

Shaping the core city: it's people that matter

About an Amsterdam tool reducing sprawl

The Netherlands have been seriously challenging urban sprawl for almost half a century. The high population density and the scarcity of land urge to face this challenge. Nevertheless, the way of dealing with it has changed over the years. And what goes for The Netherlands, in general, goes for Amsterdam in particular, being the number one metropolitan area in the country. Recently, the knowledge based economy has offered the city a new "tool" handling urban sprawl: monitoring its urban fabric on the potentials (1) nearness to the central urban mix, (2) 'quiet' residential areas with mixed urbanity 'around the corner', and (3) highbrow quality of the public realm. It makes Amsterdam polishing its internal magnet, and is proved to be an anti-sprawl "tool" as a side effect.

The population of The Netherlands has been growing fast in the twentieth century. Only in the last decenniums there was a slowdown. So already in the first half of the century, the densely populated mid-western part of the Netherlands, later known as the *Randstad*, faced problems like huge shortage of dwellings and growing traffic. It generated a general feeling of overpopulation. This concerned in particular the big cities in this area, like Rotterdam and Amsterdam. On top of that there was the common opinion that 'the city was not the place to be anymore'.

The then demographics showed that the country's population would almost have doubled in the year 2000, towards 20 million inhabitants¹. The national government reacted to this figure with a policy of spreading the population over the country: towards the north, the south and the east. However, soon afterwards policy-makers came to the conclusion that spreading *without boundaries* would cause even bigger problems. Although the big cities in the west would be 'relieved' somehow, spreading people meant as well a growing army of commuters. It proved to be very difficult to move labour as well to the same extent. And it also meant *sprawl*, the scary land consuming monster.

So in the early sixties the national government delivered the concept of 'bundled deconcentration'. Following this policy the overspill of the big cities would be accommodated in a couple of new towns and 'grow-towns' at twenty to forty kilometres from the core city. Anyway, the general opinion still was that the city was not the place to be anymore.

Although this concept canalized urban sprawl to a certain extent, the new towns were soon felt boring and middle-of-the-road. The lack of labour and city-like amenities was another complaint. So the bundled deconcentration could not restrain many people from moving to the more spatial villages and little towns in the countryside. In the rather bottom-up administered country, as The Netherlands is, the local governments still had a lot of freedom to make and carry out their own little local extension plans. And the car would bring you anywhere, anytime, anyhow.

This changing attitude towards the city was of course not a result of strictly changing individual preferences. More analytically, it was caused by primarily an industrial economy and its aligned services. An economy based on agglomeration of scales, increasing demand for space, and functional separation (negative pollution spill over effects).

Amsterdam

As has been stated in the leader, Amsterdam plays a central role in Dutch urban sprawl matters. The population of Amsterdam also grew fast, at least until the sixties. Due to the Second World War, the General Extension Plan, designed in 1935, to accommodate the population growth, was carried out only from the nineteen-fifties on. But soon the city got out of favour by the prosperous post-war population. Around Amsterdam the bundled

¹ Nowadays The Netherlands have a population of about 16 million inhabitants.

deconcentration got realized in towns like Lelystad, Almere, Purmerend and Hoorn. The population of Amsterdam declined (from 875.000 in 1960 to 675.000 in 1985), causing new problems. Because especially the rich and the middle class left the city, the population got poorer, the carrying capacity for amenities and services shrank and finally the city got neglected.

This made Amsterdam come across with huge city renewal plans from the late sixties on. But it was not just the alarm bell from within the city that made things going. It was also the growing traffic - and pollution problems and the rapid land consuming, that made both local and national governments focus on the city again.

And it is in these years that one of the main key ingredients emerged for the nowadays 'Amsterdam anti sprawl tool' that we describe below. The character of the renewal plans changed rapidly. The first plans focused on huge scale pulling down, building a CBD, high rise buildings and downtown expressways. Influenced by urban planners like Jane Jacobs, there emerged a tendency towards 'small scale' and social housing – ironically 'helped' by a declining economy. However, the interventions were still huge scale. And the city was still not the place to be.

Although, Amsterdam still had the strong image of tolerance and freedom. A growing counterculture of students and squatters proved that the city was not death at all. They also showed that Amsterdam still was *the* undeniable place for inspiration and human development. The city had always remained the cultural capital of the Netherlands. And above all it made urban planners rediscover the enormous richness of 'the existing': the delicate composition of small scale houses, workspaces, amenities, parks, waterways and so on; a composition that had been developed and changed in hundreds of years; a setting that proved to be extremely adjustable and multi-useful. In the eighties the population of the cities' central parts became supplied by the then called *young urban professionals*. The investments in the city increased, property-prices rose rapidly. Since 'Richard Florida' we account the majority of these new city dwellers to the *creative class*. In between the population grew steadily again (from 675.000 in 1985 to almost 750.000 in 2008 and, as projected, to 837.000 in 2025). What happened?

The revival of the city: economy and self-expression

The recent revival of western cities is a result of a structural shift in western economy. Since the beginning of this century also the Netherlands become influenced by the global shift of routine labour towards the eastern part of the world, and the concentration and clustering of knowledge based activities in western cities (Sassen 2001, Castells 2000). In short, knowledge based economy can be described as an economy oriented towards a service society, in which knowledge takes a growing part within the factors of production (labour, nature and capital). Exploring this knowledge creatively reveals innovation that consequently leads to new products and services resulting in booming creative economy.

This 'knowledge' is in people's minds: human capital. For the first time in the history of economy this human capital has become the utmost important production factor in western economies. And this human capital is city oriented, based on economic and social necessity. The economic reason to be in the city has three components. The first is *face to face* contacts. For knowledge appears in two ways: as standard information (accessible through for instance libraries and of course the internet), and as *tacit* knowledge. Tacit knowledge is knowledge stored in individuals, and is unique and specific in its kind. The most easiest and efficient access to this type of knowledge is by personal, that is *face to face*, contacts. And this means that meeting places, places that are available in substantial amount and diverse forms in central urban areas, are in strong prerequisite.

The second component is clustering because of *economies of agglomeration*. Creative knowledge is a hazardous occupation. The greater firms externalize these uncertainties,

resulting in a rise of small scale firms (one to five employees) that cluster because of economies of agglomeration, supplied in central urban areas (Manshanden et al 2005). Finally *diversity* featured by central urban areas, is the main source of creativity and innovation (Jacobs 1961, Jacobs 1970, Bahrtdt 1971, Gadet 1999, Florida 2002, Manshanden et al 2005). Diversity leads to synergy (and tolerance), resulting in (socio)economic dynamism!

Since the works of Richard Florida, we know that next to economic reasons to be in the city, human capital also shows social behaviour that can only be expressed in cities: namely to cash cultural capital (Engelsdorp Gastelaars et al 2006, Bourdieu 1989). The creative knowledge workers are primarily highly educated and therefore contain high levels of cultural capital. They (want to) visit and use the highbrow and diverse urban mix of amenities and services like theaters, cinema's, musea, galleries, restaurants, pubs, shops, boutiques, parks and the like (Baaren 2007, Engelsdorp Gastelaars et al 2006, Zanen et al 2006, Florida 2002, Gadet 1999).

Cities need a people climate even more than they need a business climate, Richard Florida argues. Thus, investing in lifestyle options and amenities, such as bike trails, parks, historic districts, and a diversity of cultural attractions will lure more tech firms in the long term than building research and development parks (Florida 2002). Van Baaren revealed that the preference of knowledge workers for living in mixed urban areas in Amsterdam, clearly overrules the size of the dwelling as a location selection criteria (Baaren 2007). The attractiveness of cities is therefore a location factor of utmost importance (Baaren 2007, Engelsdorp Gastelaars 2006, Florida 2002).

The economic and social orientation on the central urban realms will become even more powerful. The fast developments of wireless communication make for instance (traditional) offices redundant, but meeting places the more important. Smartphones and BlackBerries take information 'out of the air'. Not even a laptop is needed anymore to prepare oneself for a face to face meeting. According to a special report in *The Economist* (April 12th, 2008), this *cloud computing* is typical for the knowledge worker. Permanent connectivity, not motion is the critical thing, as Castells is quoted in *The Economist*.

Traditional conference rooms therefore become superfluous, but modern meeting places (where one can meet business relations and can be wireless connected to the web) the more attractive. For instance, more and more parks supply Wi-Fi connectivity. And Starbucks is an impressive example of a place where knowledge workers arrive in the morning to meet other workers, to work on their laptop, to make the necessary phone calls. These are the so called Third Places, places other than one's home (First Place) or office (Second Place), where work and free time flow together (Florida 2002, *The Economist* 2008).

Finally, there is empirical evidence that for the first time in economic history, firms follow workers (Florida 2002). Also in Amsterdam there are convincing examples of firms that settle down in the city because of the abundance of human capital. MTV Netherlands choose Amsterdam for the location of its headquarter because 80 percent of its workers lived in the pre war urban (mixed) areas. Vodafone Netherlands HQ changed from Maastricht to Amsterdam because of lack of human capital in the south east region of the Netherlands. For this same reason Philips moved its headquarters from Eindhoven to Amsterdam.

In short, the 'new economy' needs the city for its spaces for face to face contacts, for its scales of agglomeration, for its permanent diversity, and for its provisions and facilities to cash cultural capital.

Creative knowledge based economy in Amsterdam

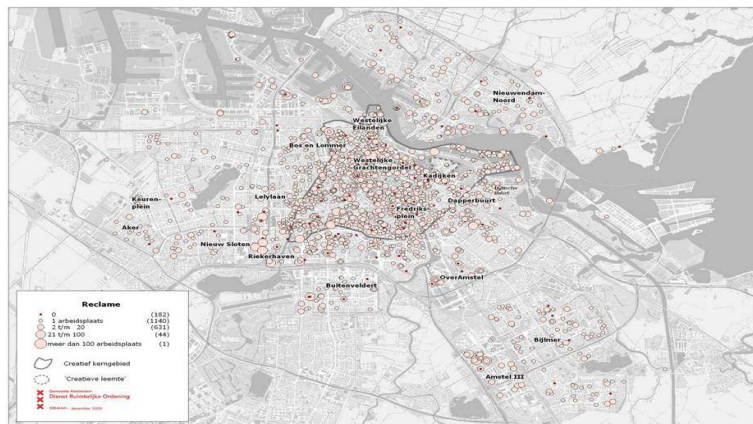
Within the creative knowledge economy of the Netherlands, Amsterdam is the unrivalled lead player. The city succeeds in establishing ties with a great many knowledge workers and players in the 'creative class'. As already mentioned, for businesses this is an additional reason to locate in Amsterdam. But where are they located in the capital city of the Netherlands?

Therefore we explored the location of creative businesses, the city parts where the creative knowledge workers live, and where they 'consume', that is, spend their leisure time (Baaren 2006, Gadet 2006, Zanan 2006, Zanan et al 2006). We defined creative knowledge workers as those who are active in the creative knowledge economy, either in the creative industries² or in the knowledge-intensive industries (universities, ICT, etc.), or in the cross-over area between the two (e.g., the rapidly growing computer and video game industry). In practice it involves a richly varied spectrum of city-oriented residents such as students, the highly educated, expats and artists. The total employment provided by the creative and knowledge-intensive economy in Amsterdam is more than 50 percent (Zanan et al 2006). The creative economy has the highest growth rates in the Amsterdam agglomeration (Zanan et al 2006). The following maps show the location of several sectors of the creative industries in Amsterdam in 2006.

map 1: performing arts

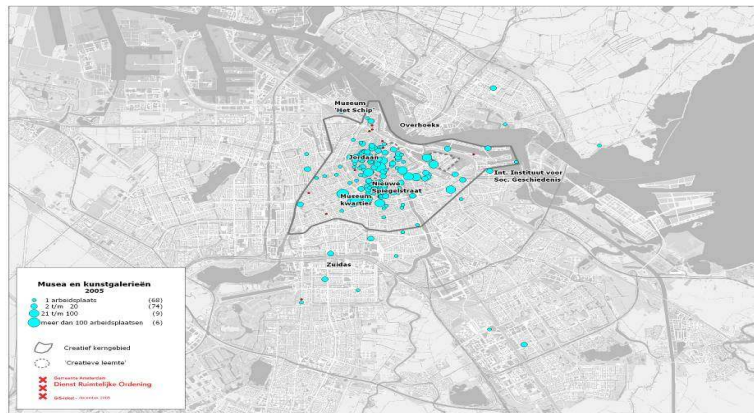


map 2: advertisement



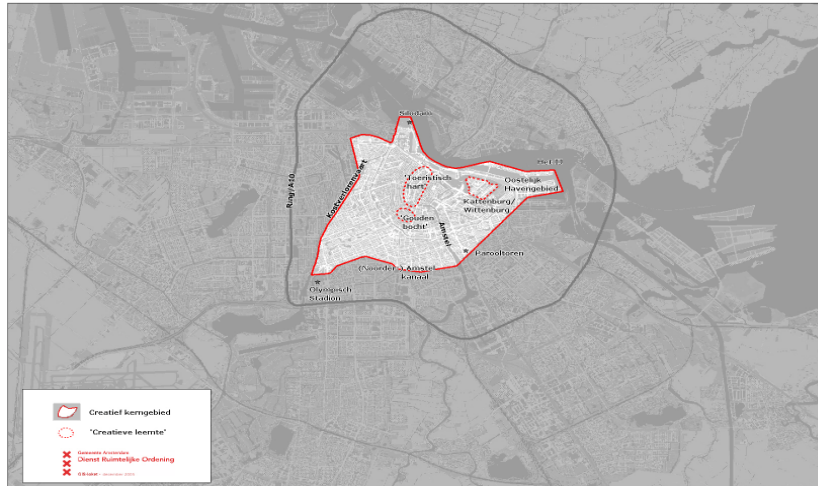
² First of all there are the arts, including performance arts, creative arts and services for the practice of art, and museums and galleries. Secondly there is media and entertainment, comprising publishing, journalism, photography, film, and radio and television. Lastly there are the creative services, such as advertising, interior and fashion design, and architecture and urban planning. The creative industries account for a total of 7 percent of employment in Amsterdam (31,000 jobs) and 12 percent of registered businesses.

map 3: musea and art galleries



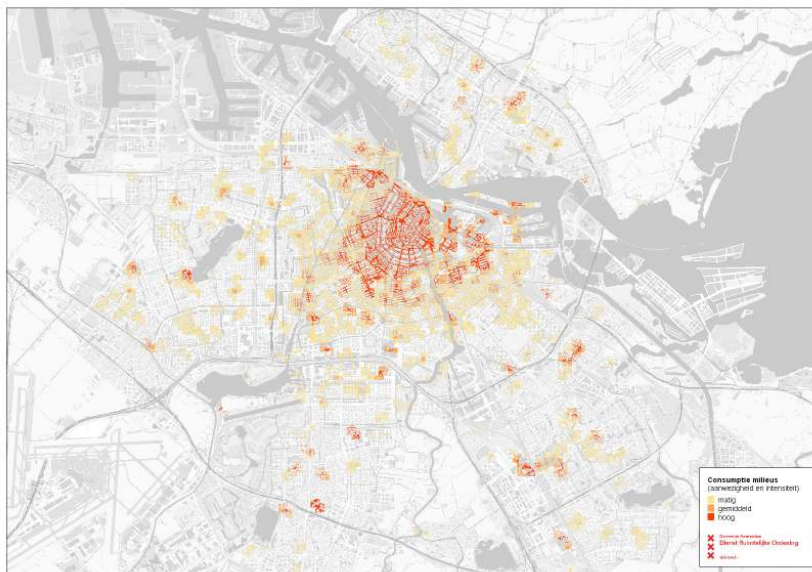
Almost all the other sectors of the creative sector show the same central orientation of the locations (Zanen 2006). The conclusion then is that the creative industries in Amsterdam are currently most highly concentrated within the A10 ring road and to the south of the IJ waterway. Within this area there is a 'core area' bounded by the IJ, Kostverlorenvaart, Noorder Amstelkanaal and Amstelkanaal waterways and a notional straight line extending from the Parool Tower to the easternmost edge of the Eastern Harbour District (see map 4).

map 4: creative core of Amsterdam 2007



There are, because of high costs and scarcity of space, areas outside this core area that have attracted the interest of creative industries. Broadly speaking there is an interesting developmental patterns to be observed: the creeping expansion of the creative core area into the 'centre periphery' immediately adjacent to it, areas such as the central stretch of the Northern Banks of the IJ, the Weesperzijde, and the Hoofddorpplein and Chassé neighbourhoods (see map 5).

map 7: leisure facilities (concentrations of restaurants and pubs, (fun)shops, cultural stages, squares, parks, and sports



However, it is important that one can avoid the tourist masses. Small-scale, exclusive and distinctive locales with attractive public space are popular, preferably bordering on water or close to greenery. Prominent spots with an unusual function or history are highly sought after, as is exceptional architecture. Lastly, areas that are cycle- and pedestrian-friendly are also in demand.

Interesting on first sight is that the modern-day commingling of living, working hours and free time can be seen in Amsterdam's spatial development: production and consumption milieus largely overlap and therefore constitute the urban milieus with a gravitational pull for the creative knowledge economy.

Location conditions of the knowledge based economy

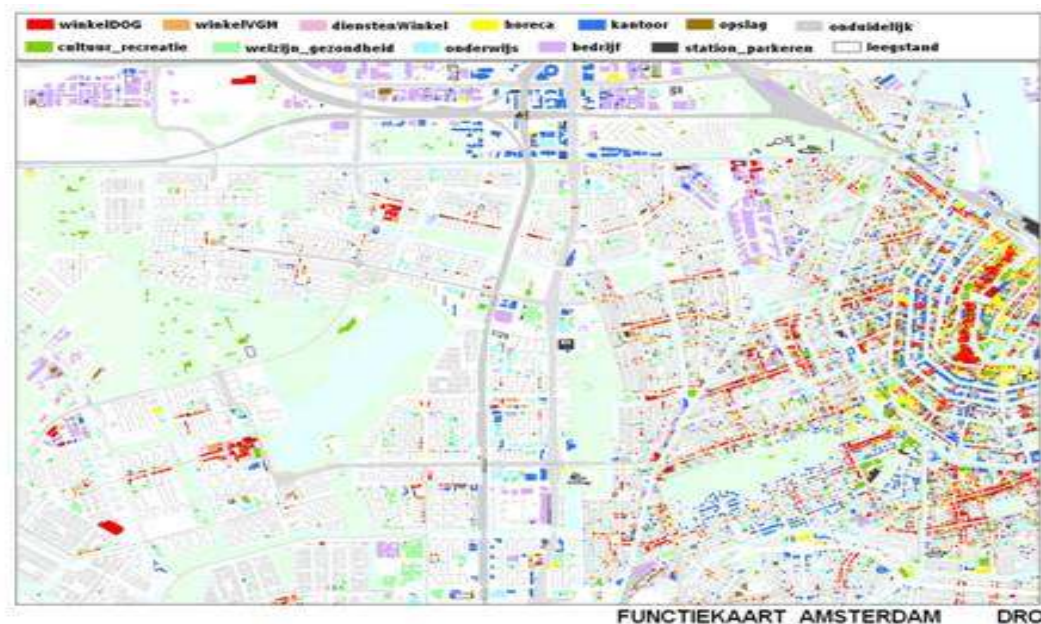
Our analysis of the data showed above and the corresponding surveys questioning creative firms and creative knowledge workers, revealed three hard core location conditions (Baaren 2006, Gadet 2006, Zanan 2006, Zanan et al 2006). The first is the *fine mixture of functions in a small scale and fine grained setting*. The Amsterdam mediaeval core, 17th century extensions and some of in the 19th century build parts of the city are nowadays still featured by an extreme mix of functions, sometimes even on the premises level, as map 8 shows.

map 8: function map: ultimate mix in Amsterdam urban core (colours are functions)



Symptomatic is the residents - workers ratio of 1:1, unique compared to Rotterdam 1:3, Copenhagen 1:4, Frankfurt 1:7, Munich 1:9 and Hamburg 1:11 (Gadet 1999). This extreme mix is made possible by the physical urban pattern that easily can adapt diverse functions (work, dwelling, freetime and traffic). The urban parts of the General Extension Plan, based on the CIAM ideas of functional separation, lack this physical fabric of small scale buildings in fine grained street pattern, and therefore the mix. And as we saw on the maps 4 and 5, these places lack therefore the existence of a creative knowledge economy (see map 9).

map 9: function map GEP extensions: ultimate monotony



The second location condition is *'quiet' residential areas with mixed urbanity 'around the corner'*. Knowledge workers prefer, as anyone, quiet residential areas. However, they differ from suburbanians for their passionate need for highbrow mixed areas or streets around the corner (see picture below).

picture 1: very quiet Reguliersgracht, next to highbrow mixed Utrechtsestraat



Thirdly, both firms as dwellers prefer a *specific quality of public space*. The quality of streets, parks, playgrounds, architectural expression, infrastructure and so on, all play a decisive role in the location decision. Simply said, beautiful mixed zones are in, ugly are out.

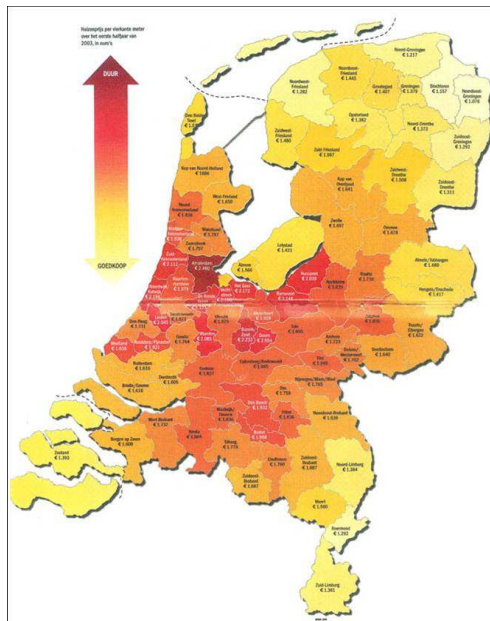
The characteristic features of Amsterdam's city centre with its diversity of functions and finely meshed urban structure makes it an ideal 'incubator', a hotbed, and this has spilled across the Singelgracht, annexing large areas of the belt of 19th century development block by block. The key urban functions such as living, working and all manner of amenities are intermingled here in a spatial setting of small-scale construction and an intricate street layout.

Creative knowledge workers find their suppliers here, meet their clients and inspiring confrères, endeavour to secure housing, look for entertainment and find their inspiration, and parade their 'bobo' lifestyle here: bourgeois at work, bohemian at play. Large-scale urban expansion areas act as a dam to the 'wave' surging outward from the historic city centre. The urban expansion areas designed by Berlage, where urban diversity is abandoned, where functions seem to be firmly fixed in zoning plans, the street layout is less refined and private ownership limited, lack the flexibility, variety and dynamics of the older sections of the 19th-century belt of development. The expansion areas set out in the Algemeen Uitbreidings Plan (AUP, or 'General Extension Plan') are the very antithesis of the city centre vis-à-vis the finely meshed functional differentiation and urban planning. Does that mean these areas stand little chance as preferred locations for the creative knowledge economy? No, but the creative class takes the path of least resistance, like water, and only spills over the dam if the water level is high enough.

Amsterdam inside the Ring: the place to be

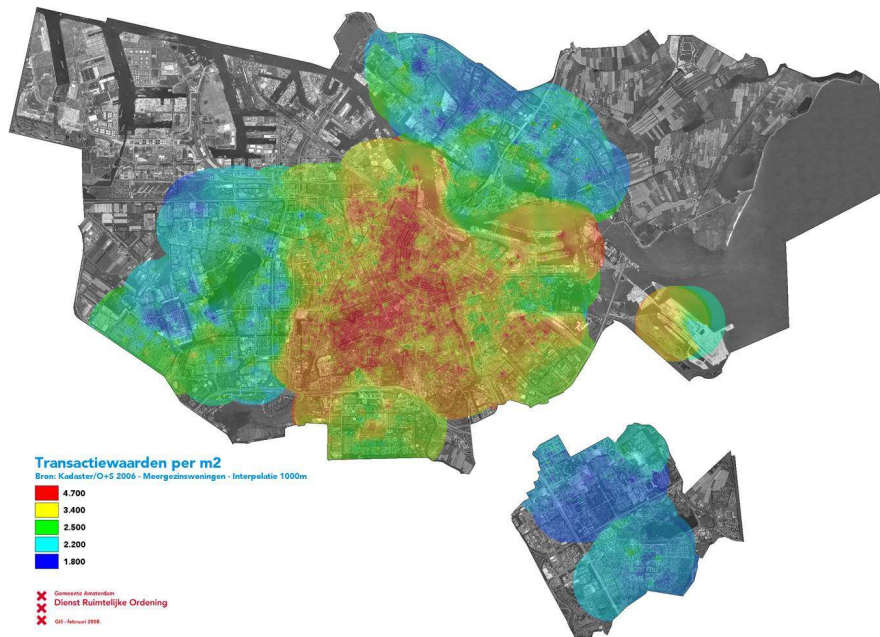
The irresistible implication of the processes described here, is a very strong demand for central urban areas, reflected in the transaction costs of apartments in the Netherlands and Amsterdam (see map 10 and 11).

map 10: square meter prices for apartments in the Netherlands



The position of Amsterdam on the national level is superior. But within the Amsterdam boundaries, there are great differences, to be explained by the processes already mentioned. Next to the creative heart is preferred. Urban fabric designed by the CIAM functionalists or large scale urban renewal of the eighties that demolished the mix, are avoided.

map 11: square meter prices for apartments in Amsterdam



Despite the desirable urban milieus, from an international perspective Amsterdam's position as a creative knowledge city is cause for mild concern. Amsterdam scores highly with regard to creative activity, but growth is very limited and the city is lagging behind on the European playing field. Of course this means that the position of Schiphol Airport is a point of serious concern, and that accessibility (including public transport) must be optimal, and that students must be housed and fibre-optic cable installed. However, this applies for all cities that profile themselves as a creative knowledge city and are aware that their competitive position must be maintained to standard.

The qualities that creative knowledge cities use to distinguish themselves from competing cities are of decisive significance. For Amsterdam these features are its finely woven structure and diversity that have evolved over the centuries.

Our statement is that places that present promising opportunities in this respect must be developed swiftly and to a high standard. Government, the private sector and residents all play a crucial role here. Locations where there are opportunities, (1) because they are very near the creative, fine mixed heart, (2) because they offer potential quiet residential areas next to urban vividness, and (3) because upgrading public space can be realised within relatively low efforts, are the green spots on map 11. They include the Northern Banks of the river IJ, and sections of the Bos en Lommer, De Baarsjes, Indische Buurt, Transvaalbuurt, Schinkelbuurt, Zeeburgereiland and Overamstel neighbourhoods. These locations display a number of the aforementioned qualities that can be mutually reinforcing and generate synergies, thus developing the location into an upcoming urban milieu. Government, market players and users must recognize and acknowledge the potential of these locations. Approaching these places as environments for production as well as consumption is an ideal strategy for swiftly gaining clarity about this. This is followed by a strategic selection, plan modifications and fine tuning.

Discussion: knowledge based economy is anti sprawl

The industrial economy is in fact an anti urban phenomenon. Of course there are industrialised cities. But be aware that the storage of a hundred of thousands of people as a city is not in any way comparable to a city needed for knowledge based economy, with diversity as described by Weber (1921), Jacobs (1961) and Bahrdt (1971). The knowledge based economy *needs* cities. And if economy needs cities, cities have to invite it open handed and generously.

A large and growing group of people is obliged to work and willing to live in the core city. Amsterdam is back as "the place to be" nowadays. The city is being felt as a full-fledged place to live in again. And it is not only singles and small households that are attracted to real urban life: the then yuppies and students and now parents with own children, continue to stay in Amsterdam as well. They don't want to sprawl any more. Seniors settle in the newly built apartment blocks, instead of following their children to the suburbs. Knowledge workers from elsewhere more and more endeavour the city of Amsterdam (again).

Is all of Amsterdam attracting? No, not yet. The story above goes mainly for the central parts, all within the A10-Circular Road. Nevertheless, the area potentially being accepted by 'hard core' city-dwellers is growing, but not yet equipped to accommodate these new urbanites. There are some interesting initiatives. A great deal of the 5.500 dwellings which are raising every year is bordering the city core. Former docklands and industrial areas are being transformed to mixed urban neighbourhoods. Empty office spaces get redeveloped into apartments, retail, hotel- or other functions. Indeed, developing large scale peripheral monotonous residential districts is no longer the planning paradigm. Yet, there is a lot of work to do.

Amsterdam is the core city of a metropolitan area of about 2.3 million people. The one half lives in the compact central agglomeration, the other half in rather compact towns in the surroundings. So far, a firm compact city policy has succeeded to a certain extent to canalize the process of urban sprawl. Nevertheless, growing pressure on the scarce land makes new planning strategies inevitable.

Amsterdam nowadays is redefining its position among the larger cities in the globalizing world. Currently, the knowledge based economy has been very helpful finding out ways in this process. Not so long ago the internet was thought to make every creative enterprise and employee footloose. However, it proves to be the other way around: the knowledge based economy assigns the 'places to be' (also see Florida 2008). Amsterdam is one of these places! Accommodating the knowledge economy is 'all about people'.

Shaping the core city: it's *people* that matter, people that want and need to be 'part of it all'. People develop a strong sense for the 'right' places to live and work. For many of them traditional and rational settlement factors get less important, like the size of the house and the amount of parking space. To this growing group city-life is far more advantageous than inconvenient.

It is now up to the local government, institutional developers, and private investors together, to decide to use the 'tool' of monitoring and defining existing urban areas with high potentials based on the perspective described above. In a nutshell:

- *fine mixture of functions in a small scale setting*
- *'quiet' residential areas with mixed urbanity 'around the corner'*
- *the specific and high quality of public space*

With this tool, these actors can then initiate the adaptation of the new economy on the right place. For Amsterdam these are the green and some of the bordering blue spots on map 11. That is within already built up urban areas! Once the 'right places' are determined, there are several options to interfere in the urban fabric. We mention only some of the instruments government can use to achieve this. Ordered by increasing degree of complexity, these are policy relating to public space (greenery, tidiness, attractiveness), traffic policy (cycle networks, low-traffic areas), legislation concerning the assembling of the dwelling structure (namely to create larger properties), the conversion of functions, and specialization in the provision of amenities (including retail). How these instruments should be deployed depends on the location in question, must be decided in consultation with other actors, and requires appropriate timing. Above all, the guiding principle for political and governmental action at every level must be the great significance of the specific urban attributes for the creative knowledge economy.

Recent developments in Amsterdam show that this strategy is quite successful and fruitful. As a side effect it reduces sprawl. Preliminary thoughts on other Dutch cities, Berlin and London reveal the general value of this analysis and strategy.

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