

## **EVENTS AND DEBATES**

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# **Dutch Urban Policy: A Promising Perspective for the Big Cities**

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### **Background of Big City Policy**

The Netherlands' four big cities (Amsterdam, Rotterdam, The Hague and Utrecht) have been trying to convince the national government that in addition to their great potential they also have special problems. The problems peculiar to these four cities have been summarized in a 'rescue' plan for the big cities (Amsterdam, 1994: 3).

For years, the big cities have been confronted with a massive migration of inhabitants and economic activity to the surrounding municipalities, an increasing concentration of unemployment and dependency on social benefits, a rising crime rate, and a decline in safety and livability. The vibrant diversity of a metropolitan society is being transformed into an increasing separation of population groups along social, economic, cultural and geographic dividing lines. Vitality is being replaced by lack of security, tolerance by polarization.

Unemployment has reached a critical level. During the 1980s, it skyrocketed in the big cities. Unemployment among city-dwellers is about twice that for the rest of the country. Table 1 shows how unemployment in the four big cities in the Netherlands rose from 7% in 1981 to 12% in 1994, while in the suburbs of these cities unemployment increased from 4% to 7%. In the rest of the Netherlands the increase was smaller: from 6% in 1981 to 8% in 1994. These figures show that unemployment is becoming more and more concentrated in the big cities (Van der Staaij, in Ministerie van Binnenlandse Zaken, 1995a: 14).

The rescue plan calls for an administrative contract between the new cabinet (installed in 1994) and the four big cities which could record the arrangements agreed upon for each policy area. The task of coordination was assigned to the Ministry of Internal Affairs. The Big Four elaborated on some crucial topics in the rescue plan: employment; investment; safety; integration; and organization, both financial and administrative. In fact, the new cabinet (known by the names of its coalition leaders Kok, Van Mierlo and Dijkstal) incorporated that urban policy into its Coalition Program. They subsequently appointed a Secretary of Urban Affairs in charge of policy for the big cities.

One wonders why the lobbying campaign undertaken by the four big cities in 1994 was so successful. As it turns out, the new cabinet — unlike its predecessors — was

**Table 1** *Unemployment (percentage of the active population out of work) in the four big cities, their suburbs and the rest of the Netherlands, 1981–94*

|                         | 1981 | 1983 | 1985 | 1990 | 1992 | 1994 |
|-------------------------|------|------|------|------|------|------|
| Amsterdam               | 7    | 13   | 13   | 11   | 12   | 14   |
| Rotterdam               | 8    | 13   | 12   | 12   | 11   | 14   |
| The Hague               | 6    | 11   | 10   | 11   | 7    | 9    |
| Utrecht                 | 7    | 9    | 12   | 11   | 9    | 10   |
| Four big cities         | 7    | 12   | 12   | 11   | 10   | 12   |
| Suburbs of Amsterdam    | 3    | 5    | 5    | 5    | 4    | 6    |
| Suburbs of Rotterdam    | 4    | 7    | 6    | 5    | 6    | 8    |
| Suburbs of The Hague    | 3    | 4    | 4    | 5    | 4    | 6    |
| Suburbs of Utrecht      | 4    | 7    | 5    | 5    | 5    | 6    |
| Four suburban areas     | 4    | 6    | 5    | 5    | 5    | 7    |
| Rest of the Netherlands | 6    | 11   | 9    | 7    | 6    | 8    |

Source: Netherlands Central Bureau of Statistics, data processed by SCP.

prepared to honor most of the claims made by the four big cities. Their willingness may be explained largely by the policy priorities of the new cabinet members. The motto of the new cabinet was a resounding call for 'jobs, jobs, jobs' and its mission was to turn the tide of job loss. Since unemployment had become strongly concentrated in the big cities, measures to stimulate the economy of the big cities fell in line with government policy.

With regard to spatial policy, the government sought to enhance the country's competitive position in international markets. The urban economy — especially the economies of the country's mainports, Amsterdam and Rotterdam — has the most pronounced international orientation. Thus, measures to promote the competitive position of the Netherlands would naturally bolster the economies of the big cities.

An opinion poll has been held repeatedly to monitor changes in the political issues that are most critical to the Dutch. According to the outcomes, there have been some shifts in the importance people assign to the ten topics shown in Table 2. It should be kept in mind that crime is concentrated in the cities and that law and order is perceived mainly as an urban problem. In that light, the effort to promote safety and livability in the big cities will clearly strike a chord with the electorate.

**Table 2** *Key political issues according to people aged 16 and older between 1992 and 1995, percentages*

| Ten key issues                       | 1992 | 1993 | 1995 |
|--------------------------------------|------|------|------|
| Fighting crime                       | 56   | 62   | 60   |
| Reducing unemployment                | 52   | 59   | 50   |
| Keeping up social security           | 47   | 44   | 50   |
| Maintaining law and order            | 44   | 48   | 50   |
| Ensuring a stable economy            | 51   | 51   | 49   |
| Protecting freedom of speech         | 42   | 42   | 45   |
| Abating pollution of the environment | 53   | 48   | 41   |
| Making society less anonymous        | 31   | 32   | 33   |
| Promoting economic growth            | 29   | 27   | 28   |
| Preventing price increases           | 28   | 28   | 26   |

Source: SCP, 1996: 15.

The previous cabinet had decided to taper off its successful urban renewal policy. Accordingly, state support — amounting to roughly one billion guilders per year (1 US\$ is about 2 guilders) — was to be cut back step by step and eventually terminated in the year 2005. In view of the ‘newly discovered’ needs, this ‘anti-urban’ policy was deemed quite inappropriate. The new Big City Policy formed a suitable compensation for the losses previously incurred by the cities.

The introduction of a ‘city-friendly’ policy also had a political motive, which should not be taken lightly. For a number of decades, the Christian Democrat Party (CDA) had taken part in governments comprised of a shifting array of coalitions. Then, in 1994, the CDA suddenly found itself outside the government. The constituency of this party is strong in small municipalities. This made it easier for the governing coalition (a unique combination of social democrats, conservatives and progressive liberals) to profile itself in terms of its support for the big cities.

It soon proved that the problems sketched in the rescue plan for the big cities (Amsterdam, 1994) also occur in many medium-sized cities. Because the problems are just as bad there, the scope of the new policy was quickly expanded to cover 21 medium-sized cities. As a result, the political support for the policy was greatly increased. In the meantime, the Dutch economy had been growing steadily and tax revenues had been better than expected. Therefore, the government could easily intensify the Big City Policy and devote more public money to its implementation.

### Covenant on Big City Policy

As soon as a new cabinet had been installed (in 1994) and a secretary of state (Kohnstamm) had been appointed at the Department of Internal Affairs to oversee urban policy, working groups were formed to flesh out the Big City Policy. The participants were civil servants from the Ministry of Internal Affairs and the administrations of the four big cities. They got the ball rolling quickly. From the outset, there was political consensus between the cabinet and the four city councils. Another reason why they could work fast was that no legislation had to be changed or introduced. The outcome was the Covenant on Big City Policy (Ministry of Internal Affairs, 1995b), which was signed early in 1995.

In October 1995, a similar covenant was signed by the cabinet and 15 middle-sized cities.<sup>1</sup> The following year, another six municipalities<sup>2</sup> were added to this list. In this paper, however, we limit the discussion to the four big cities. The covenants deal with the topics of jobs and income, education, social services, safety and livability. Several working groups were set up to expand on these arrangements. Each of the municipalities was expected to turn the statement of intent into concrete plans, which were ready at the beginning of 1996.

The Coalition Program stipulated that the cabinet and the cities had to agree on comprehensive policies with the following aims:

- to reduce the level of compartmentalization in state government and to promote decentralization of policy;
- to reinforce the oversight function of urban government as a way of promoting the coherence between policy sectors, especially those that have been decentralized;
- to give the cities more financial leeway through reallocation of budgets.

1 These are the cities of Almelo, Arnhem, Breda, Den Bosch, Deventer, Eindhoven, Enschede, Groningen, Helmond, Hengelo, Leeuwarden, Maastricht, Nijmegen, Tilburg and Zwolle.

2 Dordrecht, Haarlem, Heerlen, Leiden, Schiedam and Venlo.

Economic activity must increase in the cities. At the same time, the cities and their neighborhoods must not become divided along socio-economic, social status and ethnic lines.

Several working groups were set up to specify the general principles and the budgetary constraints of the Covenant on Big City Policy for each of these topics. Each working group produced a preliminary report between February and April 1995. In the next section, we examine the findings reported by five working groups: Jobs and Income; Education; Social Services; Safety; and Livability. Treating these reports consecutively, we emphasize the policy proposals that refer directly to physical planning and spatial management.

## Content of Big City Policy

### *Jobs and income*

The working group on Jobs and Income published its first report on 27 February 1995. They observe that the cities have to contend with an accumulation of complex and multifaceted problems. The most blatant of these is the concentration of unemployed persons, particularly the chronically unemployed. These problems can only be surmounted by a special effort on the part of the cities and the national government.

The first goal is to create regular jobs in the market sector, specifically in small and medium-sized enterprises. To achieve this goal, the economic potential of the city must be bolstered and exploited.

In addition to generic measures (such as lower taxes and fees, deregulation, promotion of technology, improvement of labor market performance), the working group came up with a Plan of Action for the Urban Economy and Jobs. This Plan of Action included six themes: Business Sites and Services; Rules and Procedures; Technology, Innovation and Knowledge; Fiscal Provisions; Financing and EU Subsidies; and Tourism.

The theme of *Business Sites and Services* has several aspects. These include the restructuring of existing inner-city business locations; the retention and expansion of business premises in the city, particularly for small and medium-sized enterprises; fostering opportunities for mixed functions; making environmental standards more flexible; provision of a sufficient supply of industrial sites in various segments; modernization of the local business environment; and improving accessibility by accelerated implementation of infrastructure projects that have been included in the Long-Term Program for Infrastructure and Transport (Ministerie van Verkeer en Waterstaat, 1995).

The theme of *Rules and Procedures* consists of a concerted effort by the cabinet and the local authorities to examine the opportunities for and limitations of deregulation. Specifically, they explore the options for deregulation by creating enterprise zones. This exploration covers both national and local regulations. At the national level, it includes environmental and physical planning legislation, location permits, and standards for and evaluation of parking and location policy. At the local level, this inventory is focused on municipal rules and permits, including land-use regulations, fees and property taxes.

The theme of *Technology, Innovation and Knowledge* refers to projects such as intensifying the use of intermediary instruments and networks (e.g. Innovation Centers) for activities and projects in the big cities; strengthening projects for the transfer of knowledge from universities, vocational colleges and large companies to local small and medium-sized enterprises; stimulating knowledge-intensive start-up and 'running-start' companies as spin-offs from the metropolitan knowledge-based institutions and large companies; stimulating marketable knowledge and reinforcing the knowledge infrastructure; stimulating cluster projects between knowledge-based institutions and the local private sector; and stimulating projects making use of the electronic highway.

A key element of the Big City Policy is the Melkert program. Under its auspices, funds earmarked for social benefits are used to finance the creation of jobs. This scheme was named after its originator, Minister Melkert of Social Services and Employment. The program involves creating 40,000 jobs to combat unemployment at the lower end of the labor market. At the same time, the program seeks to bolster the social service functions and promote livability and safety. The small and medium-sized enterprises are expected to make a major contribution to creating these jobs.

The report by the working group on Jobs and Income includes numerous policy proposals regarding the organization of labor provisions and extra work. The big cities are given preferential treatment in putting the government's 40,000 Jobs Program into practice.

Plans are being developed for various types of pilot projects to expand the employment opportunities for people on relief. These projects would utilize monies earmarked for social benefits. The big cities are also eligible for pilot projects of this type. In total, the budget for the entire program is estimated at one billion Dutch guilders over a four-year period. The bill for that amount is divided between the state, paying half, and the four cities.

### *Education*

The state and the four big cities want education to make a major contribution to achieving the following aims:

- to combat social marginalization;
- to prevent and reduce the number of drop-outs in secondary education;
- to improve the prospects for unemployed youth;
- to assimilate foreign-born minorities and increase their participation as adults in the educational system.

The aim is to forge a coordinated and problem-oriented approach. Education should tie into local social services and youth policy, labor market policy, employment services and a comprehensive policy to reduce crime.

Each of the four big cities will consult with the school boards in their municipality — or in the municipal districts, as the case may be — in order to draw up a local covenant. The goal is to create joint use of and accountability for municipal and school resources as quickly as possible and on a voluntary basis. These efforts must seek to achieve the aims formulated in the local covenant with regard to combating marginalization and dealing with the drop-out issue. The Ministry of Education supports this process financially and administratively.

It has been agreed that financing for school buildings will be decentralized. As of 1 January 1996, the municipalities are financially responsible for elementary and secondary school buildings. The four big cities give the following estimates for carrying out deferred maintenance:

- Rotterdam: 124.0 million guilders;
- Amsterdam: 88.0 – 97.0 million guilders;
- The Hague: 73.0 million guilders;
- Utrecht: 39.5 million guilders.

To date, these claims have not yet been met by the state in the form of budgets.

### *Social services*

Urban social services are mainly directed toward the most vulnerable groups in metropolitan society. These are people whose problems have been accumulating and may have nowhere to turn: people who are homeless, addicted, in psychological crisis, who have bottomed-out financially, have no job opportunities, and so forth. These people put themselves at risk and

form a threat to their surroundings. They are also a liability to society. Thus, the topics of health, safety and livability have a spatial dimension. These groups tend to be concentrated in neighborhoods and districts where other problems are prevalent.

The joint efforts are aimed at three goals:

- to prevent people from ending up in the safety net;
- to ensure that the safety net performs as intended;
- to get people out of the safety net again.

The state and the cities act on the premise that the cities must be consulted on how the money in the fund for renewal of mental health services is to be used. The problems will be analyzed jointly by the local authorities and the program offices for the General Act on Special Healthcare Costs (AWBZ). The latter have been selected as the agency to oversee the task of overhauling urban social services. On the basis of their findings, the parties will develop a joint strategy and carry it out.

Of the 40,000 'Melkert jobs', 160 permanent slots are to be created in the provision of shelter. These positions include supervision, maintenance and housekeeping, for example, and the employees are recruited from the target group itself, if at all possible. The cities still have to develop quality control systems for the facilities within and on the margins of the safety net. Measures will be taken to ease eligibility criteria for the social rooming houses. For instance, these measures will promote the placement of drug abusers in social rooming houses and in shelters for vagrant children.

### *Safety*

Both the national government and the local authorities observe an unacceptably low level of personal safety, both objective and subjective. The feeling of being unsafe is primarily experienced in public spaces and public facilities. But safety in the home is also in decline. There is a sense that the government no longer has any noticeable influence on safety. This feeling prompts citizens to retreat even further from the public domain and public life. Especially in the large cities, a dichotomy between safe and unsafe areas seems imminent. Population groups and neighborhoods become stigmatized by their association with danger. By extension, unsafe places are associated with less favorable prospects for specific segments of the population, namely, socially disadvantaged groups among the youth, the homeless and substance abusers.

The decreasing level of safety in the big cities has been blamed on many factors. These include spatial developments, such as the following four:

- urban space is becoming anonymous;
- there is a widening gap between affluent areas and socially deprived areas;
- there is too little formal supervision in public spaces; and
- social control is getting weaker.

In a concerted effort, the state and the local authorities will try to reconquer the public domain. This will require greater efforts on the part of the state and the mobilization of citizens, civil organizations and the private sector. Neighborhood safety plans are being introduced throughout the four big cities. These will include concrete agreements between the police force, municipal services, private institutions and residents organizations on safety measures and social control.

When it is time for the government to evaluate the national building regulations, the cities will be consulted on how to include requirements for technical surveillance in their building codes. The local authorities, with the cooperation of the police, will implement a nationwide certification program for existing dwellings. Buildings that pass will be given a 'safe housing' certificate.

The national government provides the four big cities with funding to appoint extra security guards (who, incidentally, cannot arrest wrongdoers). These guards include city

patrolmen, deputy jail wardens, block custodians, school janitors, security guards, attendants in parking garages or bicycle sheds, monitors on public transport, and if possible, a fire brigade. The provisions of the 40,000 Jobs Plan will be used to the fullest extent possible. The cities will have to arrange the security measures in such a way that the tasks of supervision, control and detention can be properly coordinated. A few specific issues are the reduction of police deployment at sports matches (particularly football games); a tougher policy on prostitution; restriction of the number of gambling machines; imposition of more stringent requirements on licensed operators of food and drink establishments; and expansion of municipal powers to rescind and deny licenses.

With financial support from the state, the cities can start to pilot projects in which safety measures can be tested before applying them to new developments and neighborhoods that are about to be renovated and redesigned. In consultation with the cities, the state will develop guidelines for 'conscientious governance'. Along those lines, the cities can analyze their own organization at vulnerable places, where criminal organizations might be able to exert an influence. Together with the state, and with its financial support, the cities can start to design an assessment protocol with which to determine the integrity of potential contract partners of municipalities and other government bodies. This assessment can be preventive.

The state and the municipalities have started an offensive on juvenile delinquency. They are focusing on the prevention of problems and an effective repressive approach aimed at resocialization. Along with each of the four big cities, the state has formulated a comprehensive program to tackle the impending disintegration of segments of the youth population in the metropolitan environment. They are proceeding on the basis of the recommendations of the Commission on Juvenile Delinquency. The cities are focusing their measures on the vulnerable links in the chain home: elementary school-secondary school-labor market. In addition, they are expanding the facilities for homeless and vagrant youth. Opportunities to do community service instead of going to jail are being expanded. Together, the state and the municipalities are dealing more effectively with juvenile delinquency. The cities and the state are developing joint plans for alternatives to precautionary detention of drug addicts.

The Public Prosecutor and the police will make sure that the existing information systems serving the police and the courts allow the authorities to identify which addicts residing in the municipality cause the most nuisance. Furthermore, these systems must identify which local residents are responsible for the most criminal acts. The policy for preserving order as exercised by the police, the prosecutors and the cities will focus on suspects that fit that description.

An effort is being made to reduce the public nuisance created by 'coffee shops'. One method is to restrict the number of places where soft drugs are sold. Another method is to review the possibility of conducting an experiment, under scientific supervision, whereby hard drugs would be dispensed to addicts upon medical referral. Finally, drug addiction may be dealt with indirectly through employment instruments.

This effort is comprehensive. Attention is given to the entire chain of public safety, including the last links in that chain. That is, the range of options for preventive detention is to be expanded, while the shortage of jail cells is to be reduced. At the same time, attention is being given to the victims of crime. More money is being made available to improve care for victims of criminal acts in the four big cities. These local authorities will explore the possibility of establishing urban or regional platforms for the government and the private sector. A platform would provide the setting in which the cities, the local business community, the police and the Public Prosecutor can try to agree on an approach to urgent problems of public security. These include robberies, burglaries in industrial estates and shopping centers, and infiltration by criminal organizations. The cities will appoint a separate working group to develop a way of monitoring public safety. They will be particularly interested in the integration of information systems. These could be useful with

regard to juvenile delinquency, nuisance related to drug abuse, and identification of suspects.

### *Livability*

This working group connects livability issues with wider social problems. These include lack of safety, unemployment, vandalism, degradation, drug abuse, high dependency on social benefits, and the dereliction of dwellings, other structures and the residential environment. These problems reinforce each other and push the neighborhood into a downward spiral.

The livability policy has the following aims:

- to foster safety in districts and neighborhoods;
- to create an attractive and clean environment;
- to increase the involvement of citizens in their residential environment;
- to promote harmonious coexistence among different groups and life styles;
- to offer other preconditions that give residents the opportunity for self-actualization.

The working group has decided upon a fundamental and comprehensive approach. That approach to livability is based on a number of basic tenets. It must be a coordinated and area-oriented approach. Local authorities, housing associations and other bodies coordinate their efforts and appeal to the population's sense of responsibility. The approach emphasizes the management of the district and the neighborhood. It seeks to impose a differentiated structure on the districts. Urban renewal is continued, and the environmental interests are carefully weighed.

One element of livability is fundamental: its dependency on how people act. The social interaction, the way people take care of their dwelling and public spaces, the extent of social control, and the involvement in local affairs are crucial to livability. Newcomers will just have to adapt; in general, the ties to the district should be tightened.

An effort is made to create a differentiated population profile in a district. This is largely because the spatial concentration of disadvantaged people is considered undesirable. Differentiation can be promoted in two ways. One way is to stimulate relatively affluent households to remain in or move into the old districts. The other way is to make the expensive districts — including newly developed residential locations — accessible to the less affluent population. Specific agreements have been made between the state and the four big cities. These concern the management of the district and the neighborhood, the differentiation of districts, urban renewal, the environment and a number of other topics.

The big cities are developing comprehensive policies for the districts and neighborhoods under threat. In these plans, an extra incentive is given to district and neighborhood management. Each district appoints a management team that maintains an office in an accessible place. At least one-fourth of the Melkert jobs that are made available to the big cities will be funneled into district management and supervision. The cities derive more than half of the funding needed for district and neighborhood management from their own budgets. In addition, housing associations will also have to contribute.

The four big cities are making concrete plans for livability, based on a four-year development budget. Estimates of the desired size of that budget exceed 250 million guilders over a period of four years. This figure includes the overhead for the so-called Melkert jobs that will be created. At least 100 million of that estimated figure has not yet been arranged.

Private landlords are being reminded of their responsibility for district and neighborhood management. The emphasis lies on improving the instrument of citing landlords for deferred maintenance. This instrument only pertains to the building and not to the management of public space.

It has been announced that a livability thermometer will be developed as an aid to



monitoring progress. In fact, the entire effort to improve livability is part of the Urban Program. The European Union has only funded two of the four proposals submitted by the Netherlands requesting European support under the Urban Program: Bijlmermeer (Amsterdam) and Schilderswijk (The Hague). The state will guarantee the implementation of the other two plans: Delfshaven (Rotterdam) and Lombok (Utrecht). Opinions differ on how to introduce more differentiation, both in new developments and in older urban districts. The view of the national government differs from that of the four big cities. According to the local authorities, more subsidies on land purchases and construction are needed for new developments. They also believe that the size of the affordable housing stock poses major limitations on changing the differentiation in existing areas. The state, in contrast, takes a more optimistic view of the chances to increase the differentiation under present conditions.

Environmental policy in the four big cities will be focused on raising the environmental benefits. Accordingly, the cities seek to increase the administrative leeway for the development of areal and functional policy alternatives. The purpose is to lay the groundwork for a comprehensive assessment of the proposed environmental measures.

The working group proposes setting aside extra funds for the big cities. These reserves would allow the cities to implement the spatial development plans at an accelerated pace and with the highest possible environmental yield. The municipalities recommend making block grants available. According to one calculation, the amount available is 34.6 million guilders, whereas a sum of 83.8 million is needed. As a result, there is a shortfall of 49.2 million guilders. The shortfall is broken down as follows: 16.5 million for Amsterdam, 14.5 million for Rotterdam, 12.2 million for The Hague, and 6.0 million for Utrecht. The following section discusses the financial basis of the covenant.

Overall, the income and age variables fall into a clear spatial pattern for each of the four big cities. Higher-income families predominate in the newer areas at the city borders and in some popular inner-city areas. Lower-income families predominate in prewar areas (also after urban renewal) and early postwar districts. Furthermore, the demographic and economic situation may differ dramatically from one urban district to the next. The big city plan addresses this diversity by focusing on the district level, particularly with regard to livability and safety.

#### *Financial resources*

The money needed to finance the agreements between the local authorities and the state was drawn from various sources. A large part came from existing budgets, redirected into funds to support the policy goals; a smaller share is new money. The most important financial instrument is the transformation of social benefits into the salaries of so-called Melkert jobs. The covenant sums up the extra financial resources that become available in the framework of the Big City Policy, specifying the amounts to be devoted to each topic. It also gives an estimate of the total amount to be distributed over the period 1996–99. Where applicable, the covenant indicates a structural amount to be allocated on an annual basis for the period after 1999. The actual amount is determined on the basis of concrete plans of action that are formulated by the working groups. The monies are distributed by the departments that control their own budgets. Each year, they have to give their approval to distribute the money. Thus, the amounts that appear in the budgets are not necessarily the amounts that will actually be spent; allocation is not legally binding.

*Work and income* For 1996, the budget allows a maximum of 210 million guilders to be spent on the Melkert 40,000 Job Plan. For 1997, that program is expected to receive 350 million guilders. It is on the books for 490 million in 1998. Starting in 1999, the structural budget is set at 560 million guilders per year. These funds are tied to performance. The criteria are the number of jobs created and the number of new positions in the areas of supervision, security and child care.

Besides the Melkert program, there are several other schemes that are intended to provide employment. Funds are also reserved for those initiatives. The budget calls for another 287 million for the period 1996 to the end of 1998 and a structural contribution of 93 million per year starting in 1999.

*Urban economy* Budgets for regional economic policy, the port authority, and soil decontamination provide an investment incentive of 200 million guilders. This money is set aside to finance local economic development plans, though they may not be too small in scale.

*Livability and the urban economy* From 1996 onward, there is structural funding for neighborhood plans. A fiscal measure will yield an estimated ten million guilders to be used for this purpose.

URBAN is a program of the European Union, which provides a budget of 20 million guilders to be divided between the cities of Amsterdam and Rotterdam. Furthermore, an equal amount has been reserved for these cities through a state co-financing scheme. The cities of The Hague and Utrecht had also applied for funding from the URBAN program but were not selected. Therefore, 20 million guilders has also been reserved for each of these cities, which allows them to carry out the plans they had formulated in the URBAN framework.

*Safety* Activities related to public safety are covered by a budget of 200 million guilders for the period 1996 to the end of 1999. This money is to be distributed among the four big cities and the 15 medium-sized cities that are included in the Big City Policy. The six municipalities that were later drawn into the Big City Policy were not taken into account in this budget at the beginning. Nevertheless, at the end of 1996, supplementary funds were allocated for these cities.

In addition, there is another budget for new detention facilities. These funds are to be used to increase the number of prison cells considerably within the period covered by the covenant.

*Education* The state pays for programs to help immigrants become assimilated in Dutch society. Roughly 40% of these funds end up in the four big cities. No amounts are given; the system for providing this funding still has to be worked out.

In addition, for 1996 and 1997, half a million guilders is available to each city to finance its supervisory role in catching up on achievement deficits among pupils in elementary school.

*Social services* The four cities have immediate access to 20 million guilders for the prevention and elimination of the nuisance caused by drug abuse. At present (1996 and 1997), five million per year is available. In addition, a maximum of ten million guilders has been made available as part of the policy to combat drug nuisance. That money is earmarked for social rooming houses and shelters for drug addicts.

## From covenants to implementation

The national and local governments are making a concerted effort to reverse the downward spiral, under the motto 'a change for the better'. At the level of the district and neighborhood, an innovative formula will be applied to cooperation among residents, schools, housing associations, the police, businesses, the courts and social workers. Incidentally, it should be noted that cooperation with the private sector — shopkeepers, companies, real estate management firms, real estate agents, developers and investors — is given less attention.

Secretary of Urban Affairs Kohnstamm (in *Ministerie van Binnenlandse Zaken*, 1995a: 9) remarked that 'The covenants with the four big cities and the administrative arrangements with 15 other large cities ... must be the starting shot for a new form of public partnership, which should be centered on the results to be achieved'. This explains the emphasis on achievement, monitoring and evaluation. Prime Minister Kok (in *Ministerie van Binnenlandse Zaken*, 1995a: 38) reiterated the emphasis on decentralization and compartmentalization at both the national and the local level. As he put it, 'that means ... giving cities more room and freedom to implement policy themselves, to strengthen the oversight function of the cities as a way to promote a cohesive policy, and to increase the financial leeway for central municipalities in that well-known field: the poor central municipalities and the rich periphery. Solutions must also be found for that. And they will be found'.

There are great expectations for the implementation of the Melkert job program. Despite the resounding criticism of the plan, the program is successful, according to the Ministry of Social Affairs and Employment. The criticism was focused on the difficulty of finding work for the long-term unemployed, on the inadequate cooperation between those who have to carry out the plan, and on the possibility that regular jobs would be pushed out of the market by subsidized jobs.

According to news releases about a report soon to be published by the *Algemene Rekenkamer* [Public Auditor's Office], 85% of the jobs available in 1995 (that is, Melkert jobs and other subsidized jobs) were given to people in the category of the hard-to-place long-term unemployed. In the fight against unemployment, the criteria for success should be couched in terms of the social utility provided by this human resource.

At present, the city councils are deeply involved — along with neighborhood residents, housing associations, the business community, the market parties and civil organizations — in putting this Big City Policy into practice. It is still too early to make an inventory of the plans that are underway, let alone try to evaluate them.

### Some observations

We do not have to look far to find something to criticize in the Big City Policy. First of all, the simple adage applying to all public administration applies here too: seeing is believing. The ink on the covenants is hardly dry yet. At present, the cities are diligently working out the plans. We shall have to wait awhile before we can judge how effective the approach has been.

Another point of criticism refers to the selection of cities. Every one of the 4+15+6 cities targeted by this policy is having a hard time, while the rest of the Dutch cities are supposedly doing just fine. But the rationale behind the selection is not too clear to the critical observer. On this point, we have not seen any convincing argumentation. It doesn't make it any easier that the 13 urban nodes that according to the Fourth Report on Physical Planning enjoy some priority in investment do not match the group of 19 identified by Secretary Kohnstamm. Furthermore, the list of municipalities with extra urban renewal tasks turns out to be a different set again. It might be advisable for the state to put more order and argumentation in the policy to give large and medium-sized cities preferential treatment.

A third point concerns the fact that the Big City Policy seems to deal adequately with the software but gives too little attention to the hardware. The software — the effort to improve the livability and safety at the district level — is important in the city. But the accent on such bottom-up activities is very strong indeed. Accordingly, the focus is on stimulating the city's disadvantaged population; this is done to some extent through Melkert jobs. The hardware — investments in physical projects — have not materialized as hoped. The commitment of the Ministry of Housing, Spatial Planning and the

Environment, and the Ministry of Traffic and Public Works needs to increase considerably. And while the Ministry of Economic Affairs (1994) has made a lofty appeal to give priority to economic activity, this is not adequately reflected in the Big City Policy. The Long-Term Program for Infrastructure and Transport (Ministerie van Verkeer en Waterstaat, 1995) includes many interesting projects in all 19 cities on Kohnstamm's list. But the covenant texts say nothing to suggest that the Ministry of Traffic and Public Works has jumped on the bandwagon in support of the Big City Policy. In general, the necessary investment in physical improvements does not get enough attention in the Big City Policy. The Big City Policy is too heavy on social renewal and too light on market-oriented urban renewal.

Our fourth and last point is that the doctor (i.e. the state) has not only caused some of the cities' ailments but has even made them worse. The state has announced the end of publicly supported urban renewal, for instance. Although urban renewal is an endless task and the urban renewal fund is one of the most successful instruments of national postwar policy, the state contribution is being phased out completely within ten years. This policy has not been rescinded. Furthermore, the dissipation of housing subsidies, the desperate efforts to correct the mismatch of housing and households, and the strong market orientation of housing policy have not made it any easier for the cities to tackle a number of problems effectively. The spatial planning policy without a general right of first refusal for municipalities has knocked the rudder out of the hands of the local authorities, as they tried to develop large new construction projects. And after the proposals to break up the big cities were put to referendum and defeated in Amsterdam and Rotterdam, any discussion of forming regional entities is bound to be soft-spoken, as the once-strident voices are choked by tears. In our opinion, the Big City Policy is largely one of second thoughts; the government understands that something has to be done to compensate for the harm done by recent policy.

The critical comments mentioned above should be seen in perspective. It is also apparent that the Big City Policy is an interesting policy formula. At one and the same time, the cabinet and the parliament remain committed (in the text of the Coalition Program: the cabinet as covenant partner), whereas in principle the city councils are given the power to determine the way in which they want to tackle their problems. The targets are made explicit and the actual developments are monitored. In this way, the Big City Policy appears to be a dynamic policy that should extend beyond the term of office of a single cabinet. The Big City Policy should be reformulated once every three or four years in a covenant between the cabinet and the cities. By reviewing the agreement, the parties can learn from prior experience. It is hoped that the Big City Policy will have positive effects on policy in the areas of urban renewal, infrastructure and spatial planning. Each of these policy fields has its own special characteristics and could be harmonized along the lines of Big City Policy.

### **Perspective: restructuring the urban infrastructure towards sustainable cities**

The reasons for developing urban policies go beyond an argument to consolidate fields of policy in an administrative sense and to harmonize existing policies. We also advocate an effort to make policy more dynamic, particularly in the areas of physical design and spatial management. This would enhance the profile of those policy dimensions that have not yet been recognized or sufficiently acknowledged.

First of all, we note the lack of interest in urban restructuring. This task is related to the construction of large-scale infrastructure for traffic. We do see an interest in the

effects of putting in a high-speed railway, particularly in areas where the train does not stop. On the other hand, we do not note any concern with the impact on places where the train will eventually pull into a station. In Lille, one can admire the work of the Dutch architect Rem Koolhaas. There, the local authority was alert to the fact that a high-speed rail link is a golden opportunity with spatial implications for the city. This also applies to putting a public transport system for the city region in place. That too has spatial implications, though not only for massive new developments; it also has an impact on the built-up area away from these new locations.

Freight transport in the urban area is slated for a major overhaul. That intervention will surely have significant spatial effects. In general, the costs of putting in infrastructure, in a narrow sense, are covered by the investments of the Ministry of Traffic and Public Works. However, the costs of urban restructuring tend to be overlooked.

The above interventions are part of the urban restructuring task. Though not part of that task, there is another goal that is closely linked to restructuring. This is the transformation of the present urban areas into sustainable cities, otherwise called ecological cities, and it presents new challenges.

The current spatial policy still pursues the ideal of the compact city. Proponents of the compact city are found in the environmental movement, as this policy would preserve open space elsewhere. This standpoint expresses the paradox of the compact city, as put forward in the Second National Environmental Policy Plan (Ministerie van VROM, 1993). That document points out that environmental problems can accumulate in a compact city and easily exceed maximum allowable levels. The environment is a crucial factor, not only outside the urban areas but also within the cities. There is every reason to restrict automobile access to large parts of the city. Public transport would have to make a quantum leap in quality. We will have to become cognizant of the metabolism of urban systems and probably have to learn how to adapt urban systems. Secretary of Housing Tommel has made an explicit link between building on sites in urban extension areas and sustainable construction. But sustainability has to pertain to the urban system as a whole.

At present, we are still in a stage of studious exploration, pilot projects, and feasibility studies. However, it will not be long before we can draw some tentative conclusions for policy. We should soon be able to determine the most desirable approach. Then we will want to get started on the task of making the cities sustainable, taking one step at a time.

## Conclusions

The Big City Policy appears to be a promising, refreshing instrument whereby government can make a change for the better in the cities. It remains to be seen whether the ideals couched in the covenants can be realized. The formula does offer perspective: it is an approach with covenants — between a politically committed cabinet and a city council geared to its function as director of operations — that can be adapted from time to time in response to new developments, new insights and new political priorities. A prudent government would be wise to consider using such an approach for a coordinated urban renewal, infrastructure and spatial planning policy. This would enhance the synergy of current policy intervention. But in addition, a better foundation would be laid on which to tackle the new task of restructuring the cities and city regions from the perspective of a more sustainable urban environment.

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