3.1 Unbundling roles of decision-makers and experts

Both cases show multiple examples of joint analysis in order to manage substantive uncertainty. The content of decisions was either collected, produced and prepared by the regional civil service of the ROL that the municipalities shared, or the result of outsourcing research to experts of advisory firms and universities. The regional organization employed tens of professionals. As a result, the shared organization was the facilitator of information on land policy, housing policy and spatial planning. These government officials managed the day-to-day tasks of the regional entity, such as gathering information for monitoring purposes and preparing policy documents. Whenever their civil service did not possess enough experience or knowledge, the regional organizations outsourced studies to experts from advisory bureaus or academics. The result of these joint analyses was the substantial foundation of regional agreements. Municipalities (ultimately) did not dispute the used parameters and distribution keys. By conducting joint analysis, they out ruled preferential treatments of one of the municipalities. In both cases, 'fairness' of allocation of means was important.

14.3.2 Bundling activities: Mediation and consultation

The amount of mediation and consultation trajectories with experts, mainly facilitated by central government, is remarkable. In all mediations there was a mediator that was concerned with the content and draft of a proposal, and a national political decision-maker that had the final say. The trajectories led to substantive variety, yet the selection was done unilaterally by central government. See the following list:

- Rijnmond traject 1: Van Leeuwen and Prime Minister Kok
- Rijnmond traject 2: Committee Andriessen and State Secretary Van der Vondervoort
- Rijnmond traject 3: Committee Winsemius and State Secretary De Vries
- Haaglanden traject: Van der Zwan and Minister Peper

All trajectories led to compromises, yet some were more broadly supported than others. For instance, no party was content with the Rhombvariant of Van Leeuwen, yet under pressure Rijnmond municipalities shifted their ground. The Rhombvariant failed during the process ratification, due to an unworkable amendment. Committee Andriessen even tried to implement a process design, (hurray for De Bruijn and Ten Heuvelhof), yet the First Chamber blocked the attempt and the Raad van State strongly advised against implementation. Professor Van der Zwan's mediation trajectory led to a proposal that has been unilaterally rejected by Minister Peper. Finally, Winsemius' proposal was only for a slight part adopted by State Secretary De Vries, who hesitated long for taking any decision at all. All compromises show signs of solution enrichment and partial goal intertwinement. Stakeholders got more insight in each other's stands. However, making a bold statement, some solutions can be regarded as 'negotiated nonsense'. The proposal of Committee Andriessen was in fact a non-decision, a process-type agreement with no proposition for a final end state. Winsemius' proposal was no negotiated nonsense, but it was far less reaching than establishment of a city province.

As known, only in Haaglanden, central government pushed for change. Though the mediation results of Van der Zwan were brushed aside, during the formal consultation and ratification process, many side deals were made. Despite publicly rejecting the act, the opposing municipalities made many side deals along party lines. They used redundant relations to influence the official process. There were only informal ways for appeal and objection as changes in the structure of the state are the exclusive domain of central government. All Rijnmond municipalities, including Rotterdam, appealed to national politicians by writing letters. It is not known what informal ways they used to influence national politics. However, as ratification of the *lex specialis* failed twice, it is known for sure that no side deals have succeeded.

The conclusion is that even though mediation trajectories had positive results with regard to improvement of mutual understanding, the overall result is disappointing. In relation to the length of the process, the amount of cognitive learning that occurred was little. This is mainly the result of capricious national decision-making, in which municipalities have no final say. Substantive selection was not organized, as the Cabinet made choices. Central government itself proved to be highly unreliable.

14.3.3 Cognitive fixation

The cases showed that cognitive fixation and divergent perspectives caused multiple deadlocks in the studied regions. Though the specifics of the conflicts in Haaglanden and Rijnmond were slightly different, this study found similarities with respect to the contrast between center cities and their surrounding municipalities. First, the perspective of the center cities is treated, after which the stands of surrounding municipalities will be considered.

Center cities fixate on regional problem and solution definition

The center cities faced major urban problems (*grotestedenproblematiek*) and lacked financial means. According to The Hague and Rotterdam, the answer to their specific problem was a regional solution. Both Rotterdam and The Hague became Artikel-12 municipalities during the 90s. At the same time, the center cities had ambitions to expand. The financial motivation for expansion was strongest in The Hague. Through expansion, the municipalities could provide housing for both its own population and (preferably middle- to high income) households from elsewhere. Rotterdam and The Hague considered their expansion plans of regional importance. Expansion was also needed to keep their public services (with a regional reach) affordable. Another important factor, particularly for Rotterdam was that regional coordination was not only necessary for housing production, but also for economic development and improvement of accessibility. The behaviour of the two center cities was different. While Rotterdam openly shifted its ground a few times, The Hague only changed its stand once, when Remkes proposed municipal redivisions. The Hague then fell back on her original plan, proposed in 1988. Rotterdam's behaviour was commonly perceived erratic, unreliable and arrogant. (Witte 2002)

Surrounding municipalities do not share center cities' regional problem perception

Surrounding municipalities often rejected claims made by city centers about the nature of the regional problem and solution. Especially in Haaglanden, surrounding municipalities were (at the start of the game) convinced that The Hague's problems could be solved without harming their autonomy. In both cases, municipalities that surrounded the center cities felt threatened. Based on a row of (both succesful and failed) annexation attempts over the course of a century, they had reason to believe that threat of annexation was ever present. In Rijnmond this threat was not very explicit, though the visiting Minister urged Rijnmond municipalities to cooperate on the VINEX plans 'or else'. In Haaglanden, The Hague had made her stand very clear by publishing 'Geef Den Haag de Ruimte' (1988). The Hague's favoured solution to regional questions was a 'Greater The Hague'. Some of the surrounding municipalities, like those in the Westland region, aimed to only provide housing for their own population. They could do without an influx from elsewhere and did not share The Hague's perception on the problem. It took a considerable amount of effort and threat to make Westland 'accept' the task of building 4.000 villas. In Rijnmond, surrounding municipalities protested against the high production targets as well. The municipalities that now form Lansingerland managed to almost halve the task they were assigned by central government for Noordrand I/II. (Lansingerland 2014)

Dialogues of deaf and advocative analysis

When the implementation of the city province was still an option, surrounding municipalities in both regions campaigned for a subdivision of the center cities, to 'break their power' and create a better administrative balance. Of course, this was much to the dismay of the center cities, that wanted to secure their strong position in the future city province. While the administrators of Rotterdam reluctantly accepted to divide the city into sub municipalities, the population of Rotterdam overwhelmingly voted against subdivision. Consequently, the Rotterdam board changed its opinion.

To substantiate claims, arguing parties issued research bureaus to study the supposedly positive effects of their proposed solutions. In Haaglanden, many reports were written on the expected benefits of redivisions and expansion of The Hague, yet no consensus was reached. In Rijnmond, Rotterdam was (as far as this thesis could find) the only municipality used advocative analysis. By issuing polls, both in Rotterdam and (secretly) in the rest of the Rijnmond region, Rotterdam substantiated its claim for remaining undivided.

Next chapter discusses all mentioned success and failure factors if applied in the current legal and economic context.

Part 4

Prescriptive study

Multiple success and failure factors for inter-municipal cooperation have been identified during the empirical study. However, these factors applied in past times. This prescriptive study formulates recommendations for municipalities and provinces, to implement success factors in the current legal context.

Part 4 answers the following sub question:

Given the current legal context, how can lessons learned from the empirical study be used to facilitate inter-municipal management of regional supply of new housing?

And the main question:

What factors have previously determined inter-municipal decision-making concerning residential planning, and how can inter-municipal cooperation be used as a mean to manage regional supply of new housing?

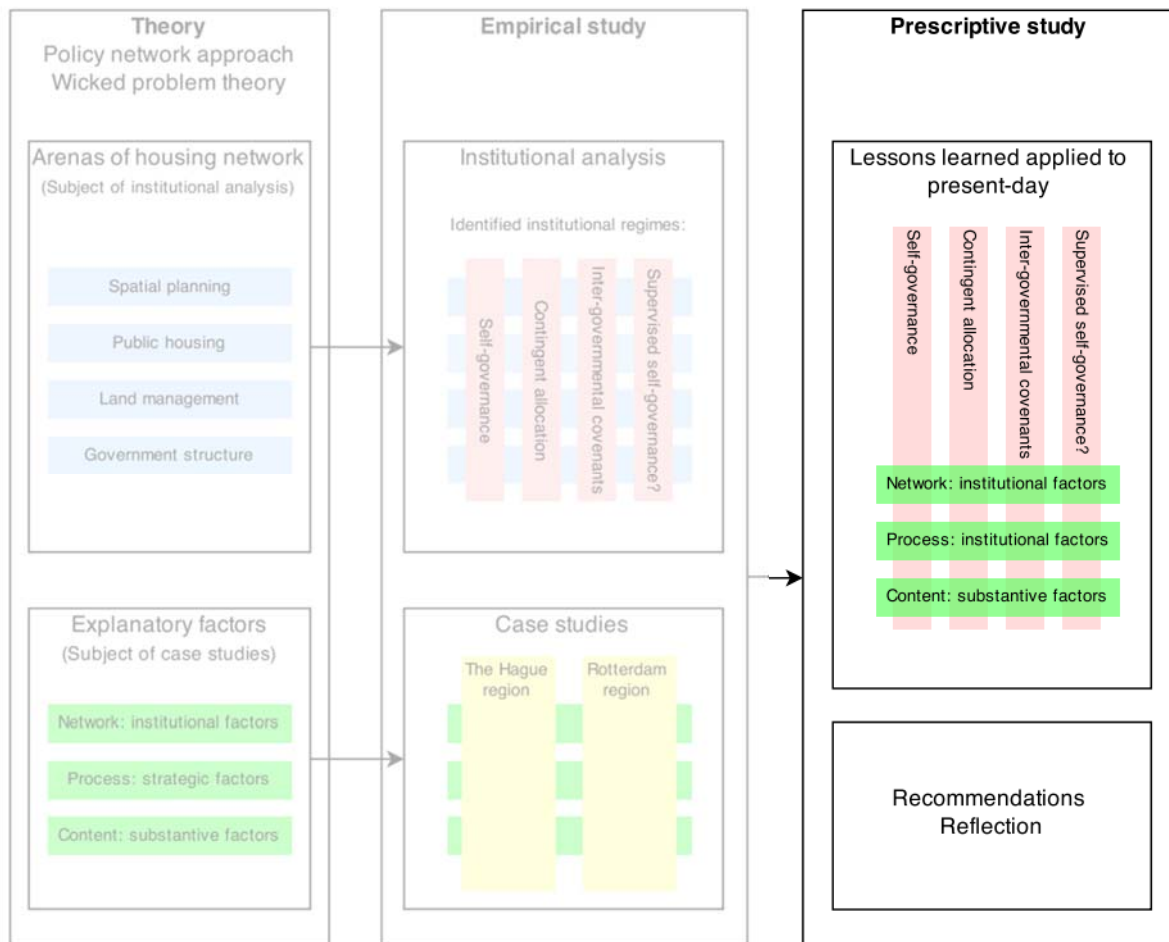


Figure 14-1: Report overview: Part 4 - prescriptive study

15 Putting lessons learned into today's practice

This chapter integrates three parts of this report: current policy problems and economic circumstances (Part 1), past institutional regimes (Part 2) and lessons learned from the VINEX-period (Part 3). It answers the last sub question: 'Given the current legal context, how can lessons learned from the empirical study be used to facilitate inter-municipal management of regional supply of new housing?'

First, section 15.1 summarizes the conclusions of the empirical study and sketches the starting point for the prescriptive study, which includes recommendations for municipalities and provinces. Second, this chapter formulates recommendations to put lessons learned from the institutional analysis and case studies into practice, while discussing the limitations of today's legislation and national policies. Section 15.2 elaborates on network management and institutional design. Section 15.3 treats possibilities for incorporation of process management. Section 15.4 concludes this chapter with recommendations for content management.

15.1 Use of past success factors in current legal context

This section revisits the current legal context and its limitations with regard to regional administrative powers and structures. It also restates why governments must take action in order to establish inter-governmental agreements, because history has proven that a regime of self-governance does not lead to cooperation on residential planning. The aim is to use past success factors of the regime of inter-governmental covenants (1983-2010) in the current legal and economic context. This section concludes with an overview of recommendations.

15.1.1 Current legal context of housing network

Land policy and management are local affairs, while the management of public housing and spatial planning is divided between municipalities and provinces. Regional Wgr-organizations have no legal authorities with regard to spatial planning and public housing. As a result of the withdrawal of the plus-status (January 1th, 2015) the continued presence of these organizations is uncertain. In order to deal with the policy problem of oversupply of new housing, provinces can not directly steer housing production through land policy, which is the responsibility of individual municipalities and public-private partnerships. They can only indirectly manage through spatial authorities.

The policy arena of the government structure is subject to major changes as WGR-plus regions cease to exist. Some regional organizations are about to be dismantled or transformed. It remains uncertain what capacities and functions future inter-municipal organizations will have. Hence it is uncertain whether inter-municipal organizations can play a role in the management of inter-municipal cooperation on housing supply.

Both the institutional analysis and the case studies showed that the process of national policy- and lawmaking with regard to regional governance is capricious and tenacious. This is proven by the row of failed implementations of 'Regionale districten', 'Gewesten', 'Bestuursrayons' and 'Stadsprovincies'. This list leads to the belief that starting a new constitutional trajectory is pointless. The institutional regimes are unique and inextricably linked to the periods during which they were in force. They can never be reproduced, since society, demographics, the structure of the housing market and legislation have evolved. Therefore, regional governance solutions must fit within today's legal framework.

Since 1996, the support for a regional government has diminished. As a consequence, the starting point for this chapter's recommendations is that no legal changes will be proposed. For example, this chapter regards the repeal of the WGR-plus act as a given and assumes that the current state structure will not change in the near future. Since the repeal of the subsidy regulation BWS, the only policy instruments that are available to provinces for steering public housing originate from the Wro (Spatial Planning Act).

15.1.2 Regulation and hierarchical involvement is necessary; pure self-governance is no option

Whether municipalities succeed to cooperate and reach agreements over supply control is highly dependent on the regional problem situation, the institutional regime and the strategies that municipalities follow. Without the (threat of) intervention or supervision by higher-level governments, municipalities have to rely on themselves for inter-municipal decision-making. Only in case of a shared problem perception or acknowledgement of mutual dependency, municipalities can actually 'govern' themselves and cooperate voluntarily on planning issues.

The case studies have shown that spontaneous establishment of shared institutions is unlikely because of municipalities' protection of autonomy and tendency to disentangle dependencies. The institutional analysis has shown that the regime of self-governance contains little mechanisms in place that can prevent or solve deadlock situations. Therefore, it can be concluded that the regime of self-governance is unfit to solve today's problems of oversupply of new housing on a regional scale. Moreover, chances are little that provinces will ever implement (or 'deregulate' into) such self-governance regime.

15.1.3 Aim for regional management through inter-governmental covenants

The case studies showed the usefulness of inter-governmental covenants. Therefore, inter-municipal cooperation should be based on 'bottom-up' self-governance with involvement of higher-level governments. The cooperation results in inter-governmental covenants with detailed agreements on residential planning. Strong and continuous involvement of the province is needed, since municipalities are dependent on its spatial authorities. Such involvement is even more important in case of a non-existing or non-functioning inter-municipal organization.

In order to establish this ideal regime, the recommendations of this chapter refer to the identified success factors with regard to institutions, process and substance. The most important factor is compulsory institutional learning, that motivates municipalities to interact and formulate new rules and targets. Still, the core principle of this regime is self-determination. If municipalities prove they can formulate regional policies on their own, they are not subject to imposed provincial decisions. The natural process and content manager is still the Wgr-based inter-municipal organization, despite its weakened legal position.

The province includes the obligation of an inter-municipal covenant on housing production in its provincial regulations (*provinciale ruimtelijke verordening*). By ratifying a covenant, the province agrees to not to react (dismiss) to land use plans that fall within the scope of the agreements. The province controls the quantitative supply of new housing by means of its spatial legal instruments: the structure vision and restrictive provisions in the provincial regulations. In addition, the *Ladder voor Duurzame verstedelijking* (Sustainable Urbanization Scale) can be used. The inter-municipal covenant is not only a derivative from provincial policies and regulations, it also functions as input.

The following table summarizes recommendations that contribute to inter-municipal cooperation as described above. Some recommendations are addressed to municipalites, others to provinces.

	Responsible government	Recommendation
Institutions: network management	Municipalities	<ul style="list-style-type: none"> - Maintain established consultative structures (<i>overlegstructure</i>) - Establish durable, periodically updated, inter-governmental covenants on residential planning
	Provinces	<ul style="list-style-type: none"> - Create artificial dependencies, such as: <ul style="list-style-type: none"> o Compulsory institutional learning; o Creation of a joint reward structure - Support the maintenance of established consultative structures
Process management	Municipalities	<ul style="list-style-type: none"> - Establish periodic consultations and moments of formal decision-making (process-type agreements) - Appoint an independent regional process manager - Create peer-review and conflict-regulating mechanisms - Expand the regional agenda to other fields of policy and consider up-scaling
	Provinces	<ul style="list-style-type: none"> - Expand the regional agenda to decentralization of care and consider up-scaling - Be reliable and consequent - Formulate a hierarchical measure as fall-back option (unilateral command & control) - Act as a process manager in case municipalities fail to cooperate
Content management	Municipalities	<ul style="list-style-type: none"> - Maintain or establish a joint civil service for content management - Manage content through unbundling roles of decision-makers and experts
	Provinces	<ul style="list-style-type: none"> - Provide (and fund) experts and content

Table 15-1: recommendations for successful inter-municipal cooperation on residential planning

15.2 Recommendations concerning the institutional context

This section treats recommendations that refer to network management: the maintenance or change of institutions. It is acknowledged that these recommendations are hardest to bring into practice, since institutional design often fails or leads to unintended outcomes.

Responsible government	Recommendation
Municipalities	<ul style="list-style-type: none"> - Maintain existing consultative structures (<i>overlegstructure</i>) such as Wgr-arrangements - Establish durable, periodically updated, inter-governmental covenants on residential planning
Provinces	<ul style="list-style-type: none"> - Create artificial dependencies, such as: <ul style="list-style-type: none"> o Compulsory institutional learning; o Creation of a joint reward structure - Support the maintenance of established consultative structures

Table 15-2: recommendations on network management

15.2.1 Create artificial dependencies: compulsory learning and joint rewards

Higher-level governments, such as the central government and provinces should create artificial dependencies between municipalities. If the municipalities are neither subject to compulsory institutional learning, nor stimulated to cooperate through a reward structure, it is unlikely that they will voluntarily further ‘entangle’ themselves to each other. The case studies showed that municipalities generally strive for more autonomy and less intervention by other governments. The province can create artificial dependencies by making inter-municipal agreements on residential planning compulsory, and by creating a reward structure that incentivizes cooperation.

The Wro gives provinces the authority to appoint areas in which new housing projects are allowed (Wro article 2.1), and to regulate the amount of new housing through provincial regulations (Wro article 4.1). By means of provincial regulations, provinces can require municipalities to submit regional input for provincial structure vision documents. If drafted and ratified, such regional covenant forms the framework within which municipalities can move and develop municipal policies, thus providing stability.

The inter-municipal covenant also functions as framework on which the province judges land-use plans that are submitted by municipalities. The province can withhold approval¹ of land use plans if the plan does not fit earlier ratified regional agreements. For an example of such requirement, see the provincial regulations of Noord-Brabant, *Verordening Ruimte 2014, article 4.3*. Defaulting on the obligation of implementing and complying to inter-municipal agreements means losing (some) autonomy to the province. The province can then impose its own vision on housing production, instead of passively ratifying the input of municipalities

In addition, the province might use the *Sustainable Urbanization Scale*. This scale is based on article 3.1.6 of the *Besluit ruimtelijke ordening* (Spatial planning decree). It aims to promote responsible land use in spatial planning. The ladder consists of three steps; questions that must be answered:

1. Does the new urban development fulfill current regional needs?
2. Can the proposed development be fitted in existing urban areas?
3. And if this is not possible, is the location outside of the urban area accessible by various means of transportation (car, bike, public transport etc.)?

The first question of the Sustainable Urbanization Scale is crucial to inter-municipal cooperation, as it requires an agreement on the definition of ‘regional needs’. Section 15.4 will further elaborate on content management with regards to identification and clarification of regional needs.

¹ Strictly speaking, the word ‘approval’ is not correct. Before 2008, the province gave its approval, based on the former Spatial planning act (WRO). Since the new Wro, the province ‘reacts’ to land use plans. Through provincial regulations, the province issues rules beforehand, and verifies whether the submitted land use plan fits these rules.

Currently, provinces are busy recalibrating their policies and spatial regulations (RIGO 2013) to comply to the *Structuurvisie Infrastructuur en Ruimte* and new prospects of future housing demand. Due to the recalibration, new regional housing production targets are being negotiated. During this study, the progress of this recalibration has not been analyzed, so it is not possible to tell whether municipalities and provinces have succeeded in making new regional residential plans and translate these into provincial structure vision documents (*provinciale structuurvisie*).

Preferably, the province creates a reward structure that stimulates municipalities to engage in inter-municipal cooperation. During the VINEX-era, the obligation of drafting and implementing a covenant was accompanied by the promise of a collective reward, subsidies for land and housing development based on agreed upon performance targets. However, given the current political climate and public budget (cuts), it is not expected that subsidy programs at such national scale will be implemented once more.

Provinces with substantial budgets can establish an incentive fund (*stimuleringsfonds*), from which non-regular subsidies can be granted, based on subsidy applications on specific bottlenecks of specific development projects. However, chances are little that the province compensates individual municipalities' land management *losse*, for three reasons. First, there are legal obstacles to overcome, such as competition regulations (*mededinging*) and the prohibition of state aid. Second, it is likely that there is no consensus whether it is 'fair' to help out municipalities with financial challenges, while others have already written off losses or pursued prudent low-risk policies. Suppose that higher-level governments are actually up to providing a financial injection into a regional land development agency (with all projects, the good and the bad-performing), or a bad bank (with only bad-performing projects). Municipalities that have bad-performing projects are likely to hand (some) responsibility to such regional organization. However, municipalities that experience less problems will then express that 'bad' or 'opportunistic' behaviour is 'rewarded' while they are not compensated for austerity policies and smart land development. A recent plan of the province of Overijssel for establishing a bad bank (*grondfonds*) was met with criticism and annulled (Binnenlands Bestuur 2014).

15.2.2 Maintain existing consultative structures such as Wgr-arrangements

Municipalities are recommended to maintain existing consultative structures such as Wgr-arrangements, despite the repeal of the Wgr-plus. It is far easier to liquidate existing organizational arrangements, than to establish new ones. That would be a pity, because the inter-municipal arrangement has two important functions. First, it works as a platform that facilitates interaction, enabling municipalities to negotiate and cooperate. Second, the organization fulfills the role of content manager and – in case of conflict - mediator. For both functions: see next sections.

Strictly, the province does not prescribe the organization (meant in its broadest sense), in which the municipalities reach agreements on residential planning, as required by provincial regulations. For example, municipalities can choose to negotiate during 'light' meetings between deputy mayors without further official support of an WGR-organization. In that case the individual municipalities sign the covenant. However, it is recommended that the establishment of a covenant on residential planning builds upon the pre-existing inter-municipal organization that was formerly tasked with the VINEX and Woningbouwafspraken covenants. This Wgr-organization is a natural channel to address the network of municipalities. The mutual task of implementing a covenant prevents municipalities from dismantling the regional organization. If the municipalities have already completely dismantled the Wgr-organization, the province can facilitate meetings of local policy-makers and administrators.

However, the future of former Wgr-plus organizations is uncertain. There are two main reasons why today's regional organization has a weaker position than before: as a result of the lack of formal authorities of the regional body and minimal reception of funding. First, the reach of the authorities of the Wgr-organization have gradually declined since the city province has been cancelled. This decline damages the regional organization's reason for existence. Due to the death blow of the repeal of the 'Plus', the Wgr-organization functions at the utmost a platform for consultation. It has no decisive power, as all agreements with regard to housing policy, land policy and spatial planning have to be ratified by the municipalities and often by the province too. Second, linked to the dismantling of the Plus-regions, the (national) funding entirely stops. Since VINEX, regional organizations have been the legal keepers of millions of euros for infrastructure, transport and housing. The prospect of funding drew municipalities towards the regional organization, that derived authority from its status as budget keeper. The left budgets for infrastructure will be transferred to the province as of January 2015. Moreover, the Wgr is then fully dependent on the contributions of the municipalities. In times of budget cuts, the regional organization is an easy

target. The regional civil service mirrors the budget of the organization. With ending funding and the threat of cuts to contribution, the civil service is likely to become a fraction of its former size.

Most of the organizations' functions will be taken over by the province, along with its national funded budgets. The important function of content manager who conducts or issues studies is likely to move to the province as well. The inter-municipal organization runs the risk of becoming an 'empty shell', only posing as a secretary to facilitate municipalities in communicating with the province. It seems as if the organization's continued existence is dependent on whether municipalities see benefits in cooperation. There is a risk that stripping the (spatial) functions from the inter-municipal organization leads to far-reaching disentanglement, in particular if municipalities disagree about levels of housing production. However, through spatial regulations, provinces still rely on the self-organizing capacities of municipalities. Therefore, the province should take an interest in the administrative 'health' of the regional organizations (*bestuurskracht*), just as it is concerned with individual municipalities. In case of a deteriorating regional organization, the province should provide support in the form of guidance by civil servants or funding.

15.3 Recommendations on process management

This section elaborates on recommendations for process management, addressing both municipalities and provinces.

Responsible government	Recommendation
Municipalities	<ul style="list-style-type: none"> - Establish periodic consultations and moments of formal decision-making (process-type agreements) - Appoint an independent regional process manager - Create peer-review and conflict-regulating mechanisms - Expand the regional agenda to other fields of policy and consider up-scaling
Provinces	<ul style="list-style-type: none"> - Expand the regional agenda to decentralization of care and consider up-scaling - Be reliable and consequent - Formulate a hierarchical measure as fall-back option (unilateral command & control) - Act as a process manager in case municipalities fail to cooperate

Table 15-3: recommendations on process management

15.3.1 Establish periodic consultations and moments of formal decision-making

Municipalities should engage into process-type agreements that establish periodic consultations and moments of formal decision-making, regardless the content of the decisions. Two types of processes can be distinguished. First, municipalities engage in the process of drafting the agreements on residential planning, which includes gathering information, carrying out analyses and developing policy goals. Second is the process of executing, monitoring and evaluating the inter-municipal covenant. In practice, these processes will probably run parallel, as the covenant needs periodical updates since both the housing market and the policy environment are subject to continuous change. Again it should be mentioned that each process is highly situation-specific. The process towards the covenant is most challenging.

Part of the process design can be provided by the province. The province requests regions to hand in the agreements prior to a certain date that fits within the policy cycle of the province. For example, the province needs regional input for the renewal of the provincial structure vision. There probably is a pre-announced term for negotiation and application of the agreements. This term structures the decision-making process for municipalities. They have a reason to kick start the negotiations, and the threat of unilateral decisions by the province might speed up the process when the deadline for application comes closer. Once ratified and implemented, the inter-municipal covenant itself works as a process-type agreement as well. It is in force for multiple years, and should include agreements on evaluation and monitoring.

15.3.2 Appoint an independent regional process manager

Municipalities need to appoint a process manager that manages the process and content of inter-municipal negotiations on residential planning.

There are two ways to reach inter-municipal agreements, requiring more or less provincial involvement. On the one hand, municipalities can reach an agreement independently, 'from a distance' from the province. Once the municipalities have signed the covenant autonomously, they seek for the province's approval on the covenant. In case of such trajectory, the Wgr-organization acts as the process manager. In person, the process manager can be:

- One of the board members of the Wgr-organization, who is a (deputy) mayor of one of the participating municipalities.
- The chairman of the board of the Wgr-organization, who is an independent executive, hired by the municipalities. For example, *Stadsregio Arnhem-Nijmegen* employed Jaap Modder and Wim Dijkstra (*Stadsregio Arnhem-Nijmegen* 2014).

The process manager can also be an executive who is hired on a temporary basis. This executive is specialized in inter-governmental negotiations on spatial planning. For example, *Stadsregio Rotterdam* employed commercial *bureau P2 Projectmanagement* (P2 2014) during planning negotiations of 2013.

On the other hand the province can be actively involved in the decision-making process as a frontrunner, co-signing the covenant. In such occasion, a senior civil servant of the province or a provincial executive (*gedeputeerde*) might act as a process manager.

There are mixes possible between the autonomous and the guided trajectory. For example, when municipalities reach a deadlock while negotiating independently, the province might step in to speed up the process and force or mediate a breakthrough. There are also variants possible with regard to 'who' signs the covenant. Either all individual municipalities agree to the covenant, or shared regional organization signs as a representative of the participating municipalities.

There is one remark. In some regions, it is possible that municipalities have already dismantled the Wgr-plus organization or stripped the policy area of residential planning. This means that the process of negotiating the covenants cannot be facilitated. In such case, stronger commitment of the province is needed. For example, the province can organize meetings between local policy-makers and supply expert civil servants who produce draft proposals.

15.3.3 Create peer-monitoring and conflict-regulating mechanisms

In order to prevent deadlocks due to conflicting strategies, municipalities need to create mechanisms for conflict-regulation, and include provisions in the inter-governmental covenant. These provisions provide an answer to the following questions. What happens if a signing municipality does not comply? Who (which government) warns, corrects or even punishes? Since each municipality individually executes his part of the covenant, who audits (potential lack of) progress? Through annual peer-monitoring, municipalities keep track of the housing production and possible bottle necks. Regulated exchange of information should provide insight in each other's progress.

In an ideal situation, the parties that are responsible for the draft of the covenant, are responsible for monitoring and auditing. However, Wgr-organization have no legal (spatial) authorities to correct failing municipalities. The success of the covenant is dependent on the performances of individual municipalities and the supervision of the province. Therefore, the role of the province should be incorporated in both monitoring and conflict-regulation.

In case municipalities do not succeed in reaching an agreement on regional housing production limits, the alternative is that the province makes deals with individual municipalities. This alternative can be included in provincial regulations as well, by means of an extra provision that allows the province to unilaterally intervene. Obviously, the municipalities' individual negotiating position towards the province is much weaker.

15.3.4 Formulate a hierarchical fall-back option and be reliable

If conflicts between municipalities seem unbridgeable, the province should be prepared to intervene. For example, if municipalities fail to reach agreements, the province drafts spatial policies for that specific region, instead of implementing the received input. Such intervention is by definition a unilateral move. By formulating and communicating a fall-back option, the province creates an urge for municipalities to reach an agreement autonomously.

The option of unilateral intervention is firmly anchored in the current legal system, because of the strong vertical relations between province and municipalities. However, the province should be reticent with the use of its power

to enforce measures. This ‘threat’ is at odds with the widely proclaimed principle of decentralization and municipal autonomy. It does not appeal to the self-reliance of municipalities and inter-municipal organizations. Unilateral decision-making by the province will probably be met with skepticism because centralization of management of housing production is perceived paternalistic. Gaining (positive) support for provincial decisions is favoured over enforcing decisions. In politics, taking unsupported, unilateral decisions is in general perceived as a weakness. It corrodes the provincials authority and respect on the long term as it harms the relation between the province and (individual) municipalities.

Firm bilateral negotiations between the province and individual municipalities can hinder inter-municipal relations. This incorporation of regional management by the province does not necessarily stimulate inter-municipal cooperation. On the contrary. If a municipality thinks its policy goals are best served by negotiating on a bilateral basis with the province, it will not consult its municipal colleagues. This behavior can spark inter-municipal distrust. Therefore province must remain as neutral as possible.

Because of the province’s role as arbiter, its actions must be:

- Transparant and consequent: during the case studies, unreliable behavior by higher-level governments has been identified as a failure factor. Municipalities are in the need of certainty about planning capacity (*plancapaciteit*). Since the province plays a central role, it is of importance that it is a reliable partner that acts in a way that is consistent, transparent and predictable, according to public policies.
- Fair and predictable: the threat of command and control has a disciplinary effect, yet it requires the province to sail a straight course and act if some municipalities become too lax with regard to the agreements.
- Unbiased: despite municipal differences, they should be treated as ‘equals’, following the same rules of the game. (*“Gelijke monniken, gelijke kappen”*).

An inter-governmental covenant only functions as all parties keep to their promises, including the province. If the province radically changes its policies, the covenant loses its value as a shared institution.

15.3.5 Expand the agenda to other policy areas and consider up-scaling

Inter-municipal cooperation should be placed in a broader perspective than residential planning. In order to execute new tasks concerning health care and existing tasks like transport, safety and waste disposal, municipalities need to cooperate. It is recommended to make cross-links between fields of policy. Municipalities should aim for uniformity in (geographical) cooperation areas, in order to prevent a patchwork of different inter-municipal arrangements. Such patchwork complicates decision-making, because making cross-links between policy arenas becomes more difficult.

Next to the aim for uniformity, municipalities should be aware of the balance between tasks or responsibilities at the municipal level, and regionalized tasks. When entering in new cooperation arrangements (of various policy areas), municipalities and provinces should always consider whether inter-municipal cooperation or up-scaling (merger of municipalities) is most suitable. Despite the notion that municipalities are extremely reluctant to give up autonomy, they need to deliberate whether the municipality still has a right to exist. Higher-level governments will not enforce up-scaling, because there is no support from the national government. The current cabinet has indicated that no forced municipal redivisions will be initiated. Redivisions should be proposed ‘bottom-up’, based on municipality’s own judgement of their administrative capacity (*bestuurskracht*). Minister Plasterk has repeatedly outed this stance in letters to the Parliament. For example, the letter that accompanied the new ‘Beleidskader Gemeentelijke Herindelingen’ (2013) read:

“Uitgangspunt is en blijft dat herindelingen van onderop tot stand behoren te komen, ofwel geïnitieerd worden door gemeenten zelf. Gemeenten zijn tenslotte het beste in staat te beoordelen of hun bestuurskracht versterking behoeft. En om te bepalen hoe de versterking vormgegeven moet worden, indien de afweging is dat versterking nodig is.” (Plasterk, 2013)

15.4 Recommendations on content management

This section elaborates on recommendations for content management, addressing both municipalities and provinces.

Responsible government	Recommendation
Municipalities	<ul style="list-style-type: none"> - Maintain or establish a joint civil service for content management - Manage content through unbundling roles of decision-makers and experts
Provinces	<ul style="list-style-type: none"> - Provide (and fund) experts and content

Table 15-4: recommendation on content management

15.4.1 Manage content through unbundling roles of decision-makers and experts

Content for decision-making is produced and submitted by both the province and municipalities. It is recommended that the province functions as a content manager of market information, as it issues and produces demand studies and collects information from municipalities. Since these studies are performed on a periodical basis, using the same method, it is expected that content becomes more reliable and accepted by municipalities.

The existing inter-municipal organization is expected to take the role as content manager.

Its weakening position because of the repeal of Wgr-plus doesn't necessarily mean that it cannot still facilitate and manage negotiations. As long as the organization exists and has some budget, it can outsource studies and facilitate interaction. This will be needed, because in order to draft and agree to a covenant, several steps need to be taken, such as joint analyses and negotiation on the interpretation of the outcomes. Especially when the covenant has potential negative consequences for the municipal budget, data collection and interpretation might become subject of fierce debate.

The collection of data on housing supply can be problematic as municipalities might want to hide their problems. In order to prevent a situation in which every municipality hires its own advisory firm to underline its stance on the state of the regional housing market, strong content management is needed. If the inter-municipal organization is too small or weak to perform this role, the province can send officials to facilitate the process of analysis and negotiation. The province can also supply knowledge, facts and figures. Most provinces annually provide household forecasts. The province and the regional organization might reach a long-term agreement with the municipalities that certain studies will be repeatedly used, such as WoON, Primos prognoses and Socrates. By agreeing on the use of certain data for a longer period, long dialogues of deaf on the state of the regional housing market can be prevented.

15.4.2 Establish or maintain a joint public service

One method of unbundling the role of decision-makers and experts is to establish (or maintain) a stand-alone regional civil service with professionals in the policy fields of housing, planning and land management. These professionals are not employees of the participating municipalities. The fact that the civil servants are not affiliated with the individual municipalities is important to establish their independence. The verb "He who pays the piper calls the tune" applies, since a civil service of a regional stand-alone organization operates in the interest of the region, the collective of municipalities.

Regrettably, existing stand-alone regional services are threatened by cuts or liquidation. Regional civil services mirror the budget of the organization. As mentioned before, municipalities seem to be disentanglers, so the likelihood of establishing or maintaining a stand-alone regional organization with a substantial civil service is limited. Undoubtedly, this shrinkage has negative consequences for the available professional knowledge and experience.

However, municipalities are faced with numerous legal changes, such as the *Omgevingswet* (Environment & Planning Act) and the *Woningwet* (Housing Act). These reforms lay distress on municipal civil services. A survey by Binnenlands Bestuur (2015) has shown that less than 10% of all municipalities is prepared for the introduction of the new *Woningwet*. A regional organization can play a pivotal role in municipal preparations by unburdening

municipal civil servants. The regional civil service performs as a platform on which knowledge and experiences are gathered.

16 Discussion of study limitations

Research is limited by time, scope, available materials, research methods and the used theoretical perspective. This section considers the limitations of this study.

16.1 Research questions

Naturally, the research questions have been very decisive for the scope of the investigation. By focusing on inter-municipal cooperation, a major part of actors in the housing network is excluded from the scope of this research: commercial developers, housing corporations and consumers. However, inter-municipal cooperation does not take place in an isolated network with only governments. Municipalities play chess on several chessboards, since they are not only bound to agreements with other governments, but also to private-law agreements. The emphasis on "public decision-making" has led to a focus on the political and public aspect of cooperation. Specific municipal market conditions have been largely ignored. Also, the main question is about lessons learned from the past. This means that present-day cooperation has not been studied.

16.2 Literature study

The empirical part of this study consists of two parts: the institutional analysis and the two case studies. Both parts have nearly completely been realized through research documents. Some interviews were conducted that are not part of this report. Still, the interviews have led to improved understanding of inter-municipal cooperation. Two of the interviews took place in regions that ultimately were excluded from this study. The four interviewees could only discuss the last five to ten years. It was often recorded that they had to "cast their minds". After all, the reliability of the results from interviews decreases as more time has past since events occurred. The interviewees also give a subjective view of decision-making, due to the specific perspective of the narrator.

16.3 Case studies as a research method

Yin (2003, 2009) describes the limitations of the case study method. Case studies are never 'complete', and by definition limited by time and availability of information. Two challenges applied to this research.

First, a major defect of case studies is that the generalizability of the results is limited. This covers both the depicted regions for the case study as the selected time period. To what extent can findings of The Hague and Rotterdam be translated to elsewhere in the country? Although the interviews with provincial officials of Gelderland and Zuid Holland are not included in this report, the talks have led to the conclusion that provinces maintain different policy approaches towards inter-municipal cooperation. With regard to the studied period, the VINEX-era, it can be questioned whether the identified success factors of cooperation also apply to present-day. The case studies have been used in an explorative manner, to discover new explanatory factors. A larger number of case studies is needed to compare cases with each other.

Second, the quality and availability of information. The choice of the cases was mainly driven by the availability of information. For this study both firsthand pieces (minutes, reports) and second hand information like previously conducted studies were used. Although attempts were made to reconstruct decision-making processes, it is virtually impossible to paint a complete picture of such a long time-span. This research had an exploratory nature. Subjective influences can not be excluded in such a study. It is possible that this author interprets events differently from other researchers. In the case of source material from the second hand, this author was dependent upon interpretations of previous researchers. Finally, the selected level of aggregation was determinative. Given the time, two regions were depicted. Zooming in, this study also could have investigated cooperation on specific VINEX-locations, instead of decision-making on the whole region. Zooming out, this study could have been a quick scan of all VINEX-regions.

16.4 Use of network theory

This research chose network theory, in particular the policy network approach, for the reason that both economic and public administration arguments play a role in inter-municipal cooperation in housing construction program. See Chapter 2 and 3 for the argumentation. There are many academic publications on inter-governmental cooperation in general, not so on residential programming. It was decided to apply the generally formulated theoretic concepts to the housing network; instead of building on what government scientists have already studied. This approach has advantages and disadvantages. It is advantageous that the policy network approach has not been applied to the subject of this study before. Thus this study provides a nice test case of the

applicability of the policy network theory. The theoretical concepts (explanatory factors and policy arenas) offered leads to describe the practice of cooperation. At the same time they created an artificial distinction between policy fields, which was much less sharp in reality. For illustration, policy arenas are constantly changing. Before WW2, spatial planning and public housing were one policy field, included in the Woningwet. Even after the second world war it was difficult to distinguish them, if only because spatial instruments were used to achieve public housing goals. Another difficult point of network theory is that every scholar chooses a different vocabulary of theoretical concepts. This study connected to the theories of Klijn and Koppenjan, and only selectively ‘borrowed’ concepts from other scholars.

16.5 Recommendations for further research

This research has focused exclusively on governments. To what extent other actors influence the inter-municipal cooperation has not been studied. As a consequence, a substantive part of the complex reality of inter-municipal cooperation has been ignored. Municipalities are not only bound by agreements with each other and higher authorities, but also to agreements and contracts with housing associations, market participants, funders and other stakeholders.

As stated, municipalities cooperate not only with different governments, but also with (semi-)public organizations. Every move on the regional chessboard has consequences for other chess boards, and vice versa. Tuning between market and government has been wrongly neglected during this study. After all, today municipalities cannot decide to cancel the supply of housing if the dwellings are part of the project portfolio of a commercial developer who has already received planning permissions. Previously, the government had a lot more grip on the housing program within its borders. While the government dominated the development market for decades, during the nineties commercial developers entered the market en masse. The following table was introduced in order to describe the wicked problem of municipalities’ different financial and legal backgrounds.

	Large municipal project portfolio*	Small municipal project portfolio*
Large project portfolio* of commercial developers	A	B
Small project portfolio* of commercial developers	C	D
* permitted development by means of a ratified land-use plan, solid projected capacity ('harde' plancapaciteit)		

Table 16-1: legal and financial backgrounds of fictional municipalities A, B, C and D.

It shows that municipalities may have different starting positions concerning their own development portfolio or commercial developments within their municipal borders. These starting points have been discussed in chapter 2. It is expected that municipalities’ background is influential to the strategies they follow. Therefore, future research should focus on the following themes.

- How do the specific legal and financial conditions (land ownership, participation in PPPs, spatial ambitions) influence municipalities’ strategies?
- To what extent are developers and housing associations involved in drafting a regional residential plan; before, during and after the negotiations?

16.6 Concluding note

Despite all observations on institutional regimes and explanatory factors, one major influence on the course of inter-municipal cooperation has not been treated by this report: people’s characters, behaviour and relationships. It seems that the further the researcher zooms into decision-making processes, the more she sees the influence of the behaviour and personal networks of individuals. The case studies showed many anecdotes of fights, friendships and clever deal-making. Eventhough the individuals’ behaviour can be explained by institutional structures, economic incentives and gaming dynamics, it remains impossible to fully grasp the complexity of the urban planning reality. At least I tried!

17 Bibliography

- De Bruijn, J. A., & Heuvelhof, E. F. (2008). *Management in networks: on multi-actor decision making*. Routledge.
- Albrechts, L. (2010). More of the same is not enough! How could strategic spatial planning be instrumental in dealing with the challenges ahead? *Environment and planning. B, Planning & design*, 37(6), 1115.
- Alexander, E. (2002). Metropolitan regional planning in Amsterdam: a case study. *Town Planning Review*, 73(1), 17-40.
- Alexander, E. R. (2000). Rationality revisited: Planning paradigms in a post-postmodernist perspective. *Journal of Planning Education and Research*, 19(3), 242-256.
- Alexander, E. R. (2001). Governance and transaction costs in planning systems: a conceptual framework for institutional analysis of land-use planning and development control-the case of Israel. *Environment and Planning B*, 28(5), 755-776.
- Allmendinger, P., & Houghton, G. (2009). Soft spaces, fuzzy boundaries, and metagovernance: the new spatial planning in the Thames Gateway. *Environment and planning. A*, 41(3), 617.
- Altes, W. K. K. (2006). Stagnation in housing production: another success in the Dutchplanner's paradise? *ENVIRONMENT AND PLANNING B PLANNING AND DESIGN*, 33(1), 97.
- Altes, W. K. K. (2009). Taxing land for urban containment: Reflections on a Dutch debate. *Land Use Policy*, 26(2), 233-241.
- Altes, W. K. K. (2010). The financial estimates and results of servicing land in the Netherlands. *Environment and Planning B: planning and design*, 37(5), 929-941.
- Arciniegas, G., & Janssen, R. (2012). Spatial decision support for collaborative land use planning workshops. *Landscape and Urban Planning*.
- Bauer, V., & Wegener, M. (1975). Simulation, evaluation, and conflict analysis in urban planning. *Proceedings of the IEEE*, 63(3), 405-413.
- Binnenlands Bestuur (2015) Gemeenten niet voorbereid op aansturen corporaties. <http://www.binnenlandsbestuur.nl/ruimte-en-milieu/nieuws/gemeenten-niet-voorbereid-op-aansturen.9479716.lynkx>
- Boelens, L. (2010). Theorizing Practice and Practising Theory: Outlines for an Actor-Relational-Approach in Planning. *Planning theory*, 9(1), 28-62.
- Boelhouwer, P., Boumeester, H., & Van der Heijden, H. M. (2006). Stagnation in Dutch housing production and suggestions for a way forward. *Journal of Housing and the Built Environment*, 21(3), 299-314.
- Bolleyer, N. (2009). *Intergovernmental Cooperation. Rational Choices in Federal Systems and Beyond*: Oxford University Press.
- Bolleyer, N., & Reh, C. (2012). EU legitimacy revisited: the normative foundations of a multilevel polity. *Journal of European Public Policy*, 19(4), 472-490.
- Bolleyer, N., & Thorlakson, L. (2012). Beyond Decentralization—The Comparative Study of Interdependence in Federal Systems. *Publius: The Journal of Federalism*, 42(4), 566-591.
- Buitelaar, E. (2010). Window on the Netherlands: Cracks in the Myth: Challenges to Land Policy in the Netherlands. *Tijdschrift voor economische en sociale geografie*, 101(3), 349-356.

- Buitelaar, E., Galle, M., & Sorel, N. (2011). Plan-led planning systems in development-led practices: an empirical analysis into the (lack of) institutionalisation of planning law. *Environment and Planning-Part A*, 43(4), 928.
- Buitelaar, E., Lagendijk, A., & Jacobs, W. (2007). A theory of institutional change: illustrated by Dutch city-provinces and Dutch land policy. *Environment and planning. A*, 39(4), 891.
- Buitelaar, E., Sorel, N., Verwest, F., van Dongen, F., Bregman, A. (2013). *Gebiedsontwikkeling en commerciële vastgoedmarkten: een institutionele analyse van het (over)aanbod van winkels en kantoren*. Den Haag: Planbureau voor de Leefomgeving en Amsterdam School of Real Estate.
- Cassell, C., & Symon, G. (2004). *Essential guide to qualitative methods in organizational research*: SAGE Publications Limited.
- CBS. (2013, May 21, 2013). Bestaande koopwoningen in april bijna 8 procent goedkoper dan jaar eerder. 2013, from <http://www.cbs.nl/nl-NL/menu/themas/bouwen-wonen/publicaties/artikelen/archief/2013/2013-05-21-m11.htm>
- Cecchini, A., & Rizzi, P. (2001). Is urban gaming simulation useful? *Simulation & Gaming*, 32(4), 507-521.
- Corselli-Nordblad, L. M., B. (2013). Third quarter 2012 compared with third quarter 2011: Euro area house prices down by 2,5%: Eurostat Press Office.
- de Bruijn, H., & ten Heuvelhof, E. (2012). *Management in Networks: On multi-actor decision making*: Routledge.
- De Bruijn, H., Ten Heuvelhof, E., & RJ, I. t. V. (2002). *Process management: why project management fails in complex decision making processes*. Berlin Heidelberg: Springer-Verlag). doi, 10, 978-973.
- De Bruijn, J., & Ten Heuvelhof, E. (2000). *Networks and decision making*: Purdue Univ Pr.
- De Wolff, H. (1998). De regiefunctie bij de ontwikkeling van bouwlocaties (The directive function in the development of building sites). *Rooilijn*, 31(2), 69-74.
- de Zeeuw, F. (2011). Achtergrond-Gebiedsontwikkeling in Nederland: diepe val dwingt tot reflectie-Ondanks nieuwe realiteit blijven bepaalde principes van kracht. *Rooilijn*(6), 404.
- de Zeeuw, F. (2012). *Grondbedrijven in zwaar weer: acteren in de crisis en anticiperen op de toekomst*. Delft: Praktijkleerstoel Gebiedsontwikkeling TUDelft.
- Dijk, T. v., Muñoz-Gielen, D., & Groetelaers, D. (2007). Expanding cities: a grounded conceptual model that allows comparing systems of greenfield land development. *Town Planning Review*, 78(3), 279-310.
- Duke, R. D. (2000). A personal perspective on the evolution of gaming. *Simulation & Gaming*, 31(1), 79-85.
- Elsinga, M. d. Wolff., H. (2010). *Beleid, Economie en Recht op het domein Ruimte: Gebruik en Ontwikkeling*
- Enserink, B., Hermans, L., Kwakkel, J., Thissen, W., Koppenjan, J., & Bots, P. (2010). *Policy analysis of multi-actor systems*: Lemma The Hague.
- Feijtel, J. t. H., Frank; van den Bouwhuisen, Isabelle. (2013). *Onderzoek naar regionale samenwerking op het gebied van grondbeleid*. Utrecht: Deloitte.
- Feiock, R. C. (2007). Rational choice and regional governance. *Journal of Urban Affairs*, 29(1), 47-63.
- Feldt, A. G. (1995). Thirty-Five Years in Gaming. *Simulation & Gaming*, 26(4), 448-452.
- Flyvbjerg, B. (2006). Five misunderstandings about case-study research. *Qualitative inquiry*, 12(2), 219-245.
- Friedmann, J. (2004). Strategic spatial planning and the longer range. *Planning Theory & Practice*, 5(1), 49-67.
- Friedmann, J. (2010). Place and place-making in cities: a global perspective. *Planning Theory & Practice*, 11(2), 149-165.
- Geltner, D., Miller, N., Clayton, J., & Eichholtz, P. *Commercial Real Estate Analysis and Investments*,(2001). *South-Western Publishing, Cincinnati, Ohio*.

- Geurts, J. L., Duke, R. D., & Vermeulen, P. A. (2007). Policy gaming for strategy and change. *Long Range Planning*, 40(6), 535-558.
- Gordon, T., Karacapilidis, N., Voss, H., & Zauke, A. (1997). Computer-mediated cooperative spatial planning. Paper presented at the Decision support systems in urban planning.
- Groetelaers, D. A., & Ploeger, H. D. (2010). Management of redeveloped industrial areas with mixed use in The Netherlands. *Journal of Legal Affairs and Dispute Resolution in Engineering and Construction*, 2(1), 73-81.
- Hajer, M. A. (2005). Setting the Stage A Dramaturgy of Policy Deliberation. *Administration & Society*, 36(6), 624-647.
- Hall, P. A., & Taylor, R. C. (1996). Political Science and the Three New Institutionalisms*. *Political studies*, 44(5), 936-957.
- Halleux, J.-M., Marcinczak, S., & van der Krabben, E. (2012). The adaptive efficiency of land use planning measured by the control of urban sprawl. The cases of the Netherlands, Belgium and Poland. *Land Use Policy*, 29(4), 887-898.
- Healey, P. (1997). *Collaborative planning: shaping places in fragmented societies*: Macmillan London.
- Healey, P. (2003). Collaborative planning in perspective. *Planning theory*, 2(2), 101-123.
- Healey, P. (2007). *Urban complexity and spatial strategies*: Routledge London.
- I&M, M. o. l. a. t. E. (2012). *Investeren in gebiedsontwikkeling nieuwe stijl: Handreikingen voor samenwerking en verdienmodellen*. Den Haag.
- institute, N. (2012). *Notitie van opbrengsten; Expertsessie Regionale Samenwerking Wonen & Ruimtelijke economie: G32-stedennetwerk*.
- Jansen, D. (2012). *De onhaalbaarheid van binnenstedelijke herstructureringsopgaven*.
- Jansen, S. J., Coolen, H., & Goetgeluk, R. W. (2011). *The measurement and analysis of housing preference and choice*: Springer Dordrecht.
- Janssen, G. (2012). *Nieuwsuur, Gemeenten verliezen miljoenen op grond: Nieuwsuur*.
- Keers. (1989). *Het Rijksgrondbeleid voor de Woningbouw sinds 1900: een historisch onderzoek*. Den Haag.
- Kickert, W. J., Klijn, E.-H., & Koppenjan, J. F. M. (1997). *Managing complex networks: strategies for the public sector*: Sage.
- Kingdon, J. (1984). *Agendas, alternatives and public choices*. Boston: Little, Brown.
- Klaassen, I. T., Wijnen, D.M.P. (2007). Nederlands-Engelse Woordenlijst stedenbouwkundige begrippen. Van Aanbesteden tot Zwaartepunt. . In F. B. TU Delft, *Ruimtelijke Planning* (Ed.). Delft.
- Koppenjan, J. F. M., & Klijn, E.-H. (2004). *Managing uncertainties in networks: a network approach to problem solving and decision making*: Psychology Press.
- Korthals Altes, W. K. (2006). Towards regional development planning in the Netherlands. *Planning, Practice & Research*, 21(3), 309-321.
- Krueger, S., & Bernick, E. M. (2010). State rules and local governance choices. *Publius: The Journal of Federalism*, 40(4), 697-718.
- Kwon, S.-W., Feiock, R. C., & Bae, J. (2012). The Roles of Regional Organizations for Interlocal Resource Exchange: Complement or Substitute? *The American Review of Public Administration*.
- Ligmann-Zielinska, A. (2009). The impact of risk-taking attitudes on a land use pattern: an agent-based model of residential development. *Journal of Land Use Science*, 4(4), 215-232.
- Ligmann-Zielinska, A., & Jankowski, P. (2007). Agent-based models as laboratories for spatially explicit planning policies. *Environment and Planning B: planning and design*, 34(2), 316.

- Ligmann-Zielinska, A., & Jankowski, P. (2008). A framework for sensitivity analysis in spatial multiple criteria evaluation. *Geographic Information Science*, 217-233.
- Ligmann-Zielinska, A., & Jankowski, P. (2010). Exploring normative scenarios of land use development decisions with an agent-based simulation laboratory. *Computers, Environment and Urban Systems*, 34(5), 409-423.
- Ligmann-Zielinska, A., & Sun, L. (2010). Applying time-dependent variance-based global sensitivity analysis to represent the dynamics of an agent-based model of land use change. *International Journal of Geographical Information Science*, 24(12), 1829-1850.
- Ligmann-Zielinska, A., Church, R. L., & Jankowski, P. (2008). Spatial optimization as a generative technique for sustainable multiobjective land-use allocation. *International Journal of Geographical Information Science*, 22(6), 601-622.
- Louw, E., Krabben, E. v. d., & Priemus, H. (2003). Spatial development policy: changing roles for local and regional authorities in the Netherlands. *Land Use Policy*, 20(4), 357-366.
- Luttik, J. (2005). De bezweringsformule voorbij. Ruimtelijk kwaliteit ontrafeld met een analysematrix. *Landschap*.
- Mâenard, C., & Shirley, M. M. (2005). *Handbook of new institutional economics* [electronic resource]: Springer.
- Margerum, R. D. (2002). Collaborative Planning Building Consensus and Building a Distinct Model for Practice. *Journal of Planning Education and Research*, 21(3), 237-253.
- Mayer, I., & Veeneman, W. (2002). *Games in a world of infrastructures: Simulation-games for research, learning and intervention*: Eburon Delft.
- Mayer, I. S. (2009). The gaming of policy and the politics of gaming: A review. *Simulation & Gaming*, 40(6), 825-862.
- Mayer, I. S., Van Bueren, E., Bots, P., van der Voort, H., & Seijdel, R. (2005). Collaborative decisionmaking for sustainable urban renewal projects: a simulation-gaming approach. *Environment and Planning B: planning and design*, 32(3), 403-423.
- Merton, R. K., Fiske, M., & Kendall, P. L. (1990). *The focussed interview: A manual of problems and procedures*. London: Collier McMillan.
- Ministerie, V. (1989). *Nota Volkshuisvesting in de jaren negentig*. Den Haag: Sdu Uitgevers.
- Ministry of Infrastructure and the Environment, I. M. (2008). *Besluit op de Ruimtelijke Ordening*. The Hague.
- Ministry of Infrastructure and the Environment, I. M. (2012). *Structuurvisie infrastructuur en ruimte*. Nederland concurrerend, bereikbaar, leefbaar en veilig, Den Haag: Ministerie van Infrastructuur en Milieu.
- Ministry of the Interior and Kingdom Relations, B. (2003). *Besluit begroting en verantwoording provincies en gemeenten*. The Hague.
- Mirghani, M., & Savenije, H. (1995). Incorporation of people's participation in planning and implementation of water resources projects. *Physics and Chemistry of the Earth*, 20(3), 229-236.
- Mok, A. (2003). *Haaglanden, plaaglanden, laag landen: de lange weg naar herindeling in de Haagse regio*: Erasmus Universiteit, Faculteit der Sociale Wetenschappen.
- Muñoz Gielen, D. (2010). Capturing value increase in urban redevelopment: a study of how the economic value increase in urban redevelopment can be used to finance the necessary public infrastructure and other facilities.
- NEEDHAM, B. (1997). Land policy in the Netherlands. *Tijdschrift voor economische en sociale geografie*, 88(3), 291-296.
- North, D. C. (1990). *Institutions, institutional change and economic performance*: Cambridge university press.
- North, D. C. (1993). *The new institutional economics and development*. EconWPA Economic History(9309002).

- NVM. (2013a). Analyse woningmarkt van de bestaande koopwoningen. 1e kwartaal 2013: NVM Wonen / NVM Data & Research.
- NVM. (2013b). Bouwvergunningen op weg naar nieuw dieptepunt. Retrieved July 7, 2013, from http://www.nvm.nl/actual/januari_2013/bouwvergunningen_op_weg_naar_nieuw_dieptepunt.aspx
- Ostrom, E. (2009). *Understanding institutional diversity*: Princeton University Press.
- Ostrom, E., Gardner, R., & Walker, J. (1994). *Rules, games, and common-pool resources*: University of Michigan Press.
- Patton, M. Q. (2005). *Qualitative research*: Wiley Online Library.
- Pedersen, A. R., Sehested, K., & Sørensen, E. (2011). Emerging Theoretical Understanding of Pluricentric Coordination in Public Governance. *The American Review of Public Administration*, 41(4), 375-394.
- Piljic, D. S., Hans. (2013). *Anders wonen. Naar een werkende woningmarkt* Kennis en Economisch Onderzoek: Rabobank.
- Planbureau), C. C. (1999). *De grondmarkt. Een gebrekkige markt en een onvolmaakte overheid*. The Hague.
- Ploegmakers, H., van der Krabben, E., & Buitelaar, E. (2012). Understanding industrial land supply: how Dutch municipalities make decisions about supplying serviced building land. *Journal of Property Research*(ahead-of-print), 1-21.
- Pouwels, I., Wind, H., & Witter, V. (1995). Multiobjective decision-making in integrated water management. *Physics and Chemistry of the Earth*, 20(3), 221-227.
- Priemus, H. (2010). The credit crunch: Impacts on the housing market and policy responses in the Netherlands. *Journal of Housing and the Built Environment*, 25(1), 95-116.
- Priemus, H. (2013). Public mortgage guarantee: instrument to cope with impacts of the financial crisis on the owner-occupied housing market evidence from the Netherlands. *Housing and the Built Environment*(28), 345-362.
- Rapoport, A. (1970). The study of spatial quality. *Journal of Aesthetic Education*, 4(4), 81-95.
- Rauws, W., & de Roo, G. (2011). Exploring Transitions in the Peri-Urban Area. *Planning Theory & Practice*, 12(2), 269-284.
- Rhodes, R. A. W. (1996). The new governance: governing without government¹. *Political studies*, 44(4), 652-667.
- Rompelberg, L. F. M. H., M.A.S. . (2008). *Financiële regie bij gebiedontwikkeling* (2nd edition ed.). Rotterdam: Fakton BV.
- Salet, W., & Woltjer, J. (2009). New concepts of strategic spatial planning dilemmas in the Dutch Randstad region. *International Journal of Public Sector Management*, 22(3), 235-248.
- Sehested, K. (2009). Urban planners as network managers and metagovernors. *Planning Theory & Practice*, 10(2), 245-263.
- Shrestha, M. K. (2008). *Decentralized governments, networks and interlocal cooperation in public goods supply*: ProQuest.
- Sornette, D., & Woodard, R. (2010). Financial bubbles, real estate bubbles, derivative bubbles, and the financial and economic crisis *Econophysics Approaches to Large-Scale Business Data and Financial Crisis* (pp. 101-148): Springer.
- Stead, D., & Meijers, E. (2009). Spatial planning and policy integration: Concepts, facilitators and inhibitors. *Planning Theory & Practice*, 10(3), 317-332.
- Tasan-Kok, T., & Baeten, G. (2011). *Contradictions of Neoliberal Planning: Cities, Policies, and Politics*: Springer.

- Tasan-Kok, T., Groetelaers, D. A., Haffner, M. E., Van Der Heijden, H. M., & Altes, W. K. K. (2011). Providing Cheap Land for Social Housing: Breaching the State Aid Regulations of the Single European Market?
- TAŞAN-KOK, T. (2010). ENTREPRENEURIAL GOVERNANCE: CHALLENGES OF LARGE-SCALE PROPERTY-LED URBAN REGENERATION PROJECTS. *Tijdschrift voor economische en sociale geografie*, 101(2), 126-149.
- TAŞAN-KOK, T., & KORTHALS ALTES, W. K. (2012). Rescaling Europe: Effects of Single European Market Regulations on Localized Networks of Governance in Land Development. *International Journal of Urban and Regional Research*.
- Ten Have et al. (2010). Financiële effecten crisis bij gemeentelijke grondbedrijven; Onderzoek i.o.v. VNG en ministerie van Infrastructuur en Milieu: Deloitte.
- Ten Have et al. (2011). Financiële effecten crisis bij gemeentelijke grondbedrijven Update 2011: Deloitte.
- Ten Have et al. (2012). Financiële effecten crisis bij gemeentelijke grondbedrijven Actualisatie 2012: Deloitte.
- ten Have, F., Killeen, R., van Kuijck, F., Jaspars, R. (2010). Gemeente Governance Grond(ig) beleid: Grondbeleid, grondexploitaties en grondbedrijven grondig bekeken. The Hague: Industry Lokaal Bestuur Deloitte.
- Tweede Kamer der Staten-Generaal. (2008a). Grondexploitatiewet (included in Wet op de Ruimtelijke Ordening). The Hague: Staatscourant.
- Tweede Kamer der Staten-Generaal. (2008b). Wet op de Ruimtelijke Ordening. The Hague: Staatscourant.
- van Bork, G. M., M.; Willems, J; Saitua Nistal, R. (2013). Verkenning woningbouwprogrammering Regio Amersfoort. Amsterdam: Economisch Instituut voor de Bouw.
- van den Berg, S. v. B., Peter; Rust, Wim; Vlek, Peter; van der Hek, Machteld. (2012). Vastgoedrekenen met spreadsheets. Vlaardingen: Management Producties.
- van den End, A. (2008). Onroerend Goed Lexicon/The Property Lexicon: Kluwer.
- van der Heijden, H., Dol, K., & Oxley, M. (2011). Western European housing systems and the impact of the international financial crisis. *Journal of Housing and the Built Environment*, 26(3), 295-313.
- van der Krabben, E., & Jacobs, H. M. (2013). Public land development as a strategic tool for redevelopment: Reflections on the Dutch experience. *Land Use Policy*, 30(1), 774-783.
- Van der Valk, A. (2002). The Dutch planning experience. *Landscape and Urban Planning*, 58(2), 201-210.
- van Oosten, J. L., Karin; Rutten, Marjet; Schakenbos, Arjan; van der Vorm, Daan; van Delden, Bert. (2012). Bouwteam: De bouw in actie(s)! Investerings- en innovatieagenda voor de woning- en utiliteitsbouw. The Hague: Ministry of the Interior and Kingdom Relations,.
- van Rij, E., & Korthals Altes, W. (2010). Looking for the optimum relationship between spatial planning and land development. *Town Planning Review*, 81(3), 283-306.
- Verbraeken, H. (2013, July 10). Dynamiek op markt koophuizen verdwijnt volgens experts definitief, Het Financieele Dagblad.
- Visser, A. v. D., Bert; van der Krabben, Erwin; Schuwer, Stefan; Sondermeijer, Julia; Vokurka, Lucas; Vollebregt, Roel; de Zeeuw, Friso. (2013). Voortgangsbrief en rapportage actieteam regionaal grondbeleid; door regionale samenwerking beter een korte schrik dan een lange twijfel. The Hague: Actieteam Regionaal Grondbeleid.
- Vlek, J. v. O., Ton; Rust, Wim; van den Berg, Sake; Chaulet, Thomas. (2011). Investeren in vastgoed, grond en gebieden. Vlaardingen: Management Producties.
- van Hülst, R., & van Montfort, A. (2007). Inter-municipal cooperation in Europe [electronic resource]: Springer.
- VROM-raad. (2000). Het instrument geslepen. Voorstellen voor een herziene WRO en voor een betere kostenverdeling bij grondexploitatie. The Hague.

- VROM-raad. (2009). Grond voor kwaliteit. Voorstellen voor verbetering van overheidsregie op (binnen)stedelijke ontwikkeling. The Hague.
- VROM (Ministry for Housing, P. a. t. E. (2007a). De Grondexploitatiewet: nieuwe regels voor de ontwikkeling van bouwlocaties. The Hague.
- VROM (Ministry for Housing, P. a. t. E. (2007b). Nota van Toelichting bij Ontwerp Besluit ruimtelijke ordening The Hague: Staatscourant.
- VROM, V. N. G., Vereniging van Grondbedrijven. (2008). Handreiking Grondexploitatiewet. The Hague.
- Witte, T. (2002). Tussen Coolingsingel en Binnenhof. Stadsregionale capriolen in Rotterdam Rijnmond. . Den Haag: SDU Uitgevers.
- Wolsink, M. (2006). River basin approach and integrated water management: Governance pitfalls for the Dutch Space-Water-Adjustment Management Principle. *Geoforum*, 37(4), 473-487.
- Yin, R. K. (2009). *Case study research: Design and methods* (Vol. 5): Sage.
- Zonneveld, W. (2005). Multiple visioning: new ways of constructing transnational spatial visions. *Environment and Planning C: Government & Policy*, 23(1), 41-62.
- Zwart, B. A. M. (2010). Design as a Mediating Vehicle. *Designing for a Region/Ed. NAL Meijsmans*, 4, 76.

1 Appendix: multi-actor network approach

1.1.1 Background of multi-actor theory

What is the main problem that political scientists (*bestuurskundigen*) and economists encounter in efforts to integrate their respective world views? Political scientists and economists have attempted to explain the workings of economy by analysis of institutions. However, institutions cannot entirely explain the workings of the economy, and vice versa. North (2005:21):

“The discipline of economics is made up of a static body of theory that explores the efficiency of resource allocation at an instant of time and under the restrictive assumptions of frictionless markets. Recent research has explored the nature of the frictions by incorporating institutions, transaction costs, and political economy into economic analysis thereby providing the theory with a bridge to the real world of real economies. But the first constraint of static analysis severely hinders our ability to analyze and improve the performance of economies in a world of continuous change. And, in fact, the employment of static theory as a source of policy recommendation in a setting of dynamic change is a prescription for the policies producing unanticipated and undesirable results.” North (2005:21)

Scharpf (2010) endorses the criticism of North, as he states that interactions are largely ignored by both welfare economists and political scientists that are involved in substantive policy research:

“They [economists and political scientists] tend to ascribe policy choices to a unitary “policy-maker” or “legislator” rather than to strategic interactions among independent actors. By the same token, even when policy must change the behavior of other actors to become effective, the conceptualization of that intervention is likely to be decision-theoretic rather than game-theoretic. The policymaker, in other words, is assumed to be engaged in a “game against nature” in which policy instruments are supposed to achieve causal effects in a “policy environment” that is either passive or characterized by a fixed reaction function that can be anticipated and manipulated by well-designed policy instruments.” (Scharpf 2010)

In order to study inter-municipal residential planning there is need for a theoretical perspective that takes into account the dynamics of both the economic aspect of residential planning which requires exchange of resources, as well as the political aspect of decision-making in the public arena. Since the 1980s, academics have been increasingly interested in bridging neo-classical economics and institutionalism. Prominent institutionalist contributors are Williamson, North and Ostrom, for which they have been awarded with Nobel prizes in economics. They reject the idea of the frictionless market by introducing the concept of transaction costs and institutions like contractual agreements as means to reduce these costs (Coase 1960, North 1990, Williamson 1980, 2000, 2010). No market can function properly without a legal (institutional) framework: *“legal institutions support market economies by enforcing contractual obligations and protecting private property from state predation.”* (Menard and Shirley: 7) The bounded rational individual is acting as an agent in an organizational arrangement, which is embedded in an institutional setting (Menard Shirley 2005, Ostrom 2005, Scharpf 2010). Through economic, social and political interaction within these institutional arrangements actors exchange resources like goods, money or information.

1.1.2 Network society

By emphasizing on institutional arrangements that support interaction, the earlier described academics have paved the way for a relative young but growing academic field: multi-actor network theory. This theory is suitable for modern society, as it has increasingly become a “network society” (Koppenjan Klijn 2004:3). Societal problems, such as inter-municipal residential planning, *“cut across the traditional jurisdictions of organizations and cross the traditional boundaries between the private and public sector. [...] The wicked problems that confront governments, private companies and societal interest groups in a complex society require a different, new approach”* (Koppenjan Klijn 2004:3).

Jessop (2010) explains why it is therefore impossible to study the state as an isolated unit:

We must locate it [the state] in its ‘strategic-relational’ context. It follows that these powers and capacities will always be conditional or relational. Their realization depends on the structural ties between the state and its encompassing political system, the strategic links among state managers and other political forces, and the complex web of interdependencies and social networks linking the state and political system to its broader environment. (Jessop 2010: 47)

Network theory acknowledges these relations and interdependencies. Interactions between actors cannot be explained by analysis of institutions alone. The network society consists of webs of relations, in which, according to De Bruijn and Ten Heuvelhof (2008:1) *“everyone depends upon everyone else. [...] A network can be defined as (1) a number of actors with (2) different goals and interests and (3) different resources, (4) who depend on each other for the realization of their goals.”* To this useful definition it should be added that the network formation is characterized by rules (institutions), *which are formed by the participating actors in earlier interactions* (Klijn Koppenjan 2010). Network theory approaches interaction between actors as a game, in which the actors interact while both guided and limited by rules (institutions).

The structure, or organization of the network influences actors' capacity to reach their goals. Multi-actor network theory uses a vocabulary of concepts that is largely originated from game theory. The resources that actors possess include financial resources, production resources, competencies, knowledge and legitimacy. The competencies refer to *“the formal/judicial authority to make certain decisions.”* (Klijn Koppenjan 2004:145).

The use of network theory enables to incorporate the actor, in this case the municipality who weighs costs and benefits of public choices (albeit in a bounded-rational way), as well as the institutions that guide the joint decision-making processes in which the municipalities engage. Next sections will further explore the concepts of multi-actor network theory as it treats this thesis' analytical framework.

2 Appendix: explanatory factors

2.1 Substantive factors and content management

This section explains how substantive factors influence inter-municipal decision-making. Furthermore, it discusses how content management can be used to prevent and break through substantive deadlocks.

2.1.1 Substantive causes for impasses and breakthroughs

Substantive uncertainty springs from future developments that can only be predicted. The science of demographic, socio-economic and socio-cultural phenomena is not exact. Also, expected market demand and profitability cannot be projected with certainty, nor the effects of residential planning on the environment. Therefore, substance, or knowledge on which residential planning is based is regularly contested and leads to stagnation of the planning game. Furthermore, actors vary in their perception on the origins of societal problems and the solution that is needed. For instance, a left wing politician argues that stimulation of affordable housing will solve socio-economic problems, whereas a right wing politician thinks stimulation of home-ownership is the path to improve people's lives. Their frames of reference clash, so do their solutions.

Cognitive misunderstanding or clashes can lead to 'dialogues of the deaf' (Klijn and Koppenjan 2004:115). These dialogues often result in 'a war of reports', also referred to as unilateral information search. In these wars, more scientific research does not necessarily lead to reduction of substantive uncertainty as there are cognitive fixations by the involved parties. Even if there are 'experts' involved, it can be that stakeholders do not understand the analysis or reject the way the analysis has been performed, so therefore do not commit to the result. It can also be that the 'timing' of research is wrong (too early or too late): it does *“not match the dynamics of the game.”* (De Bruijn et al 2003:148)

Furthermore, asymmetric argumentation structures can exist. For example, governments use a social-political argumentation structure, whereas a developer thinks in economic terms of financial gains and losses. In order to reach a breakthrough, there is a need for *joint image building, frame reflection and cross-frame discussions.* (Rein and Schon 1986 via Klijn and Koppenjan 2004:117)

2.1.2 Management of substance, preventing 'negotiated nonsense'

De Bruijn and Ten Heuvelhof (2003:42) on the fourth core element (see previous section 2.5.2): *“Parties participating in an open process (core element 1) should be given sufficient protection of their position (core element 2), while there should also be sufficient guarantees that progress will be made in the decision-making process (core element 3). As a fourth requirement, this progress should meet certain substantive quality standards. After all, there may be strongly conflicting interests that force parties to make decisions that are substantively poor and perhaps even incorrect. Therefore it is crucial that the process has a sufficient number of substantive elements. (De Bruijn et al 2003:42)”*

According to De Bruijn et al (2003) scientific assessment should be shaped into a process as well in order to contribute to the game. By doing so, differences in (expert) opinion can be incorporated. Active process management can help de-politicizing information (De Bruijn, Ten Heuvelhof, In 't Veld 2003:23). Two principles are used by network theorists (Klijn and Koppenjan 2004; Kicker et al 1997; De Bruijn et al 2003). These principles will be treated hereafter.

2.1.3 The roles of experts and stakeholders are both bundled and unbundled

Unbundling of roles means the separation of the experts and decision-makers. The experts present facts, on which decision-makers base their decisions. For example, the experts of ABF Research provide forecasts for housing demand. Local politicians debate about the desired residential planning based on the forecast. However, in practice, stakeholders do not always acknowledge expert opinions, for example because the method or demarcation of the study is contested. Information becomes politicised, as the expert's opinion matches that of the issuing stakeholder: advocative analysis. Unbundling prevents experts from becoming biased towards the issuers. A way to prevent this politisation is to collectively issue a study to experts that are acknowledged by all parties: joint analysis.

Bundling of activities means that researchers engage in intensive interaction with stakeholders during the research process. The research process and decision-making process are bundled. For instance, stakeholders might agree to submit their (interim) negotiation results to experts for a second opinion. Central government has several advisory board that consults during the drafting process of legislation. Also, by interaction consensus on the method of research can be built before the study is conducted. The quality of substance is improved by the critical attitude of stakeholders. By discussing values, data, methods etcetera, stakeholders gain knowledge about eachothers stands, thereby making enriching of the decision-making possible.

2.1.4 The process proceeds from substantive variety to selection, preferably leading to goal intertwinement

If the process is open en transparant, substance is enriched through the gathering of multiple perceptions and sources of information: a variety of options is discussed. De Bruijn et al (2003) argue that the greater the variety form which the final option is chosen, the more authoritative the option will be. Also, actors learn from eachother, thus enabling them to reflect on their strengths and weaknesses. As multiple options are explored in interaction, stakeholders might come up with an extra win-win solution that they could not produce separately. At that moment, cognitive learning happens: actors produce new views, values, arguments or thinking patterns. This enrichment can lead to goal intertwinement: all actors are happy with a solution that is not necessarily their opening bid. In order to give room to variety a substantive starting point without a premature fixation should be used. When there is cognitive and social stabilization, a selection can be made out of the various options. Naturally, if the game remains unstable, mutual selection becomes problematic. The outcome of the planning game might then be a non-decision.

With regard to substance, this thesis considers cooperation successful if there is 1) consensus on knowledge and 2) when a decision-making process ends with goal intertwinement. The consensus on knowledge must have some quality: an agreed scientific validity is needed, as opposed to 'negotiated nonsense'. The chosen solution preferably is the result of a process of solution enrichment. This is derived from a process in which multiple solutions have been considered, after which a selection is made.

2.2 Strategic factors and process management

This section explains actor's pursued strategies as an explanatory factor for impasses and breakthroughs in decision-making processes.

2.2.1 Social-strategic cause for impasses and breakthroughs

An impasse emerges when actors pursue go-alone strategies or don't interact at all. Substantial dissension is often the offspring of conflicts. Actors have different perceptions on the problem and solution, so their goals are not intertwined and they follow non-cooperative strategies. However, as a result of engaging in interactions, the nature of actors' strategies can change, leading to a breakthrough. Actors might change their strategy because of changing circumstances. Parties might start with an objective that they revise during the decision-making process as a result of strategic learning. Actors can change their behaviour from a go-alone strategy into a cooperative strategy, because they start to acknowledge their inter-dependency and regard cooperation beneficial. At the

end of the process they can be satisfied with the end result (successful cooperation!), even if this result is conflicting with the ex ante evaluation criterium. (Klijn and Koppenjan 2004:124)

The following table represents five different strategies that lead to other outcomes, as proposed by Klijn and Koppenjan (2004:49). Some strategies have a negative effect on a region’s capacity to cooperate, while others work out positively. When governments pursue a go-alone, conflictual strategies or avoidance strategies, it is likely that the decision-making process enters a deadlock. The outcomes of a process become uncertain, as actors’ behaviour is unpredictable. On the other hand, when governments engage in cooperative and facilitating strategies, successful cooperation becomes more likely. By interacting, strategic uncertainty is reduced, potentially leading to a breakthrough.

Negative	Go-alone strategies	These are strategies where the involved actor has formulated a substantive solution to a problem and attempts to realize this more or less despite his strategic dependencies. This type of strategy may result in the selection – with all of its (dis)advantages. It is, however, however, also conceivable that this strategy will evoke the resistance of other parties and will result in blockages.
	Conflictual strategies	These strategies aimed at preventing or blocking solutions or policy measures considered desirable by one actor.
	Avoidance strategies	These are strategies where parties do not really resist a particular solution, but adopt a passive attitude or avoid conflict. For instance, because they are not really interested or because they want to avoid the costs that accompany policy measures or conflicts.
Positive	Cooperative strategies	These are strategies where the actors acknowledge their external dependencies, do everything to interest other parties in their plans and
	Facilitating strategies	These are strategies inspired by the fact that cooperation is necessary to achieve a mutually beneficial solution. They are aimed at bringing parties together, mediating in conflicts, and so forth. These strategies may arise from an actor’s substantive interest but may also come from an actor’s desire to limit transaction costs or from a sense of responsibility for the course of action in a certain area.

Table 2-1: actor strategies in policy network games. Source: Klijn and Koppenjan (2004)

2.2.2 No (acknowledgement of) dependencies, no interaction

It is important to note that without dependencies (on resources), cooperation is useless. Why cooperate if one can pursue objectives in full autonomy? The reverse is also true: *“because of actor’s dependencies, problem solving in policy games is essentially an exercise in cooperation”* (Klijn and Koppenjan 2004). Therefore, the empirical study should be emphasized on the mutual dependencies between municipalities and other governments. If actors do not acknowledge their inter-dependency, chances are slim that actors will engage in a policy game.

Axelrod (1984) observes that by playing repetitive games – which is the case as residential planning almost never stops – actors grow aware of dependencies and the fact they will meet each other again in the future. According to Kickert et al (1997) this realization provides the actors with a ‘rationale’ to adopt cooperative strategies: they grow aware of the positive sides of cooperation. If parties then mutually coordinate their strategies, their individual actions are no longer in conflict. Joint action becomes possible, and cooperative behaviour *can* emerge. It is important that actors can count on each other and that there is no strategic or opportunistic behaviour.

2.2.3 Process management and process design

Impasses from strategic uncertainty can be prevented by active management of the decision-making process, the policy game. De Bruijn, Ten Heuvelhof and In ‘t Veld (2003:23-26) provide several arguments for process management. They argue that successful process management reduces substantive uncertainty, helps to enrich problem definitions and solutions, incorporates game dynamics, makes decision-making transparent, de-politicises decision-making and creates support of involved actors. Process management helps aligning actors’ strategies and changing interaction rules (Klijn and Koppenjan 2004:187, 244).

Process management should be performed by an actor (preferably ‘independent’) that serves as a network manager who can operate as a broker, facilitator, conflict manager or abiter. The presence of a network manager can increase chances for breakthroughs. (Kickert et al 1997; De Bruijn and Ten Heuvelhof 2005) Often, the network manager is a higher-level government that desires a solution to supra-local issues. The network manager can also be a third party that is hired by the negotiating parties. However, before someone can be hired, those

parties have to acknowledge that they are actually dependent and have mutual problem. Civil servants of a regional cooperation entity can also serve as a network manager, as they prepare consultations and have a good overview of different stances. It is also common in public administration to establish a steering committee that proposes policies and decisions to a collective of stakeholders.

This thesis considers cooperation successful if actors shift from non-cooperative strategies (go-alone, avoidance, conflicting) to cooperative strategies. Through interaction and idea exchange, they preferably build credit with each other. Relations have improved and mutual trust has grown.

2.3 Institutional factors and network management

This section explains the role of institutions as an explanatory factor for impasses and breakthroughs in decision-making processes. It also provides assessment criteria for judging the succesfulness of inter-municipal cooperation.

2.3.1 Institutional causes for impasses and breakthroughs

If mutual institutions between networks or actors are lacking, this can cause stagnation of decision-making. In reverse, having mutual institutions reduces the risks that accompany participating in a multi-actor decision-making process: institutions *“have a mitigating effect upon conflicts, and provide procedures for creating interaction and managing conflict”*. (Koppenjan and Klijn 2004:117). Aoki (2000) argues that by implementing facilitating institutions, interactions *“costs of information gathering, negotiation and monitoring are diminished and the willingness to invest in (the maintenance of) a common provision increases. This resembles the ‘institutions-as-an-equilibrium-approach’, in which multiple equilibria exist resulting from various initial starting positions. The reason why individual actors create such stable equilibrium situations is then based on the uncertainty and cost-reducing characteristics of institutional settings.”* (Aoki 2000, in Finegan 2010)

Shared institutions

Creation of shared institutions, or adaption or elimination of blocking institutions can cause a breakthrough in the decision-making process. With ‘shared’ this thesis means ‘shared between municipalities’. ‘Shared’ does not refer to institutions that link municipalities with higher-level governments or other actors such as housing associations and citizens. Examples of shared institutions between municipalities cover the

1. Network composition: whether there is an inter-municipal organizational arrangement
2. Reward structure: whether there is a mutual interest in cooperation, for example because of a mutual subsidy fund or the ability to gain more policy freedom. Reward does not necessarily have to be financial. Municipalities can be rewarded with more autonomy.
3. Network interaction: whether there are procedural agreements between municipalities

As explained in section 3.4 (Dutch state structure), central government has the exclusive right to decide on the room for lower-level governments to create shared institutions. It also has the right to impose institutions. Therefore, this thesis distinguishes two types of shared institutions:

1. Shared institutions that are established by higher-level government: such as the obliged participation in a regional organization (think of Wgr-plus regions).
2. Voluntary shared institutions: such as a mutual fund for supra-local funding for green/nature.

2.3.2 Management of institutions

Koppenjan and Klijn (2004:215) distinguish three types of management strategies that are aimed at changing and designing institutions:

1. Strategies aimed at the composition of the network (= change of arena rules) This strategy changes positions of actors in the policy network. For example, a new act can decentralize certain legal instruments from provinces to municipalities. The position of municipalities then strengthens, while the position of provinces weakens. It is also possible to establish an inter-municipal organization, thus introducing a ‘new’ composite actor.
2. Strategies aimed at network outcomes, changing the reward structure (= change of arena rules) A higher-level government can establish a mutual fund for municipalities, thus creating a mutual reward for cooperation. As a result, it is more profitable for a municipality to cooperate than to follow a go-alone strategy. A higher-level government can also promise policy freedom, on the condition that municipalities succeed in producing joint policies.

3. Strategies aimed at network interactions (= change of interaction rules). Example: conflict management mechanisms and periodically consultation.

However, institutional change by intent is difficult and often has many (unintended) side effects. The concept of 'institutional design' is quite misleading, as institutions are mainly the product of (a series of) policy games. If the composition of a network itself is subject of debate, parties might feel their positions threatened.

As mentioned earlier, the room for lower-level governments to alter the composition of the network is very little due to the Dutch state structure. Central government has the exclusive right to alter the constitution and, for example, sectoral legislation such as the spatial planning act. The same goes for the reward structure. Lower-level governments have very little means to earn their own income – they are heavily dependent on the allowance that is granted by central government. Network interactions are easier to establish on a voluntary basis. Interaction rules exist within

This thesis considers cooperation successful if there is institutional learning, as defined by Klijn and Koppenjan (2004). The assessment criteria reflect the explanatory factors. Newly formed institutions should be both durable and compatible with respect to different areas of policy.