The Amsterdam Metropolitan Area: towards a creative knowledge region?

Pathways to creative and knowledge-based cities: case Amsterdam

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ACRE report [2.1]

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ACRE

ACRE is the acronym for the international research project Accommodating Creative Knowledge – Competitiveness of European Metropolitan Regions within the enlarged Union.

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0 Executive summary

Amsterdam is the capital and largest city of the Netherlands and is located in the densely populated Randstad urban region, which furthermore includes Rotterdam, The Hague and Utrecht. The Amsterdam Metropolitan Area is a growing region, where growth mainly takes place in 'new towns' in the wider region, while growth in the core city is stagnating because of limited building space. The region has a relatively young and diverse population and is especially characterized by high shares of 'non-Dutch' residents and single-person households. The region is relatively mixed in socio-economic terms and also has a relatively highly educated active population.

Amsterdam has a rich history as a trade centre and has especially been successful in the 17th century, the so-called 'Golden Age'. In the 18th and 19th centuries, Amsterdam's economy stagnated and the city region missed the Industrial Revolution. The city never had a 'primate city' status in the Netherlands; tasks have always been divided between Amsterdam (financial centre), Rotterdam (industrial centre) and The Hague (political centre). This development path is still structuring Amsterdam's economy in the early 21st century. Currently, the regional economy is still dominated by the service sector (85% of all regional employment; even 92% in the city of Amsterdam) and has only modest industrial and agricultural sectors. The region is specialized most in the sectors transport, distribution and communication, financial services and hotels and restaurants. Also, the region has an above average share of professionals and senior officials, and this share has been growing as well over the last few years. The regional economy is very diverse, which means that a decline in one sector can always be compensated or at least mitigated by growth in other sectors. This makes the city less vulnerable in times of economic change. Some important sectors in the region (e.g. ICT and tourism) are highly dependent on the development of the world economy, which resulted in economic stagnation at the beginning of the 21st century, but also to new economic growth since 2004.

The Amsterdam metropolitan area is the economically most powerful region of the Netherlands, but does not dominate the national economy on its own because of the earlier mentioned decentralized urban system. The Amsterdam region has 17% of all Dutch companies and 15% of all national employment. An interesting development is that the city of Amsterdam is no longer the only significant economic centre within the region. Although the city still has 40% of all regional employment, most growth takes place in other regional sub-centres. The growth of the wider region does not automatically imply a decline of the city of Amsterdam. Rather, the city and the rest of the region are complementary.

The number of companies has increased over the last 5 years, and an increasing share of new companies belongs to knowledge-intensive and creative industries. In total, 31% of all regional companies and 26% of all regional employment currently belong to the creative knowledge sectors, which is much more than the national figures. Even 24% of all Dutch creative knowledge companies are located in the Amsterdam metropolitan area, making it the prime concentration of the Dutch creative knowledge economy. Especially for certain creative

industries and the 'law and other business services' sector, the Amsterdam region is dominant. It is also the financial capital of the Netherlands; especially in terms of headquarters and stock exchange activities. The creative industries have a small share in the total regional number of firms (15%) and the total regional employment (8%), but for most creative industries, the shares in the Amsterdam region are higher than on the national level. The creative knowledge sectors are concentrated in a few districts or sub-regions; mostly in places with an historic character or locations that are highly accessible by different kinds of transport. Often, there are a few large companies on peripheral locations and many smaller companies in the inner-city milieus.

The reason for the Amsterdam region's recent economic success can be found in the attractiveness of its business climate, as formulated by the European Cities Monitor 2006. The region's strong points are perceived to be the good accessibility to markets, the availability of highly-educated and bilingual staff, the high quality transport connections (Schiphol airport) and the high living standard of personnel. Related to this are the so-called 'soft-factors': improved safety; the presence of many (cultural) facilities that make face-to-face contacts possible (especially in the city of Amsterdam, but to a lesser extent also in the wider region); the availability of many green spaces in the city and the variety of landscapes in the wider region; diversity in ethnicity and lifestyles; a tolerant and liberal climate (especially in the city of Amsterdam, though this climate seems to have worsened there in recent years); the historic and unique inner city of Amsterdam and several attractive historic towns in the wider region. Negative aspects, however, are high costs of living, the shortage of (affordable) housing and high personnel costs.

The current policy agenda is focusing on increasing the competitiveness of the Amsterdam Metropolitan Area and tries to promote the Amsterdam region as an attractive location for enterprises. The creative knowledge industries play a prominent role in these policies, since they are regarded as the key to economic success. Very recently, however, the local government of Amsterdam at the same time tries to fight the reverse side of the knowledge economy: increasing poverty. It wants to stimulate sustainable economic growth, with participation of all citizens. Also most other cities in the region try to increase their share in the regional economic growth by trying to attract more employment. The regional economic policy has as its main targets: optimising the use of the regional economy's specific profile, maintaining the broad and diversified economic base, increasing coherence of the regional economy and spatially balanced regional economic development.

Finally, next to successes and promising opportunities, also some difficult challenges remain for the Amsterdam region, which have to be overcome in order to retain a competitive economic position. The most difficult challenges are in the fields of regional co-operation, the housing market and the integration of different strategic policy programmes (e.g. the economic and social policies).

1 The Amsterdam Metropolitan Area in its Dutch context

1.1 Introduction

The Netherlands is situated in the north-west of the European continent, more or less in the middle of the area the EU indicates as the 'North West Metropolitan Area' (figure 1). With 16.4 million inhabitants on only 33,800 km^2 of land surface, the country has one of the highest population densities worldwide: 484 inhabitants per km^2 (January 2007). The most densely populated and economically most important part of the country is the Randstad area, of which the Amsterdam Metropolitan Area is a part. The Randstad area also includes the metropolitan areas of Rotterdam, The Hague and Utrecht. Amsterdam is the largest city of the Netherlands with about 743,000 inhabitants on 1 January 2007. Rotterdam (582,000) and The Hague (475,000) are not far behind, though (http://www.statline.cbs.nl). The Netherlands has a polycentric urban system with little hierarchy, including about 25 cities with more than 100,000 inhabitants.

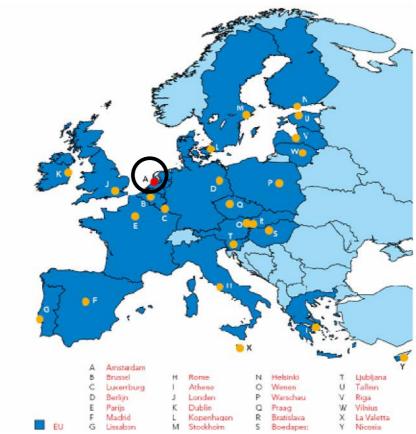|								
A	Amsterdam							
B	Brussel	H	Rome	N	Helsinki	T	Ljubljana
C	Luxemburg	I	Athene	O	Wenen	U	Tallinn
D	Berlijn	J	Londen	P	Warschau	V	Riga
E	Parijs	K	Dublin	Q	Praag	W	Vilnius
F	Madrid	L	Kopenhagen	R	Bratislava	X	La Valetta
EU		G	Lissabon	M	Stockholm	S	Boedapest:	Y	Nicosia

Figure 1: The location of Amsterdam in Europe (Source: O+S, 2006)

Figure 1: The location of the Amsterdam Metropolitan Area in Europe (EU area as of 1-1-2006) (Source: O+S)

Amsterdam is also the country's most important economic centre, but just like with the population division, it is not dominating the country or even the Randstad region. For historic reasons that will be elaborated in chapter 3, the four largest cities of the Netherlands (and to some extent also their metropolitan areas) have different economic specialisation profiles that complement each other. Amsterdam is the main financial and cultural centre and recently it also developed into the leading location for the creative industries (see chapter 4). Rotterdam has the country's largest harbour and a huge logistics and distribution complex. The Hague is the national political centre and has recently also developed as an important international justice centre. Utrecht, the fourth largest city, is an important node in the national highway and railway networks and has the country's largest university.

Politically, the Netherlands is a parliamentary monarchy. The Dutch queen has some political influence, but her task is mainly ceremonial and symbolic. The ministerial council, headed by a prime minister, is the most influential and powerful political body in the Netherlands. Their policy programme has to be approved by the parliament, consisting of two chambers. The members of the Second Chamber are directly elected by the Dutch population. The members of the First Chamber are indirectly elected. The later represent the provinces, the regional government level of the Netherlands, at the national policy level. The Dutch political system grants most influence to the national government on the one hand, and the local (municipal) government on the other. The political power of the provinces is relatively weak compared to the other two administrative levels. In November 2006, parliamentary elections resulted in a political 'landslide' and brought a new governing coalition into power. In February 2007, this new government of Christian Democrats (CDA), Social Democrats (PvdA) and a small Christian party (CU) was installed.

1.2 Recent development of the Dutch economy

The last decade of Dutch economic development can be divided into three periods with radically different trends (CBS, 2006). First, the late 1990s were a time of unprecedented economic prosperity. National economic growth as expressed in the gross domestic product was well above 3% for several years, employment rose with hundreds of thousands of jobs, unemployment decreased to about 5%. A second sub-period with opposite trends started in 2001. National economic growth plummeted to just above and even shortly just below 0% and unemployment rose quite fast. In 2004, however, the economic tide of the Netherlands turned once more. Since then, most indicators of economic development for the Netherlands have been constantly positive, resulting in a return to the high growth level of the late 1990s in 2006. The prognoses for the next few years seem to indicate that economic growth will last at least one or two years more. As a result, unemployment is back at about 5%, which is quite low for current EU standards. It must be added, though, that the comparison with other countries might be complicated by differences in unemployment definitions and by the relatively high share of part-time workers in the Netherlands.

The sharp up- and downturns in recent years indicate that the Dutch economy is an open and internationally oriented economy. The Dutch economy has become extremely service-oriented. There are still several significant manufacturing headquarters in the Netherlands,

and some of them still have a considerable part of their production facilities in the Netherlands, too. Nevertheless, a lot of manufacturing jobs have been lost since the 1970s due to factory closures and outsourcing of production to Eastern Europe and Asia. At the same time, the agricultural sector has become marginalized.

The economic sectors that contributed most to the upsurge of the Dutch economy in the late 1990s were also the main contributors to the crisis between 2001 and 2004. In the late 1990s, especially ICT, business services (particularly finance, insurance and real estate), the creative industries, and logistics and distribution were fast-growing sectors in terms of employment, turnover and value added. The creative industries even grew considerably faster than the national economy as a whole (Kloosterman, 2004). While ICT, business services and the creative industries were typical growth sectors in most advanced capitalist countries in that time, logistics and distribution have been a more traditional strength of the Dutch economy at least since the late 19th century. The harbour of Rotterdam and Schiphol Airport are the main hubs of the Dutch logistics and distribution complex. In most recent years, most of these sectors have shown recovery from the 2001-2004 crisis. The only exception to this so far is the financial sector, which seems to suffer from a more structural crisis (Engelen, forthcoming; see also chapter 4 and 5).

1.3 Recent Dutch socio-demographic and socio-cultural trends

One of the most debated socio-demographic topics in the Netherlands in 2006 was the stagnation of population growth and the prospect of population shrinkage. The sudden downturn of Dutch population growth took many politicians and analysts by surprise. The long-term prospect of a declining Dutch population, which is expected around 2035, was not new. The most recent development and short-term prognoses, however, now look radically different than only about 5 years ago. Population growth in the Netherlands dropped from around 120,000 in 2000 to only about 29,000 in 2005. This was the lowest figure recorded in the history of the Dutch National Statistics office (CBS). Final figures for 2006 were not available yet at the time of writing this report, but demographers expected an even lower population growth than 2005 (Garssen, 2006).

The main causes for this are a low natural growth, which has already been a trend for decades, and a much more recent rapid decline of in-migration and increasing emigration, most recently even resulting in net out-migration. The Netherlands have in fact been an in-migration country ever since the recruitment of 'guest workers' from Mediterranean countries started in the 1960s. An emigration surplus had not occurred since the early 1950s, when many Dutch left for North America, Australia and New Zealand. This time it looks like emigration destinations are most often much closer to home. A significant group of emigrants have migrated just across the border to Belgium and Germany, where they found cheaper land and houses as well as tax benefits. In most cases the daily life of these emigrants continues to take place in the Netherlands, where they keep working and send their children to school. Longer-distance emigrants include return migrants to Turkey and Morocco, who return to their region of origin after having finished their Dutch working career, and retired Dutch who prefer a warmer climate or a more relaxed lifestyle.

At the same time, in-migration has dramatically dropped as a result of stricter in-migration and integration regulations. The events of '9-11' and the rapidly increasing popularity emergence of populist politicians immediately afterwards have increased the tensions between ethnic groups, especially between the native Dutch and the Moroccan community. The murder of Pim Fortuyn, the most influential of these populist politicians, in 2002, and the murder of the controversial movie director Theo van Gogh in 2004 have only added to these tensions. The tougher in-migration and integration regime resulting in this climate of decreasing tolerance has made the Netherlands much less popular among foreign migrants, including higher educated expatriates. It is very likely, though, that the new Dutch government will return to more migrant-friendly policies.

Other socio-demographic trends in the Netherlands, like in most other European countries, are (Garssen, 2006):
- A continuously declining household size, with the average number of people per household meanwhile coming close to 2. In 2006 the average household size was 2.3; it is expected to drop further to about 2.1 in 2030;
- A changing household composition: more singles, more childless couples, less nuclear families, and a growing group of elderly living alone after the death of their partner;
- Ageing: the number of people aged over 65 has grown with one-fifth between 1990 and 2006. 14% of all Dutch citizens belonged to this age category on 1 January 2006, and their share is expected to rise to about 25% in the coming decades.
- A slowly but surely rising share of inhabitants of non-Dutch origin. On 1 January 2006, 19% of the Dutch inhabitants were of non-Dutch origin, meaning that they were either born abroad or that one of their parents was born abroad. Non-western ethnic groups (10.5%) have meanwhile become a larger segment of the Dutch population than people of non-Dutch western origin (almost 9%). The figures for non-Dutch of western origin are distorted, though, since they also include a large group of inhabitants from Indonesia, a Dutch colony until 1949.

1.4 The national policy context: economic development policies, spatial development policies, and cross-sectoral policies

The most influential national-level policies that recently and currently set the national context for Amsterdam's competitiveness programme can naturally be found in the economic domain, but also in the spatial and socio-cultural domain. Increasingly those domains are combined in cross-sectoral policies, although department still manage to ignore and frustrate each other's intentions frequently. Starting with the Dutch national economic policy, the most relevant recent documents are *Pieken in de delta* ('Peaks in the delta') and *Ons creatieve vermogen* ('Our creative potential'). *Pieken in de delta* (Ministerie EZ, 2004) signals a significant change in Dutch national economic policy. After decades of attempts to encourage relatively backward regions to 'catch up' with the economic core areas, now the focus has shifted to strengthening the core areas to become more competitive internationally. This resulted in 6 area-based programmes. The 'North Wing' of the Randstad, of which the Amsterdam Metropolitan Area is a part, is one of the targeted areas. For the North Wing, the main focus

lies on a further expansion of internationally oriented business services. The Dutch national government intends to finance 10 to 15 projects proposed by the region. These projects should be related to the 'spearheads' creative industries; innovative logistics and trade; tourism and conferences; life sciences and the medical sector.

Ons creatieve vermogen (Ministeries EZ and OCW, 2005) is a joint policy paper of the Ministry of Economic Affairs and the Ministry of Education, Culture and Sciences. It is aimed at 'strengthening the economic potential of culture and creativity'. The paper's focus is twofold: on the one hand it highlights the growing economic impact of the creative industries; on the other, it stresses the perceived 'indirect economic effects' of excellent cultural facilities on the attractiveness of the country for tourists and 'the creative class'. The policy paper states that economy and culture so far have been too separate and should be brought closer together to profit more from the Dutch creative potential. The policy paper was the kick-off of a national Programme for the Creative Industries. A first result was a 'Creative Challenge Call', a subsidy competition for local and regional governments and public-private networks and coalitions in late 2006. The Amsterdam Metropolitan Area managed to claim subsidies for several projects in this call. The variety of initiatives with little to no cohesion at first sight makes the eventual economic impact of this programme questionable. Moreover, the national government contribution is very modest compared to what local and regional governments and companies are supposed to invest.

Spatial development policy has been a key priority of Dutch governments since the 1960s. In recent years, however, it seems like spatial development and planning is less and less seen as a national government responsibility. Local and regional government are expected to determine spatial development to an increasing extent and market parties like project developers become more influential in the planning process. The heritage of the once much stronger national planning tradition still makes itself felt, though. As a result of the compact city programme set up in the late 1980s and early 1990s, large-scale housing locations are being realized at the edges of large and medium-sized cities. An important and influential part of this programme has also been the regeneration of former harbour and industrial areas, like the Eastern Harbour Area in Amsterdam. Business locations have been planned very ambitiously with the 'ABC-formula'. A-locations were to be realized at central city locations near public transport hubs; B-locations were planned at city-edge locations, again near public transport hubs; and C-locations should be built at some distance from cities along highways. The A-locations soon turned out to be too much against market preferences. Therefore the ABC-policy has mainly resulted in B- and C-locations and failed to reach its prime goal: to increase the share of public transport and non-motorized commutes at the expense of private car commutes (Bontje, 2001; Martens, 2000). The most recent national spatial development paper, the *Nota Ruimte*, is much less ambitious. It identifies 'urban networks' where most new housing and business locations should be concentrated, and 'national landscapes' where building should be limited. How to realise these rather vague and hardly quantified policy goals, however, is largely left to the provinces and municipalities. High expectations are given to regional co-operative networks that so far are mainly organised on a voluntary basis. It remains to be seen to what extent the urban networks manage to become the self-regulating entities that the national government would like them to be.

Partly due to the *Grotestedenbeleid* (Large Cities Policy] in the Netherlands, the integral perspective in local city policy has become more important since the early 1990s. This policy was launched in 1994 when it was acknowledged that urban regeneration involved more than just physical measures. The programme will at least continue until 2009. The Large Cities Policy started with three main pillars: an economic, physical, and social pillar. A few years ago, clearly influenced by the events of '9-11' and changes in the Dutch political landscape, a fourth pillar addressing safety was added. In 2005, the third five-year term started. The relation and cohesion between the different pillars is considered to be extremely important in this policy. Within Amsterdam, particularly the large housing estates of Southeast (Bijlmermeer) and the Western Garden Cities are restructured with the Large Cities Policy funds. The large housing estate area of Bijlmermeer has in addition been involved in the EU URBAN initiative. Haarlem and Zaanstad are also receiving Large Cities Policy funds. Like in Amsterdam, they use these funds especially in the post-war neighbourhoods. To become eligible for these national government funds, the city governments are asked to write long-range development programmes and the cities are monitored by the national government on a range of indicators to judge whether they have reached the goals agreed upon in the local-national contracts.

A final cross-sectoral initiative with particular relevance to our research topic is the National Innovation Platform. This was founded in 2003 and clearly inspired by an earlier initiative in Finland. The Innovation Platform is led by the Dutch prime minister and has members representing business, labour unions, and vocational and higher education institutions. Concrete visible results so far were rather limited. However, in October 2006 a promising 'knowledge investment agenda' was presented labelled 'The Netherlands, *the* country of talents' (Innovatieplatform, 2006). In this agenda an ambitious public-private investment programme is proposed. The public contribution is estimated at 3.5 to 6 billion Euros; private parties are expected to contribute between 2.8 and 5.9 billion Euros. The proposed measures address improvements in all levels of education from pre-school to university; life-long learning; improvement of the public knowledge base; innovation; promotion of entrepreneurship (which is relatively unpopular in the Netherlands). Linking to the Dutch national economic policy programme, the 'key areas' for investments in innovation are roughly defined as 'flowers and food'; 'high-tech systems and materials'; 'water'; 'chemical industry'; and 'creative industries'.

1.5 Conclusions

The Netherlands is located in the north-west of Europe and has one of the highest population densities worldwide. The most important region is the Randstad area, which also includes the Amsterdam Metropolitan Area. Although Amsterdam is the country's most important centre, it is not dominating the country, both in terms of population and economy. Rather, the four largest cities have different economic specialisations that complement each other. Politically, the most important policy levels are the national government and the municipalities, whereas the provinces have a relatively weak position.

The Dutch economy has had some ups and downs during the last decade, but since 2004, the economy has been growing again. The economy is open, internationally oriented and extremely service-oriented. ICT, business services, creative industries, and logistics and distribution are the most important economic activities.

Due to a low natural growth and a rapid decline of in-migration, combined with increasing emigration, population growth has dropped over the last few years. Other recent socio-economic trends are a declining household size, a changing household composition, ageing and a rising share of inhabitants of non-Dutch origin.

In terms of policy-making, there has been a shift in focus from backward regions to the core areas, in order to make the latter more competitive internationally. Especially the potential of culture and creativity plays an important role in recent policy-making. However, the lack of cohesion between different initiatives within this programme makes its effectiveness questionable. Finally, the recent spatial policy programme has shifted responsibility from the national government to the provinces and municipalities. Regional co-operative networks are expected to realise the policy goal to creative 'urban networks' and 'national landscapes', but these networks have not (yet) been formalised.

2 Introduction to the Amsterdam Metropolitan Area

2.1 Geographical and demographical context

Amsterdam is the largest city of the Netherlands, with a population around 750.000 inhabitants. In the European context, Amsterdam is thus a relatively small city, but the wider Metropolitan Area has 2.2 million inhabitants. The city is located in the province of North Holland, but one part of the Metropolitan Area, Almere, is located in the province of Flevoland (figure 2). The city is connected to the IJsselmeer (former Zuiderzee) by the river IJ and to the North Sea by the North Sea Canal. The distance between Amsterdam and the coast is approximately 30 kilometres.

Amsterdam is part of the Randstad urban region, which consists of the four largest Dutch cities (Amsterdam, Rotterdam, The Hague and Utrecht) and the green space (Green Heart) and smaller sized towns that are located in-between. Amsterdam belongs to the so-called 'North Wing' of the Randstad, which is economically the most powerful region of the Netherlands.

Figure 2: The location of the Amsterdam region within the Netherlands (Source: Bosatlas)

2.2 Regional co-operation: RSA, City Region Amsterdam and Randstad

Plans were made to develop the city and its surrounding municipalities into a city province and to subdivide the core city into smaller municipalities in 1995. However, these plans were rejected in a referendum, and ever since, formalised regionalisation has been a slow process and municipalities compete, rather than co-operate with each other. In the last couple of years, however, regional co-operation has been intensified in the economic, spatial and social spheres. Still, this merely involves informal discussion boards and no strong administrative body on the regional level has been founded yet. Within municipalities, the call for one regional political entity is becoming increasingly louder. However, there are also discussions about what the Amsterdam region exactly is (Salet, 2003; Bontje et al., forthcoming).

Currently, there are several networks in the Amsterdam region in which the City of Amsterdam and a number of neighbouring municipalities co-operate. First of all, the Regional Co-operation Amsterdam (RSA) is an informal network of 38 municipalities in the provinces of North Holland and Flevoland. The region can be subdivided into 8 sub-regions: Amsterdam, Amstel-Meerlanden, Het Gooi and Vechtstreek, Almere, Waterland, Zaanstreek, IJmond and Agglomeration Haarlem (figure 3).
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RSA is based on voluntary and project-based co-operation, and is basically a negotiation platform. RSA does not organise and implement tasks itself, but rather co-ordinates and stimulates regional co-operation within the fields of economic development, social care and the housing market. Regular meetings are held between the municipalities and other regional partners, like the provinces and the Chamber of Commerce, referred to as the 'North Wing Conference'. The aim of this conference is to improve the international competitiveness of the northern part of the Randstad (http://www.roa.nl).

Figure 3: Regional Co-operation Amsterdam (RSA) (Source: O+S)

Second, the City Region Amsterdam (figure 4), formerly known as Regional Body Amsterdam (ROA), is a collaboration between Amsterdam and 15 other municipalities. Initially, ROA was formed in order to make way for the city province and only had a temporary status. After the city province was rejected, ROA was given a new permanent status only in 2005. One year later, the name was changed into City Region Amsterdam.

The City Region Amsterdam has legal competences in the fields of traffic and public transport, spatial development, public housing, economic affairs and youth affairs. The main target is to improve the liveability, accessibility and economic development in the City Region. The City Region also stimulates regional co-operation, is involved in the adjustment of municipal plans and the formulation of long-term regional development plans, as well as the allocation and distribution of investment funds. Furthermore, the City Region represents the region at meetings with higher authorities and is involved in several other networks on higher geographical scales (like RSA, Regio Randstad). The new town of Almere left the organisation formally a few years ago despite its important role in regional development, but still participates in some individual projects (http://www.regionalesamenwerkingamsterdam.nl; http://www.roa.nl).
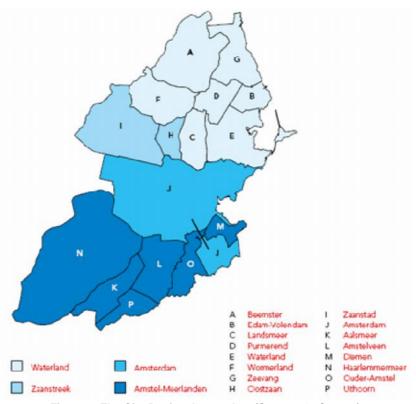
Figure 4: The City Region Amsterdam (Source: O+S, 2006)

Since 2002, there is also a formalised co-operation between the provinces of Flevoland, North Holland, Utrecht and South Holland, the '*Kaderwet* regions' Bestuur Regio Utrecht, City Region Amsterdam, Stadsgewest Haaglanden and City Region Rotterdam, as well as the municipalities of Amsterdam, Rotterdam, the Hague and Utrecht. This co-operation network is called 'Regio Randstad' (figure 5) and its main target is to improve the international

competitive position of the Randstad in Europe. Three times a year, a meeting takes place between representatives of the regions and the national government, which is hosted by the Minister for Spatial Planning (VROM) and where plans for and investments in the Randstad are discussed integrally (http://www.regio-randstad.nl; http://www.regionalesamenwerkingamsterdam.nl).

Figure 5: Regio Randstad (Source: Randstad Holland)

Apart from these permanent networks, there are also target-specific co-operations, which are often linked to either the RSA or the City Region, but involve specific partners. Examples are 'Amsterdam Schiphol Area' to encourage the development of Schiphol Airport, the 'North Sea Canal Area' alliance, aiming at the sustainable development of the port areas alongside the North Sea Canal, the 'Platform Accessibility North Wing', focusing on major infrastructural projects and development strategies at the North Wing-level, and the city-marketing initiative 'I Amsterdam' (Bontje et al., forthcoming). The RSA region will, however, be the main focus in the rest of this report, because this region includes all municipalities that play an important role in the regional development. In the following, RSA will be referred to as 'Amsterdam Metropolitan Area'.

2.3 Functions and main economic specialisations

Amsterdam is the capital of the Netherlands, although it is not the seat of the national government, which is at The Hague. Rather, the city is the most important city of the Netherlands in economic and cultural terms. This is illustrated by the region's economic results. The Amsterdam Metropolitan Area has a larger domestic product per inhabitant (around 33,000) than the Netherlands as a whole (around 27,000). Especially Greater Amsterdam (the sub-regions Amsterdam, Amstel-Meerlanden and Waterland) can be seen as the economic motor of the region: there, the domestic product is twice is big as in the other

sub-regions. The regional 'value added' is around 61 Million euros; 75% of which is produced in Greater Amsterdam (O+S, 2004). The region's strong position can be explained by the fact that the national airport and the second largest national seaport are located within its territory and by the traditional diversity of the regional economy. Apart from financial and cultural functions, also sectors that are much less dependent on the state of the economy, like education, healthcare and the public sector, are strongly represented in the region. This diversity has made the city and its region less vulnerable in times of economic transition: Amsterdam has more sectors on which it can fall back in case one sector collapses. For example, at the same time that employment declined in the ICT and business service sectors, employment increased in the less vulnerable sectors. Therefore, the number of jobs in the region continued to increase between 1999 and 2002, despite an economic crisis (Burgers & Musterd, 2002; O+S, 2004).

The Amsterdam Metropolitan Area has specialised in service-delivery and especially in knowledge intensive services. The city is known as the financial capital of the Netherlands, but also ICT, real estate, law firms and several creative industries have large clusters in Amsterdam. The industrial sector, on the other hand, has always been relatively small in the region, although the port has been growing quickly over the last few years. Because of this relatively small industrial sector, the city was not significantly affected by processes of deindustrialisation, which led to high levels of unemployment in many traditional industrial cities, including Rotterdam (Burgers & Musterd, 2002). Recent policy documents by several departments (economic affairs, spatial planning and culture) indicate that the Metropolitan Area wants to manifest itself as a 'creative knowledge region', but no overarching strategy has been developed yet, as will be further elaborated in Chapter 6 (Bontje et al., forthcoming).

The city is also the cultural capital of the Netherlands: Amsterdam offers many cultural facilities, like museums, theatres and concert halls, which in combination with the historical inner-city attract many tourists from inside and outside the country. This image of Amsterdam as a culture centre and a 'fun city', and even as 'the city where everything is possible', could have a positive influence on the region's plans to become a creative knowledge region, in line with the ideas of Richard Florida (2002), who stated that economic growth is driven by human creativity, which is most likely to flourish in a vibrant, tolerant and diverse urban environment. However, the city is also facing some serious challenges that might hamper this ambition, which are related to the housing market, the international image of Amsterdam as a drugs city (the negative side of Amsterdam's tolerant image), traffic jams, the absence of a regional public transport system and the earlier mentioned political fragmentation and bureaucracy. These strong and weak points of the region will be outlined in more detail in the following chapters.

2.4 Amsterdam in Europe and the world

Amsterdam is involved in several European subsidy programmes, the two most important ones being 'Objective 2' and 'URBAN II'. 'Objective 2' is a subsidy programme by the European Fund for Regional Development (EFRD), which is aimed at helping cities to improve the physical and economical position of their disadvantaged neighbourhoods. Until

the end of 2006, 34 Million euros have been allocated to Amsterdam for projects that have been implemented in the eastern and south-eastern parts of the city. URBAN II is an integral programme that focuses on social, economical and physical problems in large cities and especially on parts of the city where those problems are combined. In Amsterdam, 31 million euros have been spent via this programme, including 9 million euros from EFRD. The programme focused on the western 19th and early 20th century districts. The EUROLINK office acts as an intermediate actor between Amsterdam and the European Union. It stimulates municipal departments, boroughs and companies to make use of European programmes and projects and it also stimulates the formation of networks between different European cities (http://www.ez.amsterdam.nl).

In terms of international business relations, the Amsterdam region not only focuses on the European Union, but especially on the United States and Asia. The recent boom of the Eastern Asian economy makes this region an attractive business partner for the Amsterdam city region and therefore it receives most attention in the recent economic policy document '*Amsterdam Topstad*'. Japan and Korea have been important business partners for a longer period, but recently, the focus is shifting toward China and India as well (http://www.amsterdam.nl). In order to improve the international competitiveness of the city, the Amsterdam Partners platform was set up in 2004. Its goal is to promote and improve the image of Amsterdam and the surrounding region and to attract certain target groups, both from inside and outside the country. The city brand 'I Amsterdam' that was launched in September 2004 is one example of an instrument with which the Amsterdam region tries to promote itself, thereby putting emphasis on Amsterdam's combination of creativity, innovation and commercial spirit (http://www.amsterdampartners.nl).

2.5 Conclusions

Although Amsterdam is the capital of the Netherlands, it is not the political centre. Its leading position is mainly manifested in the financial and cultural domains. The Amsterdam Metropolitan Area has the strongest economy of the Netherlands and this position is further strengthened by the presence of the national airport. The region is specialised in services, with an increasing importance of knowledge-intensive industries.

Amsterdam takes part in several regional co-operations, but there are discussions about the definition of 'the Amsterdam region', as different co-operation networks include different municipalities. Also, most co-operations remain informal; there is no clear political entity for the strategic development of the whole Metropolitan Area. Thus, there is much governance in the region, but this is not always very efficient. The Amsterdam region also takes part in several EU programmes and has international business relations both inside and outside the European Union.

3 The historic development path of the Amsterdam Metropolitan Area

3.1 Until 1950

3.1.1 The late Middle Ages and Renaissance: city foundations and polder reclamations

Amsterdam was founded in a classical Dutch way: it all started with a dam in the Amstel river, at a strategic location where this river reached the IJ, an arm of the Southern Sea (*Zuiderzee*). Until 1932, this Southern Sea was an inland sea connected to the North Sea; meanwhile it is known as the IJssel Lake (*IJsselmeer*). Amsterdam's exact date of founding is unclear, but it was first mentioned in an official document in 1275. There must have been a village long before that date, probably founded about a century earlier. The late 12th century in which 'pre-city' Amsterdam emerged was an era in which Northern Europe was changing revolutionarily in many ways: the time of pilgrimages, significant improvements of ships enabling longer-distance navigation, the introduction of machines like windmills and looms, the introduction of money, etc. The oldest remnants of a house found so far date back to 1225 (Mak, 2005). Medieval Amsterdam was located in the area around the current Dam Square and Nieuwmarkt square, where we now find the famous/notorious red light district, Chinatown, and the main city centre shopping zone.

Amsterdam was quite late on the European urban scene, just like most other cities in Holland, the north-western part of the Netherlands. Holland in those days still largely existed of lakes and swamps. The upper layer of its soil consisted of peat, which made building settlements a complicated task. Moreover, the lakes and inland sea arms flooded significant parts of the 'dry' land frequently. Only the coastal dune range on which Haarlem emerged was already inhabitable. Haarlem was one of the first cities in the current Amsterdam Metropolitan Area: it was first recorded (as a small village) already around 900 and already received city rights in 1245. City rights were also granted near Amsterdam to Alkmaar (1254), Naarden (1255) and Muiden (1296), before Amsterdam finally reached the official city status in 1300. Other parts of the Netherlands (the parts above sea level) had been inhabited long before. Cities like Utrecht had already been founded during the Roman empire. It is not strange, therefore, that Amsterdam in its earliest days had to settle for a modest role and its fate was initially determined by religious leaders from Utrecht and regional noblemen like Gijsbrecht IV, representing the bishop of Utrecht in Amstelland (the Amsterdam region), and Floris V, count of Holland.

The emergence of Amsterdam was probably linked to the demise of agriculture in its environs. When the lakes around Amsterdam became connected to the sea in the late 12th century, wheat farmers in Amstelland got into big trouble. The combination of the increased flooding threat and the continuously settling soil disturbed drainage and made wheat farming impossible. The flooding threat could be countered by constructing dykes, but the settling soil

and high groundwater level remained problematic. The Amstelland farmers therefore turned to cattle farming and became dependent on import for wheat products. Amsterdam emerged as the place where the trade of wheat and related products for dairy products took place (Speet, 2006). Amsterdam soon became an important trade centre, but in its earliest centuries, it remained in the shadow of older and more successful nearby cities like Utrecht, Haarlem and Leiden. Initially, the Amsterdam economy was mainly based on trade in dairy, wheat, herring and beer. Amsterdam managed to acquire the monopoly on beer import from Hamburg which stimulated economic development. A victory of Holland over the Dutch towns of the Hanseatic League in 1450 also contributed to Amsterdam's development considerably (Roegholt, 1997).

In the late 16th century, Amsterdam became the largest city of Holland with an estimated population of 30,000 people (Roegholt, 1997). The first political entity named 'The Netherlands', at that time still including the entire current Benelux area with Brussels as its capital, was formed by the Spanish emperor Charles V in 1543. Amsterdam was the most important trading centre of this new 'country' (in fact still part of the Spanish empire) together with Antwerp. The city developed as a market and storage place of wood, corn, iron ore, fish and salt. The market function also encouraged commercial services like banking, insurance, cartography and printing. Religious struggles between Catholics and Protestants had an increasing influence on the Netherlands and on Amsterdam. In 1568 the Dutch revolt against the Spanish king started. Amsterdam initially chose the catholic (Spanish) side, but became isolated within the mainly protestant northern Netherlands. Several cities near Amsterdam, like Alkmaar (1573) and Leiden (1574), managed to liberate themselves from Spanish occupation. Haarlem had to give up its resistance against the Spanish troops after half a year of siege. However, the Spaniards were forced to retreat from Holland as a whole in 1577. One of their few 'colonies' left in Holland was Amsterdam. It was not long before Amsterdam had to change its mind: in 1578 it switched sides to the protestant resistance movement. One year later the seven northern provinces of the Netherlands separated from the southern provinces to form the Dutch Republic. Soon afterwards Amsterdam profited from this forced choice: when Antwerp was conquered by the Spaniards, its harbour was blocked by the Dutch and many rich merchants moved from Antwerp to Amsterdam. Many of them were of Portuguese-Jewish origin; they feared prosecution by the Spanish catholic rulers, and were welcomed with open arms in protestant Amsterdam. This is probably the origin of Amsterdam's fame as a tolerant city. The relatively loose reign of the Dutch 'stateholders', contrasting with the absolutist monarchies in most other European countries, and the importance of international trade also contributed to the liberal and tolerant climate in Amsterdam (Roegholt, 1997; Mak, 2005).

Parallel to Amsterdam's emergence, the neighbouring towns and villages on the banks of the Zaan river grew into what was probably the first modern industrial region worldwide. In a typically Dutch vein, the main engine behind this industrial revolution was the windmill. A very significant year for that development was 1596. A new type of windmill was invented in which the turning of the windmill sails set a saw in motion. The first sawmill was bought by an entrepreneur in Zaandam and it became the basis of a flourishing wood processing industry. Initially the sawmills worked mostly for Amsterdam traders, but soon the Zaan region started to produce its own wooden products as well. The most successful offspring of

those sawmills was shipbuilding. The Zaan region rose to international fame when the Russian tsar Peter the Great travelled to Zaandam to study its shipbuilding industry. However, the mills were also increasingly used for other products like the ennobling of seeds to oil and paint ingredients. Later in the 17th century, mills were also used to peel corn and produce groats. This was the start of a long tradition of the Zaan region in food production and logistics that lasts until today (Woudt, 2006). The Zaan area counted hundreds of mills in those days, of which only a few are still left today, mostly with a tourist function.

3.1.2 The Golden Age: from city to metropolis

As a rapidly growing and increasingly important trade centre, Amsterdam entered the 17th century, a century that gave the city a profile it actually never lost since (Olsen, 2000; Mak, 2003). The second half of the 17th century was the Golden Age for the city and one might say that the city also was a global city 'avant la lettre' at that time. It was among the world's most important international trade centres. The mansions along the canals still illustrate the wealth accumulated by the 17th century local merchants. Related to its important position in international trade, Amsterdam showed a wide array of activities. Insurance companies financing the expensive international shipping expeditions, traffic firms, harbour activities, the map-making industry (the most famous cartographers lived and worked in Amsterdam) are only a few of many activities contributing to the importance and wealth of Amsterdam in those days. The city became a major trade and finance centre in Europe.

In 1602, the Dutch East Indies Company (VOC) was founded. It was probably the world's first multinational corporation and the first company with shareholders. The VOC was the spin in the web of Dutch colonial expansion in Asia, especially in the area now known as Indonesia. Other pioneering institutions set up shortly afterwards were the Exchange (1611) and the Money Exchange (1611). The Exchange enabled the spreading of risk in investments; the Money Exchange provided a reliable calculation of currencies coming in from across the globe. The first traces of giro bank transfers could also be found in Amsterdam (Van Stipriaan, 2006). The Dutch Republic rapidly became very rich from colonial trade and Amsterdam as its main trading centre profited most of all. In 1621 a second colonial trade corporation, the West Indies Company (1621), was set up to organise trade with New Amsterdam (later becoming New York), the Caribbean and Brazil. After finally settling peace with Spain in 1648, the Dutch Republic emerged as one of the leading world powers. Amsterdam became a metropolis and enjoyed explosive growth in wealth and population throughout the 17th century. Especially the second half of that century, known as the Golden Age, left its marks on the city. The city was expanded with the famous ring of canals for the rich merchants and gentry, and with the Jordaan district for the working class. A series of artificial islands was laid out in the river IJ to accommodate the rapid growth of harbour activities. Amsterdam became an important arts and cultural centre in those days, too. Many painters that now still have a prominent presence in museums across the world chose Amsterdam as their home base: Rembrandt van Rijn, Johannes Vermeer, Paulus Potter, Jan Steen etc. But also other art forms and the sciences had their prominent representatives in Amsterdam. The internationally best known examples are the philosophers Descartes and Spinoza (Roegholt, 1997) and the cartographer Blaeu (Mak, 2005). Amsterdam's fame as a

tolerant city attracted many of these artists and scientists. Van Stipriaan (2006, p. 13) cites René Descartes, residing in Amsterdam between 1629 and 1635 and praising the unlimited freedom he enjoyed: *"(…) I could live my entire life here without being noticed by anyone. In what other country could one enjoy such perfect freedom, sleep so quietly without fear of poisoning and betrayal, where has been more left of the innocence of our fathers."*

What nowadays looks as a monumental 'grand design' has probably been developed without any master plan in mind. Taverne (1978) argues that the Amsterdam canal zone got its typical shape mainly out of pragmatic reasons. The semi-circles suited military requirements best; after all, the Dutch Republic was still at war with Spain until the Westphalia treaty of 1648, and became involved in several wars with France and Spain in the decades afterwards. The canal zone also provided an optimal access to the river IJ and the sea. A closer look at the canal houses also demonstrates that each house is designed individually rather than as part of a street or neighbourhood plan. The Jordaan as well was developed very pragmatically by following the original pattern of polder ditches. Mak (2003) and Olsen (2000) note a striking difference with other prominent European cities of those days: the absence of grand squares and impressive monuments or buildings, the town hall on Dam square (now the Royal Palace) being the only exception to that rule. *"Amsterdam rejected both centralized planning and profitless display. (…) The layout of the new streets and waterways did not reflect Renaissance theories of urban design, much less the more dramatic proposals of baroque town planners. (…) That from such practical motives were created some of the most enchanting urban environments of that or any age has misled scholars into assuming farsighted urban planning."* (Olsen 2000, p. 238)

Amsterdam had become very dominant in the Dutch Republic as a whole and certainly in its immediate surroundings. Still, most of the area surrounding Amsterdam shared in its wealth or managed to get its own fair share of the Dutch Golden Age. Amsterdam merchants invested in the reclamation of polders, for example, and several cities on the banks of the Zuiderzee flourished as harbours and trade centres. The Zaan area kept growing as the industrial heart of Holland, with most of its industries being tightly networked with the Amsterdam trade and financial sectors. It could be described as the *"free enterprise domain of the Amsterdam trade metropolis"* (Pellanders & Vreeman, 2004). Haarlem developed as the second largest and second most important city in the region. Like Amsterdam it managed to profit from a considerable influx of migrants from Flanders. The Flemish migrants built up a textile industry and brought the city its most famous painter. Frans Hals was the son of Flemish migrants. Another emerging industry was printed media. The world's first daily newspaper was published in Haarlem in 1656.

3.1.3 The 18th and early 19th century: losing power and prestige

"The history of the Netherlands, and that of Amsterdam in particular, reminds us (…) of the life of a writer who produces his best book in his youth. Everything that comes after is overshadowed by that huge, one-off success (…)" (Mak 2003, p. 35)

In the 18th century, the Dutch Republic gradually lost status as a world power to England and France. The growth of Amsterdam stagnated as a consequence and the city lost quite some international prestige, too. After an extension of the canal zone across the river Amstel in 1663, the city stopped growing both spatially and soon also in population size (Wagenaar, 1998). Reasons for this stagnation included the lack of innovation in the Dutch political system and the Dutch economy, the continuous power struggles and lack of centralised authority within the Dutch Republic, the problematic sea access of the Amsterdam harbour, and the lack of a large and economically powerful hinterland compared to emerging rivals like London and Hamburg (Mak, 2005). Amsterdam remained a rich and important city, though. In 1795, Amsterdam was the 5th city of Europe with 221,000 inhabitants, after London, Paris, Vienna, and Naples. The nation's second largest city, Rotterdam, only had about a quarter of that population, and The Hague even only one sixth (Van Engelsdorp Gastelaars & Ostendorf, 1994). For 18 years, Amsterdam became the capital and royal residence during the French occupation. When the French left in 1813, the Netherlands became an independent country again. Amsterdam was formally still the capital, but all the actual political capital functions moved back to The Hague. Amsterdam had to settle for economic, financial and cultural capital functions. The city was very densely populated, since population growth until the mid-19th century had to be accommodated within the tight city walls.

Amsterdam, like the Netherlands as a whole, almost entirely missed the Industrial Revolution and became a relatively impoverished and old-fashioned city. This is not to say that the Amsterdam region did not have manufacturing, but it was a rapidly ageing type of manufacturing. While England built up an entirely new type of industrial production based on steam and coal, the industries of the Amsterdam region still relied mostly on wind and water power. Within the region, the larger-scale industrial production was mainly located in the Zaan area, while Amsterdam only had smaller industries. In retrospect it is remarkable how long the Zaan industrial complex held on to its old-fashioned windmills, while the steam engine had long caused a revolutionary progress across the sea in England. Even when the Industrial Revolution finally reached the Netherlands, Amsterdam was much less affected by it than for example Rotterdam. By implication, the population growth during the heyday of industrialisation in the Netherlands in the second half of the 19th century was also more moderate compared to cities like Rotterdam. The Hague, the political capital, grew much faster as well, implying that both cities were rapidly closing the gap to Amsterdam. This was the time when the 'division of labour' between the four largest cities of the Netherlands came about. Amsterdam mainly developed as the cultural and financial centre of the Netherlands; Rotterdam was the largest harbour city, growing particularly rapidly towards the end of the 19th century; The Hague was the political centre and the focus of international diplomatic relations; and Utrecht became the focal point of national infrastructure networks.

Other cities in the Amsterdam region were more successful in attracting and creating modern industries. This is especially true for Haarlem. After seeing its population more than halved between 1622 (40,000) and 1815 (17,000), the city managed to attract quite some industrial companies in the second half of the 19th century. The main specialisations were railway equipment, machinery, metal and printing. Haarlem's very early connection to the emerging national railway system was certainly helpful in reviving its economy; the first Dutch railway

ran between Haarlem and Amsterdam and was opened in 1839. On the other hand, the reclamation of the Haarlemmermeer polder weakened Haarlem's strategic position, since traffic between Amsterdam and cities like The Hague did not have to follow the detour via Haarlem anymore. Slowly but surely, Haarlem's residential function became dominant at the expense of its economic function (Meulenbelt, 2003). The Zaan area became more and more specialised in the food industry. Windmills were finally replaced by steam engines and the opening of the north Sea Canal gave industrialisation in the Zaan area an additional boost (Woudt 2006). At the same time, southwest of Amsterdam, a significant reclamation took place that would appear to have a huge impact on the metropolitan economy in the 20th century. The Haarlemmermeer had emerged when three smaller lakes connected through flooding in the 16th century. The lake became an increasing threat to the neighbouring cities Amsterdam and Haarlem. In 1839 the reclamation of the Haarlemmermeer was therefore started. The area remained mostly agricultural until the military airbase Schiphol was opened in 1917 (Bontje 2005).

3.1.4 Amsterdam's 'Second Golden Age', the AUP, and World War II

Towards the end of the 19th century, however, Amsterdam appeared to be a successful city in economic terms once more. Roughly between 1870 and Word War I, Amsterdam enjoyed a 'second Golden Age', which again was tightly connected to colonial trade. In the 1870s, the state monopoly on investments and trade with the Dutch East Indies was ended and private investors were allowed to buy stocks in this trade. The opening of the Suez Canal enabled a faster and easier trading route with the East Indies, and German unification gave a significant impulse to the economy of its western neighbour the Netherlands. The exploitation of the colonies (tea, tobacco, coffee, etc.) was intensified, and international trade took advantage of the freedom created by the liberal market-oriented regime. Important waterway connections (North Sea Canal and later the Amsterdam-Rhine Canal) were either improved or established around the turn of the century (Wagenaar, 1998; Wagenaar, 2003a). Of great significance was that Amsterdam already housed two universities, the University of Amsterdam (established in 1632) and the Free University (established in 1880). The city offered good opportunities for the development of a wide variety of manufacturing industries: beer breweries, clothing, vehicle production (cars until 1927, planes until 1951), metal, diesel engines etc. Remarkably, most of these industries reached only medium or small sizes. Most of the larger-scale manufacturing was lost to other cities. The shipbuilding industry of Amsterdam and the Zaan area, for example, largely moved to Rotterdam, where more innovative people adopted new production methods, applying iron instead of wood. The major exception to this rule was the NSM shipyard, the second largest worldwide in the 1930s (Mak 2005). Economic crises after 1920, culminating in the 1929 crash at the stock exchange, resulted in new declines, amongst others in the diamond and textile industry. In 1897 still about half of the world's production of diamonds was tooled in Amsterdam, predominantly by Jewish workers; in 1929, Amsterdam's position was reduced to less than twenty per cent. Around Amsterdam, some larger industrial complexes were developed contrary to the developments in the region's core city. The Zaan area lost most of its shipbuilding, but built up new industries like the machine industry, and modernised its food production

Economic growth went along with rapid population growth. Finally the city walls were broken down and city extensions beyond the outermost canal around the inner city were allowed. Urban planning was still in its infancy in Amsterdam; therefore the lion's share of these city extensions were realised in a piecemeal speculative process. This resulted in densely built and somewhat chaotic areas like De Pijp and Oud-West: once built for working class and lower middle class people, but nowadays very popular as residential, working and leisure locations for the 'creative class'. Some decades later, when urban design and planning had been accepted as local government responsibility, a more luxury southern extension (Oud Zuid) was realised, establishing the high status axis southward from the inner city canals that still exists today. Starting in the early 20th century, an increasing part of new housing construction was social housing, resulting from the political dominance of the social democrats in the city council throughout most of that century. It is striking that just like in the first Golden Age (the late 17th century), Amsterdam did not follow the urban design example of most other large cities on the European continent. Some canals were filled in and transformed into new streets, and some small 'breakthroughs' were made to facilitate inner-city traffic. But plans to embellish Amsterdam with boulevards in Parisian, Hausmannic style met fierce political opposition and were never realised (Wagenaar, 1998).

The *'fin de siecle'* brought a first wave of sub-urbanisation to the Amsterdam area. In earlier centuries, the richest Amsterdam merchants could already afford to buy summer estates at the Amstel riverside south of the city, or in the woody and hilly Gooi area east of the city. With the expansion of the rail network and the introduction of regional tramways, a permanent residence in the suburbs became attractive for the wealthy Amsterdammers fed up with living in a rapidly crowding city. Around 1880, several communities in the Gooi area and on the edge of the dunes around Haarlem started to expand. Most of the new residents came from Amsterdam and they often kept working in the city. The first traces of the Amsterdam daily urban system, mainly based on public transport, were established (Schmal, 2003). At the same time, however, population growth and spatial expansion of the city of Amsterdam continued. Around 1900, Amsterdam's population was about half a million; in 1925 more than 700,000 (Mak 2005). The spatial expansion of Amsterdam was made possible by annexations of neighbouring municipalities in 1877, 1896 and 1921.Urban population growth continued until the early 1960s. It was only interrupted by the events of World War II. Virtually the entire Jewish population of Amsterdam, and therewith an important part of the city elite, was deported by the Nazis. Only 5,000 of Amsterdam's 80,000 Jews survived the war, and the Jewish community never recovered. Still, Amsterdam soon managed to return to its growth and modernisation path. The city kept expanding rapidly following the programme of the famous 1934 expansion plan. The Amsterdam Expansion Plan was based on the CIAM principles of the 'functional city'. It was the result of an extensive statistical analysis and prognosis of population development, following the then dominant planning philosophy 'survey before plan'. Remarkably this plan remained virtually unchallenged as the main guiding document for Amsterdam urban planning for three decades (Van der Cammen & De Klerk, 1996).

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3.2 1950-1980: sub-urbanisation, modernisation and citizen protest

Amsterdam's population growth could largely be catered for by the planned extension areas, nowadays known as the Western Garden Cities and Buitenveldert. However, mass sub-urbanisation dramatically changed that picture in the 1960s and 1970s. In 1959 Amsterdam reached its maximum number of inhabitants: about 960,000. Soon after, the expansion of space consumption of households and firms, growing personal mobility and car-ownership and increased affluence allowed for extensive suburbanisation processes directed to adjacent municipalities. Between 1960 and 1985 the Amsterdam population was reduced with 200,000 inhabitants net. This mass suburbanisation was further encouraged by the national spatial development policy of the 1960s and 1970s, stimulating the development of new and expanded towns around the large cities to cater for the increasingly suburban housing preference (Bontje, 2003). In the Amsterdam Metropolitan Area, this policy resulted in large expansions of Alkmaar, Hoofddorp, Hoorn, Huizen and Purmerend, and the emergence of two entirely new cities in the recently reclaimed Flevoland: Lelystad and Almere.

This national urbanisation policy of 'clustered deconcentration' was initially warmly welcomed (and even encouraged) by Amsterdam. Despite its series of expansions, Amsterdam was still a quite crowded city, and further space for expansion was scarce. The negative impact of the new towns on Amsterdam's development was only realised when the policy was already in full swing. The massive loss of population for the city was not anticipated. The modernist expansion area of Bijlmermeer, built on annexed land in the late 1960s and early 1970s in Le Corbusier-style, did not attract the middle-class families it was planned for. The positive international migration balance during these years (most guest workers from Turkey and Morocco eventually settled in Amsterdam, as well as many Surinamese who preferred to live in the Netherlands after Surinam independence in 1975) was clearly insufficient to balance the huge outflow of young middle class families to the suburbs. Inner-city living had a very negative image and especially the densely built extension areas of the late 19th century fell victim to decay.

Moreover, modernist city planning almost destroyed vital parts of the historic inner city. There were plans for highways through the inner city, to fill canals and turn them into roads, to redevelop parts of the inner city into a large-scale office area, and to demolish neighbourhoods like the Jordaan. Citizen protest stopped this modernisation programme more or less half-way (the highways had reached the inner city edge already and the subway was already under construction) and helped to save the unique character of Amsterdam's inner city. Radical anti-establishment groups like the 'Provos' in the late 1960s and the squat movement in the 1970s and 1980s played a significant role in this change of urban renewal policies (Mamadouh, 1992; Pruijt, 2003; Uitermark, 2004). Urban renewal changed from demolition and new construction into renovation and restoration. Decaying inner-city neighbourhoods transformed into attractive living and working environments. This change of course eventually also helped to stem the tide of sub-urbanisation and to restore Amsterdam's attractiveness as a place to live and work. The Amsterdam inner city will very likely soon be added to UNESCO's World Heritage list. A significant part of renovated and newly constructed dwellings in and close to the inner city consisted of social rental housing. It must be added, though, that the most attractive locations, like impressive former storage houses

along the canals and the IJ river, generally transformed into expensive owner-occupied apartment buildings. Even a city known for its generous offer of affordable rental housing like Amsterdam did not escape from market-led, and partly also government-led gentrification (Cortie & Van de Ven, 1981; Wagenaar, 2003b)

The economic growth path of Amsterdam after World War II initially diverted considerably from the general Dutch path of industrialisation. While industrial production in the Netherlands reached higher levels than ever before, Amsterdam experienced an expansion in business and consumer services instead. In Amsterdam, manufacturing already peaked in 1950 and declined ever since. Business and consumer services gained from their good starting position, since they were embedded in an already established service economy (finance, trade), and expanded rapidly. Still, it took until the late 1980s until Amsterdam could be called an economically flourishing and internationally competitive city once more. Before this, Amsterdam had to deal with a severe economic crisis which meant the end of most of what was still left of manufacturing in the city. The last remaining shipyards, for example, left the city in the late 1970s and early 1980s. The economic crisis hit the entire Amsterdam Metropolitan Area hard. The steel industry in IJmuiden, the machine and printing industry in Haarlem, and the food industry in the Zaan area all faced severe job losses and several companies could not escape from bankruptcy. This transformation from a Fordist to a post-Fordist economy was not immediately recognised in national, provincial and local politics. For example, the newly founded municipality of Zaanstad, a merger of Zaandam with six neighbouring villages in 1975, was supposed to offer sufficient political and administrative power to enable large-scale industrialisation. A second reason for this municipal merger was to enable large-scale housing locations for suburbanites from Amsterdam. Zaanstad was planned to grow into a city of about 250,000 people. The new municipality bought large parcels of land and invested heavily in infrastructure. In retrospect we can now say that all this happened too late: the oil crisis accelerated the process of de-industrialisation; local and environmental protest groups became increasingly influential supported by the emerging environmental consciousness in the Netherlands; and a changed urban renewal regime in Amsterdam already started to stem the tide of 'city flight'. Zaanstad aimed too high and went bankrupt before the ambitious expansion plans could be realised (Pellanders & Vreeman, 2004).

3.3 1980-2000: the resurgent metropolis?

Amsterdam and its Metropolitan Area (and actually the Netherlands as a whole) entered the 1980s in a quite depressing state. Unemployment grew fast along with rising social tensions and environmental challenges. Amsterdam as the country's largest city and cultural centre was the natural stage of mass demonstrations against social and economic reforms, nuclear arms, and other unpopular measures of the Dutch government. The city had built up a notorious reputation as a centre of anarchist movements since the 1960s. The most active and influential of those movements in the late 1970s and early 1980s was the squat movement. The inner city of Amsterdam frequently turned into a battlefield between the squat movement and the police. The squatters had managed to occupy quite some complexes in the inner city and the 19th-century neighbourhoods. Attempts of the military police to evict these complexes

met fierce and often violent resistance of the squatters. The heyday of the squat movement was 30 April 1980 when the squatters disturbed the inauguration of the Dutch queen Beatrix and fought the military police in violent, almost war-like clashes. Several local historians and geographers have described the period between 1965 and 1985 as the 'Twenty-Year City War' (Mak, 2005; Mamadouh, 1992; Pruijt, 2003; Uitermark, 2004).

In retrospect the heyday of the squatters may also have been the start of their demise. The broad popular support and sympathy for the initial goal of the squatters (alleviating the housing shortage, especially for lower income groups) decreased significantly when the squat scene *"became enchanted with violence and counter-violence"* (Mak, 2005, p. 391). Mamadouh (1992) analysed the squatters and earlier urban social movements and their interrelationships. The roots of the squat movement were clearly already established in the 1960s (Provo) and were also inspired by the anti-subway riots on Nieuwmarkt square in 1975. Amsterdam finally wanted to follow the example of many other world cities and expand its public transport network with subways. At the same time, a highway network was planned cutting through the historic heart of the city. A large part of the inner city threatened to be demolished to make way for the subway and the highway. The subway has indeed been constructed, but the highway could be stopped half-way thanks to the urban social movements. It meant a turnaround in urban renewal policy: the path of modernisation and the car-friendly city was left and traded for a philosophy of urban restoration and the compact city. Formerly run-down parts of the city like the Jordaan and the 19th-century ring have been considerably upgraded through the urban renewal programme. In addition, former industrial and harbour sites were transformed into attractive residential areas for urban-oriented middle-calls singles, childless couples and families. Following the Amsterdam and Rotterdam example, the Dutch national planners also left their 'clustered deconcentration' philosophy and turned to a compact city programme. At the edges of the large and medium-sized cities, new large-scale housing programmes were started. For the Amsterdam region, this resulted amongst others in large construction sites at the south-western and north-eastern edge of Amsterdam, in the Haarlemmermeer polder, in Almere, in Zaanstad and in Purmerend. Amsterdam partly returned to its centuries-old expansion tradition: one of its newest expansions, IJburg, is built on artificial islands. Earlier examples of this expansion strategy include the former harbour area in the 17th century and the central railway station in the late 19th century.

All this has dramatically changed the image of Amsterdam as a residential environment. The city population finally stopped declining and has grown almost continuously since 1985 (Musterd et al., 2006). Along with urban renewal and regeneration, another important factor behind this socio-demographic turnaround was foreign migration. Successive groups of migrants to the Netherlands have most often chosen the four largest Dutch cities as their preferred residence: 'guest workers' from the Mediterranean in the 1960s and early 1970s; Surinamese in the 1970s; refugees and asylum seekers in the 1980s and 1990s. The lion's share of the guest workers did not just stay for a few years as initially planned, but became permanent residents and formed or reunified their families in the Netherlands. Amsterdam has attracted significant migrant communities throughout its history, but never to such an extent as in the last four decades. Next to considerable Moroccan, Surinamese, and Turkish communities, and a recently emerging Ghanaian community, also a lot of West-European,

North American and Japanese migrants have found their way to Amsterdam and its Metropolitan Area. Outside of Amsterdam, Haarlem and Zaanstad attracted many Turks as well when the guest worker recruitment started in the 1960s. In the 1990s, especially Surinamese started to suburbanise, in particular to the still rapidly growing new town of Almere. More in general, in recent years we can speak of an 'urbanisation of the suburbs' in terms of population composition (Musterd et al., 2006).

This 'urbanisation of the suburbs' also took place with respect to economic development. New concentrations of employment, most often in either offices or logistical complexes, popped up at the city edges of Amsterdam and Haarlem and in suburban places like Hoofddorp and Diemen. More and more companies preferred highway locations, especially if they would also be close to Schiphol Airport. This turned Amsterdam's southern edge into the most dynamic growth zone of the Metropolitan Area (Bontje & Burdack, 2005; Musterd et al., 2006). Schiphol was the most prominent growth engine behind the rather spectacular economic resurgence of the Amsterdam Metropolitan Area since the late 1980s. The airport itself became the largest employment concentration in the Metropolitan Area outside of Amsterdam and Haarlem. Schiphol transformed from a passenger and freight hub into a multifunctional complex, adding hotels, offices and a retail and leisure centre (Schiphol Plaza). It has frequently been described as an 'airport city' (Burghouwt 2005) or 'cityport'(Van Wijk 2006).

The rapid economic growth of (former) suburbs did not mean that the central city Amsterdam was losing economic strength. On the contrary, Amsterdam managed to pick its fair share of regional economic growth as well. Most of this growth, as said, took place on the city edge, but for a significant part the growth locations were still on Amsterdam's municipal territory. Examples include 'Teleport' at the western city edge, the Amstel business area in the east of the city, and Amsterdam-Southeast. Ajax moved its football stadium to Amsterdam-Southeast and around this Arena stadium, a prestigious office location and an 'urban entertainment centre' emerged. The most prominent location, however, is the South Axis. Until the mid-1990s, Amsterdam was not planning on a city-edge CBD at all. Instead a new CBD was supposed to be formed at the banks of the river IJ. For a long time the city planners largely ignored the preference of the Amsterdam finance, insurance and real estate cluster for a location on the southern part of the ring road A10. It took the decision of a large multinational bank, ABN Amro, to move to the southern ring road to change the mind of the city planners. The opening of the ABN Amro headquarters in 1996 was the start of an increasingly ambitious programme for the 'South Axis' (Ploeger, 2004). In the next 20 to 25 years, a mix of offices, apartments, retail, leisure, cultural and sports facilities is supposed to be realised. With the World Trade Centre (opened in 1985) and the headquarters of ABN Amro, ING and several law firms, the first seeds of such a new city centre have been sewn.

The above looks like a success story, but Amsterdam and its Metropolitan Area also had to face some failures and disappointments in the 1980s, 1990s and early 2000s. First, in 1986, the attempt to win the race for the 1992 Olympics failed dramatically. This was related to a fanatic and well-organised resistance movement of local citizens and NGOs. Second, in 1995, the attempt to create a city province was blocked in a referendum. An impressive 95% voted against the city province. Especially the administrative consequence for Amsterdam was

disliked by most voters. Amsterdam would be split up in boroughs and lose its central city administration, and therewith (in the view of many voters) its city identity. Remarkably, only Amsterdam citizens were allowed to vote in the referendum; the other municipalities involved did not take part in it. Still, it would probably not have made much difference for the result, since most neighbouring municipalities did not like the idea of merging with Amsterdam into a city province at all. A third development that influenced regional economic development negatively, was the worldwide 'burst of the ICT bubble' around 2000. The Amsterdam Metropolitan Area, and probably most of all places like Hoofddorp and Almere, thanked a considerable part of their economic growth to the ICT sector in the late 1990s. After 2000, the spectacular ICT-based growth of the Metropolitan Area appeared to be much shorter-lived than expected. One of the results was that office development in Hoofddorp, Almere and several city-edge locations of Amsterdam (especially 'Teleport') turned out to be way too optimistic. Within a few years, office vacancies amounted to about 20% in the region as a whole and up to 25% in the least popular locations. This also frustrated the ambitious plans of Almere to significantly upgrade its city centre and become a more complete city for some years (Bontje, 2004). With the recent economic upsurge of the Netherlands as a whole and the Amsterdam Metropolitan Area in particular, however, the ambitions of the turn of the century might be realised after all. In the next chapter, we will explore the most recent development and current situation of the Amsterdam Metropolitan Area in more detail.

3.4 Conclusions

Amsterdam has been the dominant city of the Netherlands since the 16th century, the so-called 'Golden Age', when Dutch colonial trade flourished and Amsterdam was the main trade centre. The city expanded rapidly and developed into a centre of arts and culture and the rest of the region either benefited from Amsterdam's wealth or developed its own path. Amsterdam and its region lost power in the 18th and 19th centuries, however, due to stagnating growth and by not adapting to the Industrial Revolution, and was gradually overtaken by rivals in other parts of Europe. Only at the end of the 19th century, the economy started to recover again, once more fuelled by colonial trade, and annexations were needed in order to expand the city. Although the first suburbanisation already started at the end of the 19th century, the phenomenon rapidly gained ground in the 1960s. Clustered de-concentration became the new planning strategy, but this further undermined the position of the core city and the population decreased further. Also economically, the city had a weak position between 1950 and 1980.

The 1980s were a turning point for the city and its region. Due to urban renewal and the compact-city policy, the city regained its attractiveness as a residential location. Increasing immigration of Western and non-Western immigrants further fuelled population growth. Also economically the region recovered, but rather than a strong core city with residential suburbs, the region started to develop into a polycentric metropolis with different economic sub-centres. Although the last two decades of the 20th century did not go without disappointments, the Amsterdam Metropolitan Area seems to have regained a strong position as a service and logistical hub at the start of the 21st century.

4 The Amsterdam Metropolitan Area in the early 21st century

4.1 Social situation

4.1.1 Population distribution and growth

More than 2 million people (13% of the Dutch population) are living in the Amsterdam region. The municipality of Amsterdam and the regions Amstel-Meerlanden and Regio Waterland+ together form Greater Amsterdam, which has 55% of the total regional population (O+S, 2004). The largest sub-region is Amsterdam with 743,000 inhabitants (34%), followed by Amstel-Meerlanden (301,875 inhabitants; 14%) and Gooi- and Vechtstreek (241,816 inhabitants; 11%) (figure 6). The population density of the whole region is 1,489 inhabitants per square kilometre but there are large differences in density between different sub-regions. Amsterdam has the highest density with no less than 4,465 inhabitants per square metre, but especially Waterland and Amstel-Meerlanden have a very low population density (less than 1,169 per square kilometre) as a result of rural areas, recreation areas and nature reserves that are located within their borders (O+S, 2004).
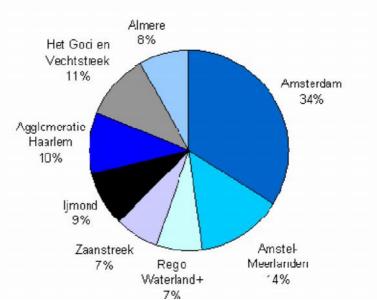
Figure 6: The population distribution across the Amsterdam Metropolitan Area (Source: O+S, 2004)

The total population of the region has grown with 6% (114,353 inhabitants) between 2000 and 2006, which is higher than the average growth for the Netherlands (+2%). Amsterdam's population growth is more or less stagnating, while the rest of the region is growing faster. Between 2000 and 2006, the growth rate for the core city was less than 2%. Within the city borders, the limits of growth have been reached and new construction can only take place within the new borough of IJburg, which is located on newly-made land within the IJ Lake, and by means of physical restructuring and re-zoning. The modest growth rates for

Amsterdam are also explained by the lack of affordable high-quality housing and of (high-quality) big apartments for families, which has led to many families moving out of the city (O+S, 2006; Bontje et al., forthcoming).

Growth thus has to be accommodated within the region (figure 7). The highest growth figures occurred within the new town of Almere, which has grown from 0 to 270,000 inhabitants in four decades time and with 25% since 2000 alone. This town is located in the province of Flevoland, which consists of newly-made land (polders) on the place where there used to be the Zuiderzee. This province was created in order to compensate for the lack of building space in the metropolitan areas of Amsterdam and Utrecht. Half of all new constructions take place in Almere or in Haarlemmermeer, which has a similar role within the region. Amstel-Meerlanden, in which Haarlemmermeer is located, therefore has the second highest growth rate between 2000 and 2006 (+10%). Also IJmond has an above-average growth-rate (+9%), but this is partly because new municipalities were added to this sub-region in 2002. The only sub-region where the population has declined, although not drastically, between 2000 and 2006 is Agglomeration Haarlem: -0.2% (O+S, 2006).

Sub-region	2000	2006	Change (%)
Almere	142,765	178,466	25.0
Amstel-Meerlanden	273,920	301,875	10.2
IJmond	172,495	188,582	9.3
Waterland	155,370	164,517	5.9
Het Gooi en Vechtstreek	232,669	241,816	3.9
Zaanstreek	150,964	156,066	3.4
Amsterdam	731,289	743,027	1.6
Agglomeration Haarlem	217,434	216,910	-0.2
Total	**2,076,906**	**2,191,259**	**5.5**

Figure 7: Population growth rates in the Amsterdam Metropolitan Area (Source: O+S, 2006)

The Amsterdam region has a slightly higher birth rate than the rest of the country: 13.2 children per 1,000 inhabitants, compared to 12.4 nationally. Because of the large number of (young) families living there, Almere has the highest birth rate (16.3). However, in terms of external migration, 743 more people left the region than moved into the region in 2005. The city of Amsterdam had the largest population loss (-4,295 people in 2005), while Almere (+1,679) and Amstel-Meerlanden (+2,196) have the largest migration surpluses, probably as a result of migration flows from Amsterdam. It is interesting to note in this respect that in the last couple of years, relatively fewer native Dutch people have left Amsterdam, while relatively more non-western immigrants have out-migrated, especially to Almere (O+S, 2004; O+S, 2006).

The prognosis is that the population within the region will continue to grow with 2% until 2010 and even with 6% until 2020. These figures are in line with the average growth figures for the Netherlands (respectively 2.5 and 5%). Again, the largest part of this growth will take place in Almere, which is expected to grow with 15% until 2010 and even with 45% until 2020. The city has the ambition to grow into a city of 400,000 inhabitants, which would make it the 4th city of the Netherlands. The only sub-regions that are expected to face a population

decline are Haarlem, IJmond and Zaanstreek. It has to be noted that due to stricter immigration laws, the expected growth is now smaller than it was in 2002, when a growth of 12% until 2020 was still expected (O+S, 2004).

4.1.2 Demographic population composition

The shares of women and men are in balance, both within the region as a whole (49% men; 51% women) and in all sub-regions. Regarding age-groups, the Amsterdam region is comparable to the rest of the Netherlands: 29% is younger than 24, 57% is between 25 and 64 years old and 14% is older than 64 (figure 8). Almere has the youngest population, with 31% of the population under 20 years old. This can be explained by the large number of families that migrated from Amsterdam to Almere over the last decades, as a result of the lower housing prices and the quieter and more spacious living environments that can be found there. On the other hand, and also as a result of the aforementioned trend, Amsterdam has a relatively small share of children under 15 (16%). Also, more than half of all children that were born in Amsterdam belong to migrant groups. However, because the city has two universities, there is a relatively large student population, which brings the share of people between 15 and 24 to 12%, which is a bit more than the regional average of 11% (O+S, 2006).

The core city has relatively many people between 25 and 49 (44%, compared to 39% regionally and 37% nationally) and relatively few people older than 50. Elderly people (older than 64) are especially living in the sub-regions Agglomeration Haarlem and Het Gooi en Vechtstreek (both 17%), whereas the lowest share is found in Almere (7%). Amsterdam has the lowest 'demographical pressure' (48; compared to 57 for the region and 62 nationally), which implies that there are fewer inactive people (0-19 and 65+) in relation to the number of active people (20-64) (O+S, 2004; O+S, 2006).
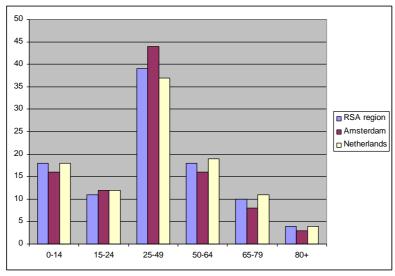

Figure 8: The population distribution according to age (in % of total population) (Source: O+S, 2006)

The prognosis is that the share of children in the Amsterdam region will grow with 2% until 2010, but will decline slightly in the longer term: -0.1% until 2020. Only Amsterdam, Amstel-Meerlanden and especially Almere will continue to face an increase in the share of children. The number of active people (20-64) is not expected to grow much until 2010 (+1%) and until 2020 (+2%), and growth for this group will only occur in Amstel-Meerlanden and Almere. The share of older people (over 64) will increase sharply: 35% until 2020, with the largest expected growth in Almere (104%) and in Waterland (53%). The very high growth prognosis for Almere can be explained by the fact that a large share of the dominant middle-aged category will be over 64 in 2020 (O+S, 2004).

Concerning the household composition, the region has relatively few households consisting of more than one person: 57% compared to 65% nationally in 2003. The only sub-region that has even fewer households consisting of more than one person is the City of Amsterdam (43%), while the highest shares are found in Almere and Waterland (both 72%). Both of these regions attract many families from Amsterdam. The fact that the two most urbanised sub-regions, Amsterdam (57%) and Agglomeration Haarlem (42%), have the highest shares of single-family households indicates that individualisation mainly manifests itself in large cities (O+S, 2004; Musterd et al., 2006). In Amsterdam, the large share of single-person households can also be explained by the large student population. Until 2020, it is expected that the share of single-family households will increase and the share of families with children will decrease in the region and all its sub-regions. The share of single-person households in Amsterdam is estimated at 63% in 2020, while the largest growth is expected in Zaanstreek: +11% (O+S, 2004).

4.1.3 Ethnic population composition

A distinction needs to be made first between non-Western and Western immigrants, since these groups show different patterns and levels of concentration (figure 9). The share of non-Western immigrants within the total population of the region was 19% in 2006, which is 4% more than in 1996 and much higher than the Dutch average of 10%. Within this category, the 3 main groups are the Surinamese (5% in the region and 9% in Amsterdam), the Moroccans (4% in the region and 9% in Amsterdam) and the Turkish (3% in the region and 5% in Amsterdam) (O+S, 2004; O+S, 2006).

	Amsterdam	Metropolitan Area	Netherlands
Surinamese	9	5	2
Turks	5	3	2
Moroccan	9	4	2
Total non-Western	34	19	10
Total Western	14	11	9
Dutch	51.5	70	81

Figure 9: Ethnic population composition (in %) (Source: O+S, 2006)

Non-Western immigrants and their descendants predominantly live in big cities: of all non-Western immigrants within the region, 60% lived in the City of Amsterdam in 2000, where they make up 34% of the total population. Within Amsterdam, this group is also concentrated

in certain boroughs. Especially Southeast (Surinamese), Bos en Lommer and the Western Garden Cities in the west (Moroccans and Turks) and East and Zeeburg in the east (Surinamese, Moroccan and Turkish) are showing above-average shares of non-Western immigrants (see figure 10).
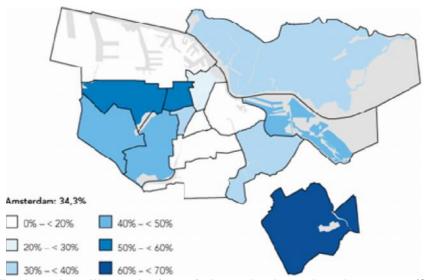
Figure 10: The share of non-Western foreigners in Amsterdam boroughs, 1 January 2006 (Source: O+S, 2006)

Also within boroughs, non-Western immigrants tend to live concentrated. For example: in Zeeburg, especially Indische Buurt has a very high level of ethnic segregation (around 60%), while the neighbouring Eastern Harbour District has a share of less than 10%. Also in Oud-Zuid, where the total share is only 17%, there is also one part of De Pijp where the share is over 37%. A comparison of figures 10 and 11 shows that some districts score considerably higher or lower than the borough average (O+S, 2006). It should be noted that even though there are neighbourhoods where the majority belongs to an ethnic minority, this majority is in no case formed by one single ethnic group. Furthermore, even in the most segregated boroughs, at least 30% is 'native Dutch' (Musterd & Ostendorf, 2003).
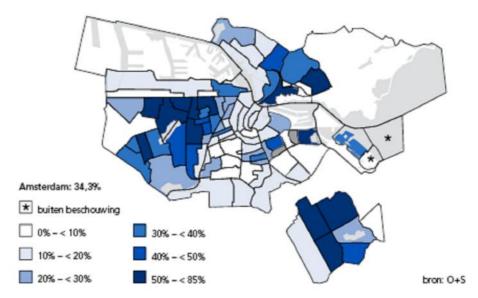
Figure 11: The share of non-Western foreigners in Amsterdam districts, 1 January 2006 (Source: O+S, 2006)

However, ethnic minorities increasingly start to settle outside the core city as well (figure 12). Almere even had the strongest growth figures for non-Western foreigners within the region between 1996 and 2003 (+161%). Also in the municipalities of Haarlemmermeer (+66%), Purmerend (+45%) and Zaanstad (+34%), the share of non-Western immigrants increased sharply. Within the City of Amsterdam, the share has also increased in the same period, but with "only" 21%. The Surinamese group, which has always focused mainly on the Bijlmermeer district (Southeast) in Amsterdam, was the first ethnic group to make a housing career within the wider region. Large numbers of Suriname people moved to Almere, where the group currently makes up 10% of the total population. Also the Turkish and Moroccan communities are showing an outward movement: they started in the inner-city districts of Amsterdam, but later moved to the (western) outer boroughs and now also to other parts of the region. Again, Almere is a popular destination, but no large communities have been formed yet (O+S, 2004; Musterd et al., 2006; http://www.almere.nl).

Figure 12: Concentrations of non-Western immigrants in the Amsterdam region (Source: Musterd et al., 2006)

Figure 13: Concentrations of Western immigrants in the Amsterdam region (Source: Musterd et al, 2006)

Immigrants from other Western countries form 11% of the total regional population (105,000). This group predominantly belongs to the group of highly-educated, well-paid short-term residents ('expats') and predominantly comes from Western Europe (especially Great-Britain and Germany), North America and Japan (Musterd et al., 2006). Also for this group, the share is the largest within the City of Amsterdam: 42% in 2006 and even 62% in Greater Amsterdam. Western immigrants form 13% of the total population of Greater Amsterdam. Within the core city, this group focuses on the inner city and the southern part of the city. Outside Amsterdam, there is a clear concentration in Amstel-Meerlanden (12%),

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especially in the affluent parts of Amstelveen, and also in Haarlem and Het Gooi en Vechtstreek (both 11%) (figure 13) (Musterd et al., 2006; O+S, 2006).

4.1.4 Socio-economic population composition

Of all 1.4 million people between 15 and 64, 68% belongs to the active population, which is a bit more than average in the Netherlands (66%). There are no big differences within the region (O+S, 2004). The active population is evenly spread across the two sexes: men and women both make up 50% of the active population. Also, there are no large differences between the different age categories: 39% of the active population is between 15 and 34, 26% is between 35 and 45 and 35% is between 45 and 64. Figures about the hours worked are only available on the city level, where 56% of the active population has a full-time job (33 hours or more per week). Also, no less than 43% is working as an independent entrepreneur or free-lancer (O+S, 2006).

Of the total active population in the region, 6% is unemployed, but there are differences within the region. Amsterdam and Almere are the sub-regions with the largest shares of unemployment (over 7%). In fact, 51% of all unemployed people within the region is living in the City of Amsterdam. For the rest, apart from Zaanstreek, all sub-regions have less unemployment than the regional average (figure 14).

RSA gebied: 6,1%

☐ tot 4,0%	1 Amsterdam	5 Het Gooi en Vechtstreek
☐ 4,0% – <5,0%	2 regio Waterland +	6 agglomeratie Haarlem
☐ 5,0% – <7,0%	3 Amstel-Meerlanden	7 IJmond
☐ 7,0% en meer	4 Almere	8 Zaanstreek

bron: CWI/O+S

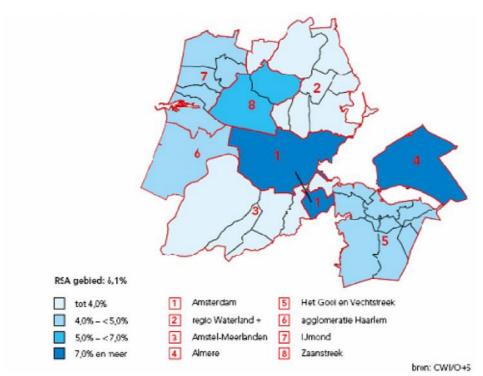**Figure 14: Unemployed people in the Amsterdam region (in% of the population between 15 and 64), 1 January 2006 (Source: O+S, 2006)**

In the City of Amsterdam, around 8% of the active population is unemployed. The share of unemployed people has shown some ups and downs since 2000s, in line with the development of the national economy, but the most recent development is positive. The number of

unemployed people keeps on declining in Amsterdam, while the decline has come to a standstill on the national level. On the 1st of July 2006, 44,542 people were registered as unemployed and on the 1st of October, this number had already declined with 1,179 people. Within Amsterdam, above-average shares of unemployed people are found on the city edge, especially in the borough of Geuzenveld-Slotermeer (11%). Also Southeast, Bos en Lommer (both nearly 11%) and North (10%) have shares above the city-wide average. The city centre (6%) and the southern boroughs of Oud-Zuid (6%) and especially ZuiderAmstel (5%) have the lowest scores (figure 15) (O+S, 2006).
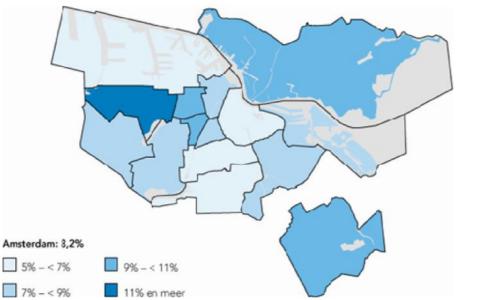
Figure 15: Unemployed people in Amsterdam boroughs, 1 July 2006 (O+S, 2006)

There are clear differences between the sub-regions regarding the mean income per inhabitant (figure 16). The southern part of the region is clearly the richest part: Het Gooi en Vechtstreek (14,800 euros), Agglomeration Haarlem (14,200) and Amstel-Meerlanden (14,100) all have mean incomes way above the regional average of 13,200 euros. The City of Amsterdam has a mean income of 12,800 euros, which is only a bit lower than the regional average. The only sub-region that scores significantly below average is Almere, with a mean income of less than 12,000 euros. Probably, this is the result of the in general lower prices of owner-occupied dwellings and the high share of social rented dwellings (O+S, 2006).

Income differences between the City of Amsterdam on the one hand and the rest of the region on the other hand have decreased again over the last couple of years, after having increased between 1960 and 1985 as a result of mass suburbanisation. In the early 1990s, the income differences started to stabilize and since the late 1990s, as a result of gentrification, the income difference between Amsterdam and its region declined again. This could be explained by the attractive living environments that can be found in and around the city centre, which make the city attractive for professionals as a place to live (Burgers & Musterd, 2002; Musterd et al., 2006).

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RSA gebied: 13.200 euro

⬜	tot 12.000 euro	1	Amsterdam	5	Het Gooi en Vechtstreek
🟦	12.000 – < 13.000 euro	2	regio Waterland +	6	agglomeratie Haarlem
🟦	13.000 – < 14.000 euro	3	Amstel-Meerlanden	7	IJmond
🟦	14.000 euro en meer	4	Amere	8	Zaanstreek

Figure 16: Mean income per inhabitant in the Amsterdam region, 2003 (Source: O+S, 2006)

Figure 17 shows that the highest mean incomes of persons with an income of 52 weeks are found in the city centre and in the south axis, where the most luxurious districts are located. Within the city centre, the western part with the f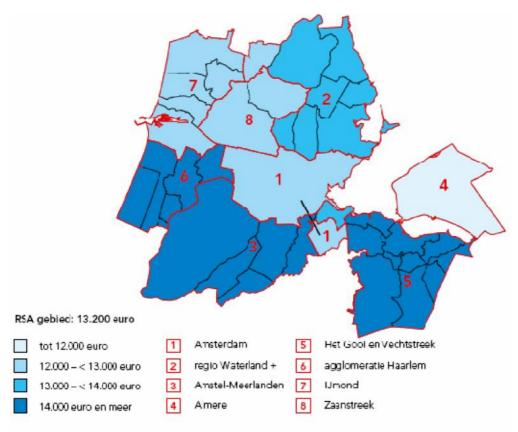amous canal belt is home to many high-income households. In the borough of Oud-Zuid, the high score is especially caused by Apollobuurt (the richest neighbourhood of Amsterdam) and the districts alongside Vondelpark (Museumkwartier and Willemspark). The sub-district De Pijp is the poorest part of the borough, but also this district has increasingly become popular with young urban professionals over the last couple of years, because of the central location in combination with a multicultural atmosphere and the presence of the famous Albert Cuyp street market within its borders. Within ZuiderAmstel, especially the small neighbourhood just north of Amsterdam South railway station is responsible for the high score, but also Buitenveldert is known as a quiet middle-class residential area (O+S, 2006).

In the borough of Zeeburg, there is a very sharp contrast between the different parts of the borough. Especially the newly-built Eastern Harbour District (former port site) is home to many young urban professionals and the new district of IJburg is attracting many families. The borough, however, also includes one of the poorest districts of Amsterdam, Indische Buurt, because of which it does not belong to the richest category. Also in the borough of Oud-West, there is a contrast between the relatively poor northern part and a richer than average southern part, which is adjacent to Vondelpark. Finally, also the newest part of Slotervaart-Overtoomse Veld, Nieuw Sloten, has many middle-class households, while some other parts of the borough are known as a disadvantaged neighbourhood. For the rest, all

boroughs score below the city average, with the lowest scores found in Geuzenveld-Slotermeer and Bos en Lommer (below 16,000 euros). It should, however, be noted that even some boroughs that as a whole have a mean income below average have some (small) parts with an above-average score. This is the case in Westerpark, North, Southeast, Osdorp and East/ Watergraafsmeer (O+S, 2006). This shows that income-segregation in Amsterdam is not really strong and that most boroughs are in fact relatively mixed in terms of income.
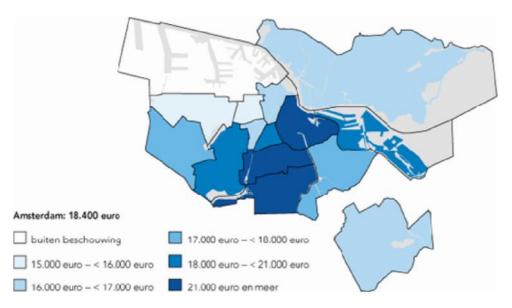
Figure 17: Mean income of persons with an income of 52 weeks in Amsterdam boroughs, 2003 (Source: O+S, 2006)

The average spending power of all Amsterdam people is below the national average. However, when only the employed residents are included, the spending power is with 18,400 euros higher than the national average in 2005. There are large differences between the different boroughs in terms of spending power. Especially the central parts of the city and the southern boroughs have a high level of spending power, while in Geuzenveld-Slotermeer, Bos en Lommer and Southeast, 25% of the population is living below the poverty limit. In 2005, 18% of all Amsterdam households (over 74,000) had an income of at most 105% of the minimum income and the number of people living in poverty for at least 3 years is increasing: 65% of all persons with a minimum income in 2003 and 72% in 2005. However, partly as a result of the Dutch welfare state, with a large emphasis on income redistribution, poverty in Amsterdam is not really extreme and can in no sense be compared to large American cities (Musterd & Ostendorf, 2003; O+S, 2006).

Finally, regarding the educational level of the active population, only data on the city region-level (thus excluding Haarlem and IJmond, but including Almere) are available. In the city region, 35% of the active population has had higher education (University or HBO degree) and the same number had middle education (MBO or HAVO/ VWO). Nearly one quarter of the active population has had lower education (VMBO), while 6% has only finished primary school. Within the region, there is a difference between Amsterdam and Amstelland on the one hand and the other sub-regions on the other hand. Amsterdam and Amstelland have the highest shares of people with higher education- respectively 39% and 47% (30% regionally)-,

while there are relatively few people with lower or middle education. The city of Amsterdam has two faces, however. Apart from the relatively high share of highly-educated citizens, the city also by far has the highest share of people with only primary education: 9% (O+S, 2006). Also the municipality of Haarlem has a relatively high share of highly-educated workers: 37% (http://www.haarlem.nl).

4.2 Economic situation

4.2.1 Recent economic results and developments

The 21st century started negatively for the Amsterdam region. After a period of very strong growth in the late 1990s (+7% in 1998), economic decline set in as a result of the international recession, the SARS epidemic and the threat of terrorism. Employment in sectors that are highly dependent on the state of the economy, like international trade, tourism and transport and communication declined; former growth sectors suddenly turned into declining sectors. Also office vacancy increased rapidly and still around 15% of all office space in the city of Amsterdam does not have a renter (O+S, 2006).

On the other hand, the presence of those vulnerable sectors makes the region a strong player in times of a growing world economy, and after 2004, the regional economy started to grow again. The most recent growth figures for the region are higher than those for the Netherlands as a whole, with the strongest growth occurring in the sub-regions Almere, Amstel-Meerlanden, Zaanstreek and Waterland. The economic growth in the city of Amsterdam is similar to the national growth figures, while Haarlem and IJmond are currently facing a setback after strong growth in 2004. The regional economic growth will be mainly the result of increases in export, (international) investments and an increasing number of tourists (http://www.os.amsterdam.nl).

In the Amsterdam region, the total number of companies was over 154,000 in 2005, which is 17% of all companies in the Netherlands. The total number of jobs in the region was nearly 1 million in 2005 (15% of all Dutch employment). Although Amsterdam is still the dominant economic centre within the region, with around 40% of all regional firms and jobs, this dominance has decreased somewhat as a result of sub-urbanisation of employment. This trend already started in the 1990s, but has been intensified during the last couple of years. Some regional sub-centres are increasingly gaining importance as employment locations, especially Almere (5% of all companies and jobs) and Haarlemmermeer (5% of all companies and even 12% of all jobs). A result of this polycentric employment pattern is that complex commuter-patterns are emerging as well: not only from suburb-to-city and from city-to-suburb but also from suburb-to-suburb (Musterd et al., 2006; O+S, 2006).

In Haarlemmermeer, Schiphol airport alone employs around 58,000 people and employment at the airport has increased with 6% since 2001. Amsterdam Airport Schiphol is one of the two 'mainports' of the Dutch economy; the other one being the Port of Rotterdam. The growth of Schiphol Airport is an important economic booster for the Dutch national economy and for the Amsterdam Metropolitan Area in particular. However, there are discussions about

the limits of this growth. The airport is situated in a very densely populated part of the country and already many people living in the area are facing inconvenience (especially noise pollution) because of the airport. Plans for enlargement of the airport can therefore always count on a lot of resistance from the local population and also from nature organisations. The dilemma is to either further expand Schiphol or to replace the airport. Also the North Sea Canal Area, stretching from Amsterdam to IJmuiden, is an important employment hub outside the core city, with a total number of jobs around 110,000 (O+S, 2006).

Still, even though it is no longer the only significant economic centre within the region, there are no signs of an economic decline of the City of Amsterdam. Rather, within the city, a shift of employment in producer services from the inner-city to the 'highly accessible zones' in the south (South Axis, Amstel and Arena Boulevard) and west (e.g. Sloterdijk) has occurred (Musterd et al., 2006). These zones are located around important railway stations and alongside the ring road A10 and are characterised by a concentration of high-rise office buildings. The inner-city's status as a Historical Preservation District has imposed severe limitations on new office construction there (Terhorst & Van de Ven, 2003), but by means of planned de-concentration, the city as a whole has been able to retain or even improve some elements of economic strength. While the financial sectors are increasingly concentrated on the edge of the city, the inner-city is specialising in cultural and creative industries. Apart from that, the inner-city has also gained importance as a high-status residential location since the 1980s (Terhorst & Van de Ven, 2003; Musterd et al., 2006).

Sub-region	Companies	Working persons
Amsterdam	0.3	0.2
Waterland	10	6
Amstel-Meerlanden	6	0.7
Almere	31	15
Het Gooi en Vechtstreek	10	-0.7
Haarlem	13	-0.02
IJmond	11	3
Zaanstreek	23	-0.5
Total AMA	**8**	**1**
The Netherlands	**6**	**-2**

Figure 18: the change in the number of companies and working persons (in %) between 2001 and 2005 (Source: O+S, 2006)

Between 2001 and 2005, the number of companies in the region has grown with 8%; a growth rate that is comparable to the national average (6%). All sub-regions have acknowledged growth in the number of companies in this period, and especially Almere (+31%), Zaanstreek (+23%), Haarlem (+13%) and IJmond (+11%) have grown rapidly. The city of Amsterdam has the smallest growth figures (+0.3%), but still attracts most companies in absolute terms. The number of jobs in the region also increased slightly between 2001 and 2005 (+1%), whereas employment declined on the national level during the same period: -2%. Almere has had the largest increase in the number of jobs (+15%), followed by Waterland (+6%) and IJmond (+3%). In the city of Amsterdam and Amstel-Meerlanden, growth has been at most 1%, while Het Gooi en Vechtstreek, Zaanstreek and Haarlem even experienced a decline in the number of jobs (O+S, 2004; O+S, 2006).

That the regional economy is on the rise again is illustrated by a ranking of 46 European cities, based on the economic growth prognosis between 2005 and 2010. In 2006, Amsterdam took in a 14th place with similar growth figures as in London and Madrid, while one year earlier, Amsterdam was still 18th; a few places below London and Madrid (figure 19). This relatively strong growth can be explained by Amsterdam's orientation on international markets, especially the United States and Asia, and the strong growth of the ICT and business services sectors that occurred during the last couple of years. In terms of employment growth, the prognosis for the Amsterdam region is even more favourable: the region ranks 5th, after Dublin, Helsinki, Budapest and Warsaw. However, it has to be noted that this increase in employment can be influenced by the increasing share of part-time jobs in the Amsterdam region (http://www.os.amsterdam.nl).
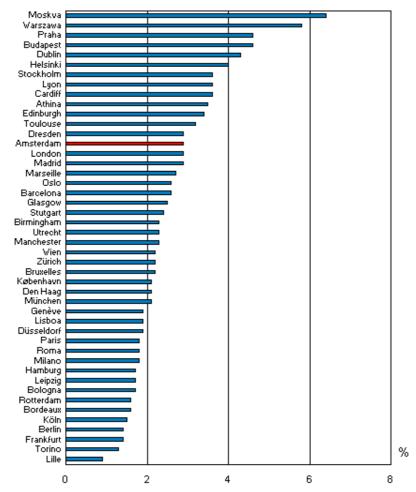

Figure 19: Economic growth prognosis 2005-2010 (in %) (Source: O+S)
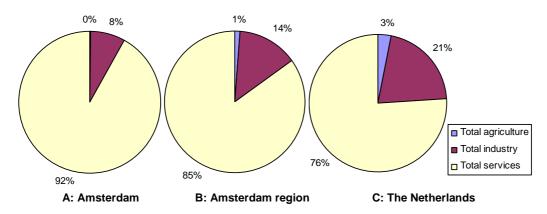
4.2.2 Specialisation

Figure 20: Employment per sector in the City of Amsterdam, the Amsterdam region and The Netherlands in 2005 (Source: O+S, 2006)

The Amsterdam region is clearly a service-oriented region, as figure 20 illustrates. The two service sectors (commercial and non-commercial services) are by far the largest sectors in the region. In 2005, 85% of all jobs within the region were in the service sectors and even 92% in the city of Amsterdam. This is considerably higher than the national average of 76% (O+S, 2006). On the other hand, agriculture is underrepresented in the Amsterdam region: only 1% of all jobs, compared to 3% nationally. That the share in Amsterdam is even close to zero is a logical outcome for a large city. Within the region, Waterland, Zaanstreek and Meerlanden show the largest concentrations of agricultural employment (O+S, 2006; Bontje et al., forthcoming). Figure 20 also clearly shows that the industrial sector (including construction) is much smaller in the region (14%), and especially in the city of Amsterdam (8%), than on the national level (21%). The Amsterdam region includes a few traditional industrial areas, Zaanstad (food production) and IJmond (steel manufacturing), but also those areas have rapidly de-industrialised over the last decades (O+S, 2006; Bontje et al., forthcoming).

The largest sub-sectors within the service economy are 'business services' (15% of the active population), 'health and social work' (14%) and 'wholesale and retail trade and repairs' (13%). However, for all these sectors, the share in the Amsterdam region is still lower than the national average (figure 21). One sector in which the Amsterdam region is specialised in comparison to the national level is 'transport, storage and communications': 8%, compared to 6% nationally. This is probably caused by the presence of Amsterdam Airport Schiphol, the seaports alongside the North Sea Canal and the large number of ICT firms within the region. Another specialisation is financial services (6%, compared to less than 4% nationally). Amsterdam is known as the financial capital of the Netherlands, and owes that name to the presence of the Stock Exchange, the Dutch National Bank, the headquarters of several large banks (ABN Amro, ING Bank and Rabobank) and the European headquarters of several foreign banks (http://www.ez.amsterdam.nl). The financial sector and its clusters in the region will be described in more detail in Chapter 5. The Amsterdam region also seems to be specialised in 'other services' (11%, compared to 4% nationally), probably because of the

large number of cultural and leisure activities in the Amsterdam region. Especially the city of Amsterdam has a relatively high score for this sub-sector: 15%. The city of Amsterdam, though not the region, has an overrepresentation of 'education': 8%, compared to 7% regionally and 7% nationally. This is probably caused by the large size of the city on the one hand and the presence of several institutes for higher education, including 2 large universities. The two universities of the city have nearly 43,000 students; 25,000 at the University of Amsterdam (UvA) and 18,000 at the Free University (VU). Also, there are around 40,000 students studying at polytechnic institutes (HBO) (O+S, 2006).
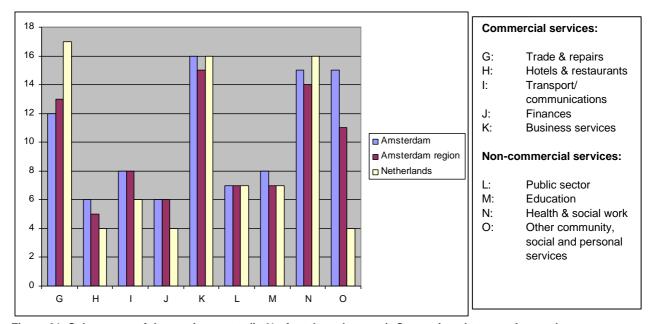
Figure 21: Sub-sectors of the service sector (in % of total employment). Comparison between Amsterdam, the City Region and the Netherlands (Source: O+S, 2006)

Furthermore, the Amsterdam region, and especially the city of Amsterdam is specialised in 'Hotels and restaurants': 6% in Amsterdam, 5% in the region and 4% nationally. This is related to Amsterdam's position as a top 10 tourist city within Europe. The development of tourism is in line with developments in the world economy and the sector has recovered again in recent years after a short setback in 2003. In 2006, there were 348 hotels, 18,366 rooms and 39,272 beds and these numbers have increased in the last 10 years. Logically, most hotels are located in the areas that are most visited by tourists, namely the city centre (67%) and the neighbourhoods that are located north and south of Vondelpark: Oud-Zuid (18%) and Oud-West (7%).

The number of hotel guests has risen with nearly 8% between 2004 and 2005 to 4,517,000 and even with 20% over the last 10 years. The most important groups of tourists are from Great-Britain (1 million; 22%), United States (630,000; 14%) and the Netherlands (623.000; 14%). An explanation for the increase in the number of hotel guests is the trend that Dutch people who go on holiday in their own country stay at hotels more often, in combination with the relatively high number of international congresses (mainly in RAI) and the SAIL event that took place in 2005. Amsterdam ranked 5th in the top 10 of congress cities in Europe (after Vienna, Barcelona, Berlin and Paris) and 10th in the worldwide ranking, with 82 international

congresses in 2005. The number of stays has also increased: with 3.5% between 2004 and 2005 to 8,199,000 and even with 25% between 1996 and 2005. The length of stays has, however, been declining since 2003 and stood at 1.82 nights in 2005. Total tourist expenditures are estimated around 4 billion euros a year, 72% of which comes from tourists and the other 28% from business spending by visitors (O+S, 2006; http://www.amsterdam.nl). The number of jobs within the tourist sector has not changed much in recent years. In total, around 46,000 people were employed within the tourist sector in 2005. The number of companies involved in the tourism sector has, however, been declining since 2002 and is currently around 7,000 (O+S, 2006).

In recent years, the importance of knowledge, creativity and information has increased in the Amsterdam region. Knowledge-intensive services like financial services, real estate, law firms and ICT, as well as creative industries, are showing significant clusters within the Amsterdam Metropolitan Area, which will be illustrated in Chapter 5. No less than 44% of all people working in Amsterdam are highly-educated (university or HBO degree). In the whole region, this share is somewhat lower (38%), but still much higher than the national average of 30%. Within the region, there are big differences though: in IJmond and Zaanstreek, only 25% and 23% of the workforce is highly educated. All lower forms of education are underrepresented in the region as a whole, although some sub-regions still offer a significant number of low-skilled jobs (O+S, 2004).

Occupations	Netherlands	Amsterdam region	Amsterdam region
	2000	2000	2005
1. Managers & senior officials	13%	22%	26%
2. Professional occupations	17%	17.5%	17.5%
3. Associate professional and technical occupations	18%	13.5%	13%
4. Administrative & secretarial occupations	12%	13%	14%
5. Service workers & shops + market sales workers	13%	7%	7%
6. Skilled agricultural + fishery workers	2%	1%	1%
7. Craft & related trade workers	10%	4%	3%
8. Process, plant and machine operatives	6%	8%	7%
9. Elementary occupations	9%	2%	2%
Total	7,567,700 = 100%	577,000 = 100%	606,000 = 100%

Figure 22: Occupational groups (ISCO-88) in the Netherlands and the Amsterdam region (Source: http://laborsta.ilo.org; CBS)

Figure 22 shows the share of several occupational groups (ISCO-88 classification) in the total active population. It turns out that the Amsterdam region has relatively many people working as managers and senior officials (22%, compared to 13% nationally in 2000). The relative share of managers and senior officials has also increased the most between 2000 and 2005. The Amsterdam region also has a bit more administrative and secretarial occupations (13%, compared to 12% nationally in 2000); probably because those jobs normally co-exist alongside managerial jobs. Given the relatively small share of industrial jobs in the region, it seems at first sight more surprising that the region has relatively many process, plant and

machine operatives. However, the presence in the region, although declining for years, of steel manufacturing activities in Velsen (9,000 working persons) and food production activities in especially Zaanstad and Amsterdam (9,000 working persons) could possibly explain these high shares. The share of process, plant and machine operatives within the region's active population has, however, declined with 1% between 2000 and 2005. Compared to the national level, the Amsterdam region has relatively few associate professional and technical occupations (13.5%, compared to 18% nationally), service workers and shops and market sales workers (7%, compared to 13% nationally), agricultural and fishery workers (1%, compared to 2% nationally), craft and related trade workers (4%, compared to 10% nationally) and elementary occupations (2%, compared to 9%) (http://laborsta.ilo.org; CBS).

4.2.4 Settlement climate

Amsterdam remains an important city for the settlement of (international) companies; in a ranking of European cities based on the attractiveness of their settlement climate, Amsterdam was on the 6th place in 2006, behind London, Paris, Frankfurt, Barcelona and Brussels (figure 23).

	1990	2005	2006
London	1	1	1
Paris	2	2	2
Frankfurt	3	3	3
Barcelona	11	5	4
Brussels	4	4	5
Amsterdam	**5**	**6**	**6**
Madrid	17	7	7
Berlin	15	8	8
Munich	12	9	9
Zurich	7	10	10

Figure 23: The Top 10 of the European Cities Monitor (Source: Cushman & Wakefield, 2006)

According to the 'European Cities Monitor', Amsterdam scores high on the fields of accessibility of markets and clients, the availability of office space, the multilingual population, transport connections and the life standard of personnel (figure 24). The high quality of life, diversity and the cultural and lively image are also often mentioned as strong aspects of Amsterdam, which distinguish Amsterdam from other European cities. The 'Competitive Alternatives' research by KPMG also showed that the running costs of companies are relatively low in Amsterdam, when compared to other large European, American and Asian cities. Although Amsterdam is in the Top 30 of most expensive office locations, most major West-European cities are still considerably more expensive. Furthermore, the presence of a large international airport (Schiphol), a relatively large number of high-quality research institutes as well as 2 universities and a fast glass-fibre internet connection make Amsterdam into an attractive business location. In fact, Amsterdam is the second largest internet node of Europe (behind London) and the fastest internet node in the world.

The most negative aspects of Amsterdam turned out to be the high personnel costs and the high costs of housing. In general, Amsterdam is known as an expensive city: in 2005, the city even ranked 24th on the list of most expensive cities of the world. In 2006, Amsterdam has fallen back to place 41, however, mainly because of the increasing costs of life in cities in Eastern Asia. Also, increasing traffic problems (jams) have caused the city to fall back one place in the ranking of most liveable cities in the world to number 13 in 2006 (http://www.os.amsterdam.nl; Cushman & Wakefield, 2006; KPMG, 2006).

Best business location	6
Familiarity with city	11
Cities improving themselves	17
Representation of companies	10
Access to markets	4
Availability of qualified staff	9
External transport links	4
Quality of telecommunications	10
Cost of staff	26
Climate created by government	11
Value for money of office space	19
Availability of office space	15
Languages spoken	2
Internal transport	10
Quality of life for employees	11
Freedom from pollution	12

Figure 24: The results of Amsterdam in the European Cities Monitor 2006 (Source: Cushman & Wakefield, 2006)

In 2006, 86 new foreign companies settled in the Amsterdam region and this number has been increasing for some years (73 companies in 2005 and 63 companies in 2004). Most new foreign companies settled in Amsterdam (59), but Schiphol (13), Almere (7), Hoofddorp/ Nieuw Vennep (5) and Amstelveen (2) were also chosen as settlement locations. Within Amsterdam, the city centre, South Axis, Teleport Sloterdijk and Southeast were the most popular locations. In total, these foreign companies provide 892 new jobs. The main region of origin in 2006 was Asia (35%), with North America and EMEA (Europe, Middle East, Africa) both following with 32.5%. Japan was the most important country of origin with 12 companies, but also 7 new Korean companies settled in the region. Japan and Korea are currently the most important business partners, but Amsterdam is also increasingly attracting Indian (ICT) and Chinese (airline) companies.

The municipality of Amsterdam and the region actively stimulate attracting foreign companies in line with the 'Amsterdam Topstad' policy, which is meant to improve the international image and settlement climate of the city. The ambition is to attract (European) headquarters in order to improve the region's competitiveness, but also important Asian companies; 750.000 extra euros have been made available for the active acquisition of companies from China and India (http://www.amsterdam.nl; http://www.os.amsterdam.nl). This policy will be addressed in more detail in Chapter 6.

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4.3 Housing market and infrastructure

4.3.1 The housing stock

Of the total housing stock in the Netherlands, 14% is located within the Amsterdam region. At the beginning of 2006, 992,492 dwellings were counted within the region, of which 38% was located within Amsterdam. Amsterdam's share in the regional housing stock is slowly decreasing, however: the share was still 39% in 2002. Most new constructions take place in the wider region, especially in Almere and Amstel-Meerlanden (Haarlemmermeer), which now have respectively 7% and 13% of all housing in the region and this share has been increasing for years. These are the only sub-areas where sufficient space is still available. The housing density in the region is 673 dwellings per km², which is three times more than the national average, but within the region there are large variations. Logically, Amsterdam is the most densely built sub-region with 2,285 dwellings per km², while the rural sub-region Waterland has the lowest density with only 255 dwellings per km² (O+S, 2006).

Amsterdam has a relatively old housing stock: nearly half of all dwellings were built before the Second World War, compared to only one-third in the region. Apart from the fact that Amsterdam was not severely damaged in the Second World War, this relatively old housing stock is also caused by the limited space for expansions within the city limits. Since 1990, however, new construction is more evenly spread between the city (12%) and the wider region (16%). This can probably be explained by the conversion of former harbour sites (Eastern and Western harbour districts) and the site of the old Ajax stadium in Watergraafsmeer (Park De Meer) into residential areas and by the construction of IJburg, which has been constructed on newly-made land in the river IJ. Also, in the 1990s, new areas like De Aker and Nieuw Sloten were fully built up. Apart from IJburg, the limits of growth within the core city have been reached around 2005, however.

Housing in Amsterdam is also predominantly small-sized: 67% of all dwellings has at most 3 rooms, while the share in the region is only 42%. On the other hand, the share of dwellings with more than 5 rooms is relatively small in Amsterdam: 9%, compared to 27% in the wider region. The share of single-family dwellings is relatively small in Amsterdam (15%) when compared to the wider region (50%) and especially the Netherlands (71%); most dwellings are apartments. Thus, for people who prefer a larger dwelling, there is little choice within the core city. There is, however, much more variation within the region: in Waterland, Almere and Het Gooi en Vechtstreek around 80% of the housing stock consists of single-family dwellings (DRO, 2006a; O+S, 2006).

4.3.2 Housing market sectors

The city of Amsterdam has a relatively large social rented housing stock. At the beginning of 2006, 52 per cent of Amsterdam's housing stock belonged to the social rented sector, in comparison to 40% in the region and only 34% in the Netherlands. Also the private rented sector is with 27% relatively large in the core city: only 16% regionally and 10% on the national level. The owner-occupied sector is still very much underrepresented in the City of

Amsterdam: 21%, compared to 44% in the region and even 56% in the Netherlands (figure 25). In fact, Amsterdam has one of the smallest owner-occupied sectors in the world (O+S, 2006; Aalbers, 2004). In Amsterdam's neighbouring municipalities, the housing stock is predominantly owner-occupied and the social-rented sector is relatively small, with the exception of the older centres like Haarlem and Zaandam and some new towns (Bontje et al., forthcoming).

This large share of social housing has created a problem of accessibility on the housing market in Amsterdam. The average waiting time for a social rented dwelling is 7 years and the average residence in the first dwelling is no less than 14 years. The number of moves within the city is small and has been declining since the early 1990s. As a result, about 30% of all residents lives in a too small dwelling; the Turkish and Moroccan groups, who in general have the largest families, in particular. Over the last couple of years, the number of movements started to increase again slightly: from 65,000 in 2000 to 75,000 in 2005. Possible explanations for this are the decrease of foreign migration, increasing emigration and an increase in new construction outside Amsterdam (O+S, 2006; Bontje et al., forthcoming).
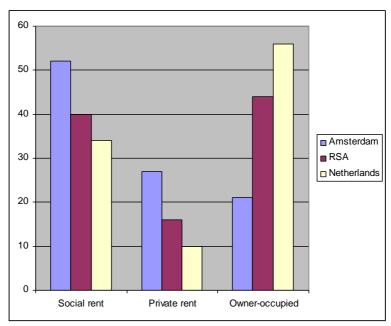
Figure 25: The housing stock according to ownership in Amsterdam, the Metropolitan Area and the Netherlands (in %) (Source: O+S, 2006)

Between 2002 and 2006, the social rented sector in the core city has declined with 9,000 dwellings. New social rented dwellings are still being constructed, but their relative share is much smaller than that of newly-built owner-occupied dwellings. Also the private rented sector has declined, although not as much as the social rented sector: -4,000 dwellings. Relatively few new private rented dwellings are constructed. On the other hand, the owner-occupied sector has increased sharply between 2002 and 2006: +19,000 dwellings. This increase is caused by selling rented dwellings (12,000), new constructions (5,000) and by combining dwellings (2,000) (O+S, 2006). The aim is to increase the share of owner-occupied dwellings to 35% (Ten Hoove, 2004).

The average price for an owner-occupied dwelling has decreased over the last years, between 2004 and 2005 even with 8%. This is probably caused by the selling of rented dwellings, which are often cheaper than "traditional" owner-occupied dwellings. However, compared to 10 years ago, the average price has skyrocketed: from €74,000 in 1994 to €188,000 in 2005. The strongest increase has taken place in the 19th century neighbourhoods: from €55,000 in 1994 to €190,000 in 2005 (O+S, 2006). This strong increase coincides with the increased popularity of Amsterdam as a residential location for professionals since the 1990s, whose preference for central locations probably also explains why exactly the 19th century neighbourhoods have become much more expensive (DRO, 2006a).

4.3.3 Transport infrastructure

Amsterdam is well connected to several forms of public transport. There is a ring road (motorway A10) surrounding the core city, which is connected to motorways running in all directions. All important sub-centres within the Amsterdam region have a motorway connection to the city of Amsterdam. There is also a dense railroad network in and around Amsterdam, connecting Amsterdam to the rest of the region and also with the rest of the country and Europe by intercity and international trains. There are several train stations, the largest one being Amsterdam Centraal (Central Station), which is one of the most crowded stations in the Netherlands with around 150,000 travellers a day. Within Amsterdam, there are a few other stations where fast trains are stopping, like Amsterdam Sloterdijk, Amsterdam Amstel, Amsterdam Bijlmer/ArenA and Amsterdam Zuid, and in-between, some stations are connected to the slow train network. Around the intercity stations, many offices and entertainment facilities have been constructed, especially in the last decades, in order to diminish the pressure on the inner city.

Within the city, there is also a dense public transport network. Trams, buses and four metro lines are connecting the city centre to the outer districts, the peripheral office locations and the suburbs. Another metro line, running from north to south, is currently being constructed and will be finished around 2012 according to the most recent plans. Amsterdam, and in fact the Netherlands in general, are also known world-wide for their biking tradition: nearly half of all traffic movements in Amsterdam take place by bicycle and this is also the fastest mode of transport within the inner city.

Amsterdam also has the national airport, Schiphol, which is located around 15 kilometres southwest of the inner city in the municipality of Haarlemmermeer. Currently, the airport ranks fourth in the list of most important airports in Europe in terms of passengers (after London Heathrow, Paris Charles de Gaulle and Frankfurt) and even third in terms of freight (after Frankfurt and Paris Charles de Gaulle). The total number of passengers was 44 Million in 2005, which means an increase of 12% since 2001. Also, 1,450,000 tons of freight were distributed in 2005; an increase of 23% since 2001 (O+S, 2006). The seaports around the North Sea Canal, stretching from Amsterdam, Zaanstad, Beverwijk and Velsen to IJmuiden, have been growing rapidly in recent years and the port of the city of Amsterdam in particular. The total distribution of freight has increased with 18% between 2004 and 2005, partly as a

result of the inclusion of Amsterdam in 3 intercontinental routes to China, Japan and Latin America. Concerning the number of passenger ships, there has been an increase in the number of ferries (especially in IJmuiden) and in the number of Rhine-cruises. The number of cruise ships (both in Amsterdam and IJmuiden) has been increasing again since 2002, although the number in 2005 (114) is still a bit smaller than the number in 2001 (125). An explanation for the recent growth could be the opening of a new passenger terminal a few years ago at the southern bank of the River IJ (O+S, 2006).

4.4 Conclusions

Amsterdam is the largest city of the Netherlands and is located in a metropolitan area with more than 2 million inhabitants. The region has a growing population, and most of this growth takes place in the wider region, as the limits of growth have been reached in the core city of Amsterdam. When compared to the national level, the region has an over-representation of the age category 25-49, single-person households (especially in the core city) and people of non-Dutch origin. In socio-economic terms, the city and the region are relatively mixed and the unemployment rate does not differ much from the national average. An interesting development is that income differences between the city and the wider region have been decreasing since the late 1990s. Also, the region has a relatively highly educated active population.

The regional economy has been growing again since 2004, after a short recession at the beginning of the 21st century. Because of the regional economic diversity, there are always sectors that keep on growing if other sectors are in crisis, and the total number of companies has grown during the last five years. Increasingly, this growth takes place in the wider region, but there are no signs of a decline of the core city. Rather, also within the city of Amsterdam, decentralisation of employment is taking place. The region is specialised in service delivery (e.g. 'transport, distribution and communication', 'financial services', 'hotels and restaurants' and 'other services') and accommodates relatively many people working in managerial occupations. But the regional economy is not dependent on one single sector; a decline in one sector can always be compensated or at least mitigated by growth in other sectors. This makes the region less vulnerable in times of economic downturns. According to the European Cities Monitor, in which Amsterdam ranks 6th in terms of its business climate, the city has an attractive settlement climate, but is expensive, both for employers (personnel costs) and employees (housing costs and general costs of living).

The housing market is characterised by a relatively large social rented sector and a relatively small owner-occupied sector and by relatively small housing, especially in the core city. Whereas the high and rising housing prices are a major challenge for the region, the region's good transport connections are definitely a strong asset. Especially the location of Schiphol international airport within the region's territory has been an important booster for the regional economy.

5 The current state of the creative knowledge sectors

5.1 Statistical analysis of creative knowledge sectors

5.1.1Creative industries in the Netherlands and Amsterdam

The relative size of the creative sector is the Netherlands is small: in 2004, only 3% of all employment belonged to the creative sector. Still, the relative importance is increasing quickly: in 1996, the number of creative jobs was still 190,000 and this number has increased with 25% to 238,000 in 2004. Between 2002 and 2004, the relative importance of the sector decreased slightly, however, which could illustrate that the sector is relatively sensitive to international economic developments. The strongest growth occurred in the fields of arts, architecture, technical engineering, designer fashion and radio and TV production and related service deliveries (Marlet & Poort, 2005).

The creative industries are mainly concentrated in the northern half of the Randstad region and alongside the so-called 'A2-corridor' from Amsterdam to Maastricht. Amsterdam is the main centre for creative industries, with 13% of all creative jobs in The Netherlands, with which the city stays far above Rotterdam (5%), The Hague (4.5%) and Utrecht (3%). Amsterdam is the main concentration area for all but one of the cultural industries; only for architecture, Rotterdam is the most important city (Kloosterman, 2004). The Randstad region also has the highest growth rates for the creative sectors, especially in Amsterdam: +65% between 1996 and 2004. The creative industries together have over 15% of all firms and around 8% of all employment in the Amsterdam Metropolitan Area (LISA, 2005; Marlet & Poort, 2005).

The 'creative industries' sector has been sub-divided in the following sub-sectors: creative business services (advertising, architecture and industrial design, designer fashion, software), arts (arts and antiques trade, music and the visual and performing arts) and media and entertainment (publishing, video, film, music production and photography, radio and television). The next sections will present some figures and maps that illustrate the concentrations of these sub-sectors, as well as some other creative knowledge sectors that do not belong to creative industries, within the Amsterdam Metropolitan Area. The categories are based on the standard deviation of the absolute number of firms for each sector: the yellow areas score below the regional average, the light blue areas score higher than the regional average and the dark blue areas have score much higher than the regional average. After presenting the spatial distribution of the creative knowledge sectors in the sections 5.1.2 until 5.1.5, section 5.1.6 will discuss explanations and interpretations of how these patterns have come about.

The database used for the maps is the LISA database, which is generally considered as the most accurate and complete database on the location of firms and jobs in the Netherlands. This database is updated yearly. For our analysis, we used the LISA database of 2005. These

data are available at the 4-digit postal code level. The 4-digit postal code areas are shown on the map as the basic geographic unit for the following analyses. A cautionary note should be made in order to interpret the distribution patterns on the maps. Since the division of the Netherlands into postal codes is generally based on the number of inhabitants as well as municipal borders, the geographic size of these areas varies significantly within the Amsterdam Metropolitan Area. This sometimes makes some less densely populated areas show up as seemingly large-scale clusters of creative knowledge industries, while the actual cluster within these areas is much smaller in size. The following map (figure 26) gives an overview of the main centres in the Amsterdam Metropolitan Area.
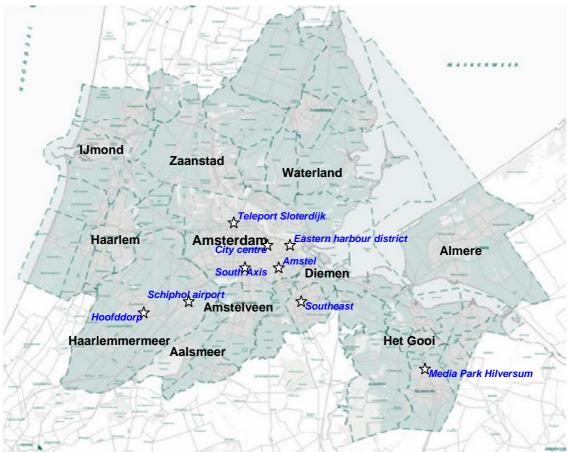
Figure 26: The Amsterdam Metropolitan Area (Source: http://www.regionalesamenwerking.amsterdam.nl; Revised by B. Sleutjes)

5.1.2 Creative business services

The 'advertising' sub-sector makes up 3% of all firms and 1% of all jobs in the Amsterdam Metropolitan Area. The sector's share in the total number of companies within the region is twice as high as the figure on the national level (1.6%), and of all Dutch advertising firms, 28% is located in the Amsterdam Metropolitan Area. In total, there are 3,706 companies involved in advertising, which offer work to over 11,000 people.

Advertising firms tend to have an urban orientation: 1,745 firms (47%) are located in the city of Amsterdam. Within Amsterdam, those firms are mainly located within the Ring road A10 and south of the river IJ, and above all in the inner city, the Eastern and Western harbour districts, the 19th century ring and in the South axis (figure 27). Also in the office park in Amsterdam Southeast, there appears to be a large concentration of advertising firms. Outside the city, there are a few clusters as well, especially in the southern suburb of Amstelveen (Amstel-Meerlanden), Haarlem in the east and parts of Het Gooi in the southeast. Also Wormerveer (Zaanstreek) to the north of Amsterdam has a number of advertising firms that is much higher than the regional average (LISA, 2005; http://www.cbs.nl).
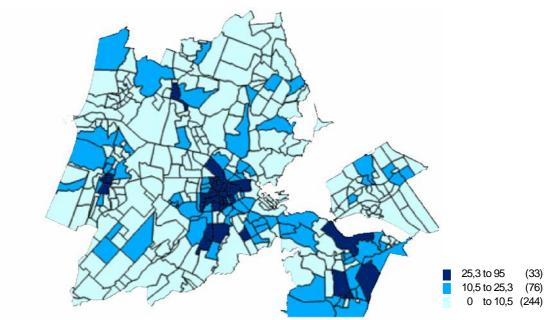
Figure 27: The number of advertising firms within the Amsterdam Metropolitan Area (Source: LISA, 2005)

The sub-sector 'architecture and technical engineering' has 2,888 firms (2% of all firms) in the whole region, and the region has 16% of all Dutch architecture and engineering companies. This sector cannot be regarded as a speciality of the Amsterdam Metropolitan Area; its share in the total number of companies is as high as the national average (2%). In total, 14,360 people work within this sector, which is around 1% of all regional employment.

The main concentration area is the city of Amsterdam, which has 39% of all firms, and within the city, again most firms are located within the ring road and south of the river IJ, with an exception of one district on the north bank of the river IJ. The inner city and the harbour districts are popular locations again, and outside the inner city, there is a clear concentration in the southern districts. Also the office parks on highly-accessible locations like Amstel and Southeast have a large number of firms or a small concentration of large firms (figure 28).

	9,1 to 40	(23)
	3,6 to 9,1	(99)
	0 to 3,6	(231)
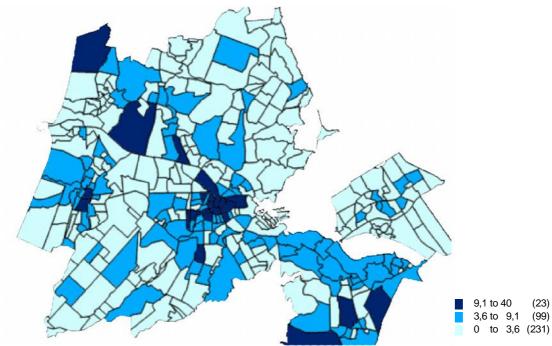
Figure 28: The number architectural or technical engineering firms (Source: LISA, 2005)

The same figures also show that outside the core city, the sector is a bit more dispersed across the region than advertising firms. Still, some concentration areas can clearly be recognised. Again, Het Gooi, the Haarlem agglomeration, Amstelveen and parts of Zaanstreek (Zaandam and Wormerveer) turn out to be important clusters, but also Hoofddorp, located in Haarlemmermeer (Amstel-Meerlanden) has a large concentration of 'architecture and engineering' firms. Hoofddorp has developed into an important office location over the past decade, with many (high-rise) office buildings located around the railway station. At first sight more surprisingly, also parts of Kennemerland (IJmond) have clusters of architecture and engineering. This area is known for its steel manufacturing and ship building industry, so these creative clusters will likely include many engineering activities related to those industries (LISA, 2005; http://www.cbs.nl).

 'Software, computer games and electronic publishing' has 3,750 firms (3%) and 18,568 jobs (2%) within the Amsterdam Metropolitan Area. Nearly one quarter of all Dutch software firms is located in the Amsterdam Metropolitan Area and also the regional share of this sector within the total number of firms is higher than the national share of 2%, which indicates that Amsterdam is an important cluster for software. The city of Amsterdam has almost half of all employment within this sector and again, the districts within the ring road have the largest concentrations of firms, but in terms of the number of jobs, also some office locations in the west (Sloterdijk) and southeast (Amstel, Southeast) of the city are important. On the regional level, Hoofddorp, Het Gooi, Amstelveen and the centre of Haarlem step out again, but also parts of Zaanstad and Purmerend (Waterland) have significant concentrations of firms (figure 29) (LISA, 2005; http://www.cbs.nl).
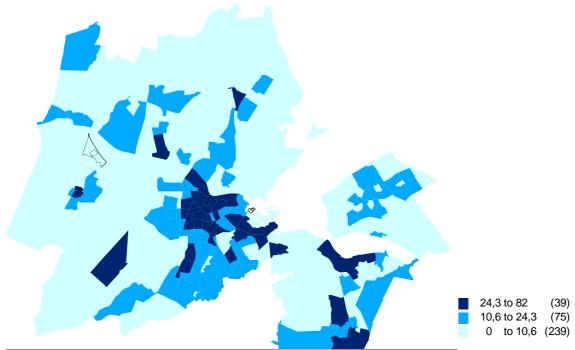
Figure 29: The number of software firms (Source: LISA, 2005)

'Designer fashion' is not really a significant sector in the Amsterdam Metropolitan Area, with only 481 companies (0.4% of all firms) and 1,774 employees (0.2%). The region also has only 15% of all Dutch 'designer fashion' firms, which is considerably less than the aforementioned creative sectors, and the share of the sector in the total number of companies is also not higher than on the national level (0.4%). Within the sector, more than half of all activities involve the manufacturing of wearing apparel or the dressing and dyeing of fur.

40% of all firms is located in Amsterdam, and within the city, this sector only concentrates inside the ring road and also mainly south of the river IJ. The highest scores are found in the city centre, the 19th century districts Oud-West and Oud-Zuid, the Western harbour district and some peripheral office locations, especially in the southwest, where the World Fashion Centre is located. In the wider region, the sector is much more dispersed than the other creative industries, and is also found in parts of the region where other creative industries are not or hardly found. Figure 30 shows that the most important clusters are the smaller cores in Het Gooi, Haarlem, Aalsmeer and Badhoevedorp (Amstel-Meerlanden), parts of Zaanstreek, IJmuiden (IJmond), and even some parts of Waterland (Edam and Volendam) and Almere (LISA, 2005; http://www.cbs.nl).
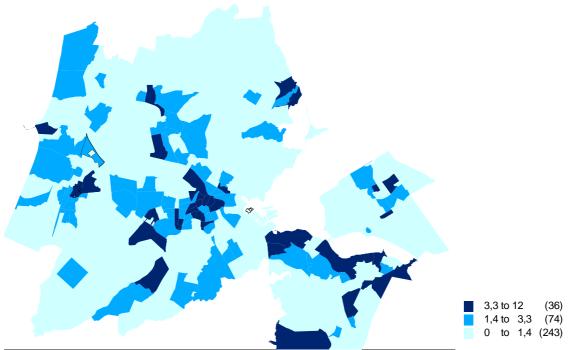
Figure 30: The number of designer fashion firms (Source: LISA, 2005)

5.1.3 Arts

'Arts and antiques trade' is also a relatively small sector within the region, with 590 firms (0.4% of all firms) and 877 employees (0.1%). The share of this sector in the total number of companies is comparable to the national average (0.3%), but still 23% of the total Dutch arts- and antiques trade is located in the Amsterdam Metropolitan Area. The sector is also strongly concentrated, as is illustrated by figure 31. Of all firms, 59% is located in the core city, where the largest concentrations are found in the western part of Amsterdam's city centre (western canal belt and Jordaan and in particular Nieuwe Spiegelstraat), the 19th century districts Oud-Zuid and Oud-West and in the Western Harbour District. Outside Amsterdam, there are concentrations of 'arts and antiques trade' in the centre of Haarlem, Huizen (Het Gooi) and - in terms of the number of working persons- also in parts of the southern suburb of Amstelveen (LISA, 2005; http://www.cbs.nl).

9 to 108 (10)
2 to 9 (62)
0 to 2 (281)
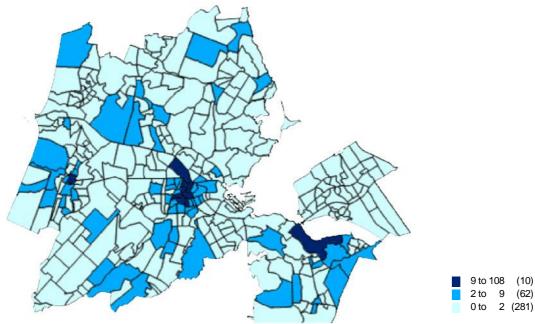
Figure 31: The number of firms in arts and antiques trade (Source: LISA, 2005)

The sub-sector 'music and the visual and performing arts' consists of 3,749 firms (3%) and offers 10,462 jobs (1%) in the Amsterdam Metropolitan Area. Nationally, this sector has only 0.7% of all firms, which indicates that the Amsterdam Metropolitan Area is specialised in this sector. Also, no less than 68% of all Dutch firms within this sector is located in the Amsterdam Metropolitan Area. Most companies are involved in service activities for artists (36%) and the practising of visual arts (32%). Also most jobs involve service activities for artists (27%), the practicing of visual arts (20%) and the practicing of performing arts (18%).

30 to 126 (31)
11 to 30 (52)
0 to 11 (270)
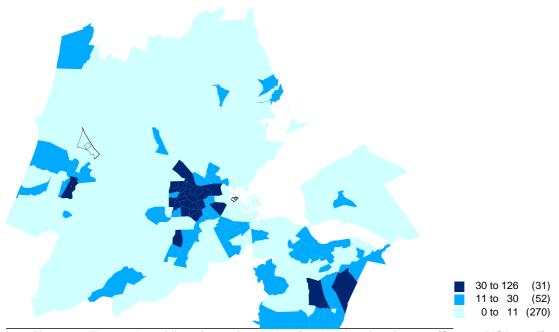
Figure 32: The number of firms in music and the visual and performing arts (Source: LISA, 2005)

Amsterdam clearly has the largest concentration within the region: 56% of all firms and even 62% of all jobs. Again, a large concentration within the ring road and south of the river IJ can be found. Outside the city, parts of Het Gooi (in particular Hilversum and Laren) have large clusters of firms and also in Haarlem and Amstelveen, the sector scores much higher than the regional average (figure 32). When looking at the number of working persons (figure 33), Hoofddorp and Aalsmeer to the southwest of the city and the city centre of Almere appear to be important locations as well for this sector (LISA, 2005; http://www.cbs.nl).
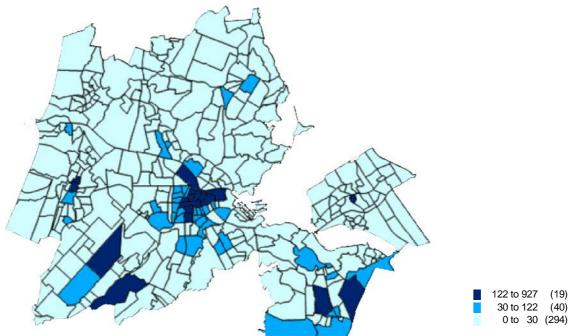
Figure 33: The number of people working in music and the visual and performing arts (Source: LISA, 2005)

5.1.4 Media and entertainment

'Publishing' has 1% of all firms (1,398) and 1% of all jobs (11,012) in the region. In total, 42% of all Dutch publishing companies are located in the Amsterdam Metropolitan Area and the relative share of the sector within the total number of companies is also more than twice as high as the national figure of 0.4%. Most firms are involved in publishing activities (69%) and in particular the publishing of books (25%) and magazines (22%). Even 93% of all employment within this sector is concentrated in publishing activities; especially the publishing of magazines (39%), newspapers (24%) and books (20%).

The sub-sector has four main concentration areas: Amsterdam, Hoofddorp (Haarlemmer-meer), Het Gooi and Haarlem. More than half of all firms are located in Amsterdam and within Amsterdam, again a concentration inside the ring road and south of the river IJ can be distinguished, with the exception of the office park around the Sloterdijk station. There is a difference between publishers of books and publishers of newspapers, regarding their preferred settlement location. Whereas publishers of newspapers moved to peripheral locations for logistical reasons, publishers of books have remained in the inner-city, especially

in the (southern) canal belt (DRO, 2006b). Outside the city, Het Gooi and Haarlem are the main clusters (figure 34). Also for this sector the map with the concentration of working persons (figure 35) shows a somewhat different picture. Hoofddorp again turns out to have a small number of very large firms and also office locations in Amsterdam-West and Amsterdam-Southeast accommodate many jobs in publishing (LISA, 2005; http://www.cbs.nl).

11,2 to 73	(28)
3,9 to 11,2	(79)
0 to 3,9	(246)
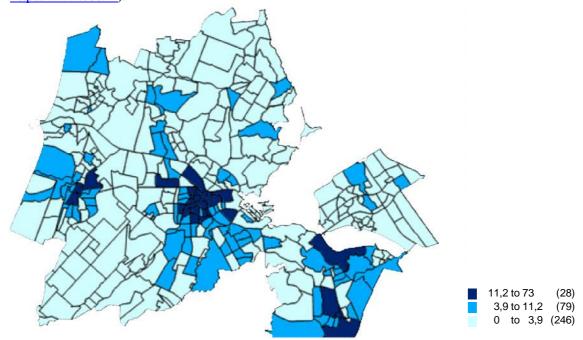
Figure 34: The number of publishing firms (Source: LISA, 2005)

170 to 2.010	(17)
30 to 170	(31)
0 to 30	(305)
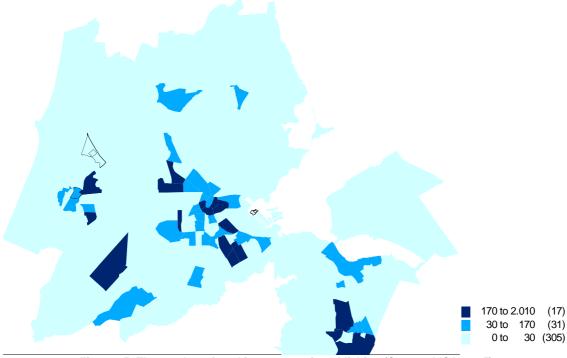
Figure 35: The number of working persons in publishing (Source: LISA, 2005)

The 'video, film, music production and photography' sector has 3,039 firms (2% of all firms) and 6,236 employees (0.6%) within the whole region. Also this sector turns out to be a specialisation of the Amsterdam Metropolitan Area: 65% of all Dutch companies belonging to this sector is located in the region. The relative share of this sector in the total number of firms is also much higher than on the national level (0.6%).

There are three main concentration areas (figure 36): the city of Amsterdam, Het Gooi and to a lesser extent also the centre of Haarlem. Within Amsterdam, where the largest concentration can be found (60% of all firms and 50% of all jobs), the sector is only concentrated within the ring road and especially in the inner city, the districts south and west of the inner city, the harbour districts and Watergraafsmeer in the east. Also in terms of the number of working people, the office park around Amstel station appears to be an important location. In the wider region, an axis from Amsterdam to the southeast can be recognised, which runs from Diemen and Weesp to Het Gooi. Again, also the centre of Haarlem has a relatively large cluster of video, film, music and photography firms (LISA, 2005; http://www.cbs.nl).
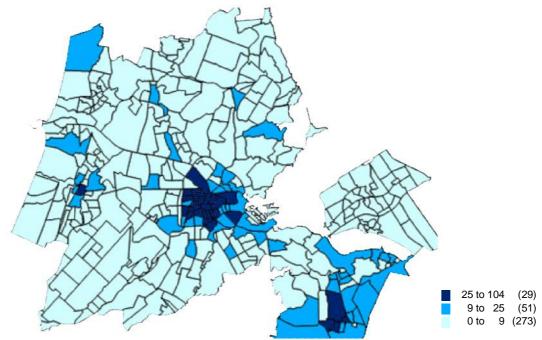
Figure 36: The number of firms in video, film, music production or photography (Source: LISA, 2005)

The 'radio and television' sector is small when the number of firms and jobs is concerned: there are only 435 firms (0.3%) and 9,023 jobs (1%) in the whole Amsterdam Metropolitan Area. However, compared to the national level, where the share in the total number of companies is only 0.03%, the Amsterdam Metropolitan Area turns out to be an important location for this sector. This is also illustrated by the fact that 97% of all Dutch radio and TV companies is located in the Amsterdam Metropolitan Area, making it the one and only significant media cluster in the Netherlands. Most firms are involved in radio and TV production (69%), but in terms of employment, the broadcasting companies are the most important players within this sector (67.5%).

Also within the region, this sector is very much concentrated: 264 firms (61%) are located within Amsterdam and 22% is located in Hilversum, where most broadcasting organisations are located. In Amsterdam, again the central districts have the largest clusters and in particular the inner city, the harbour districts and the districts south and west of the inner city. Apart from Amsterdam and Hilversum, also other parts of Het Gooi (including Bussum) and the centre of Haarlem have radio and television clusters (figure 37).

■	4,5 to 43	(29)
■	1,2 to 4,5	(43)
■	0 to 1,2	(281)
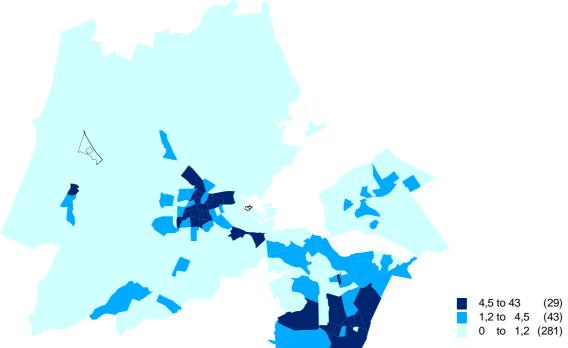
Figure 37: The number of Radio and TV firms (Source: LISA, 2005)

■	320 to 5.440	(3)
■	30 to 320	(16)
■	0 to 30	(334)

Figure 38: The number of working persons in Radio and TV (Source: LISA, 2005)

Figure 38 shows that in terms of employment, especially Hilversum (Het Gooi) and also Aalsmeer, where the RTL studios are located are the most important concentration areas. In Hilversum, 71% of all jobs within this sector are located. Thus, large firms settle in Het Gooi and Aalsmeer, while Amsterdam appears to attract many relatively small firms (LISA, 2005). According to DRO (2006b), there has for a long time been a task division between Amsterdam on the one hand and Hilversum and Aalsmeer on the other hand: ideas are developed in Amsterdam, but worked out in Hilversum or Aalsmeer. However, over the last few years, some television companies (SBS and RTL) have moved (some of) their studi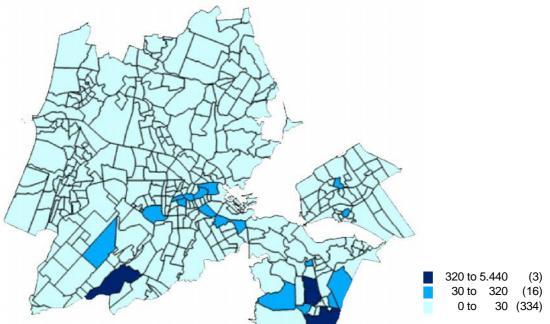os to Amsterdam as well and settled in the Eastern Harbour District, which could indicate a gradual change in this development.

5.1.5 Other creative knowledge sectors

Apart from the 'creative industries', also four other knowledge-intensive sectors have been taken into account: 'Information Communication Technology' (ICT), 'financial services', 'law and other business services' and 'research and development (R&D) and higher education'. This section will deal with the patterns of concentration of these sectors.

Nationally, the 'Information Communication Technology' (ICT) sector accounts for around 3% of all firms and 3% of all jobs. The Amsterdam Metropolitan Area has 9% of all Dutch ICT firms, making it one of the largest concentrations in the Netherlands, behind Utrecht and followed by Eindhoven. In total, there are 1,961 ICT firms (1.5%) and 18,260 ICT jobs (2%) in the whole region, of which around one third is located in the city of Amsterdam.

By far the largest part of this sector consists of ICT services: 93% of all firms and 84% of all jobs. ICT production plays only a minor role within the region (7%). Therefore, ICT services will be the main focus of this section. Within the ICT services, the region is specialised in computer related activities when the number of firms is concerned (64%), but in terms of employment, telecommunication is the most important activity (47%).

Figure 39 illustrates that ICT services are especially concentrated in the southern half of the region, but are quite dispersed within this part of the region. In Amsterdam, the central districts and the peripheral office locations are the most important locations and outside the city, there are large clusters in Haarlemmermeer, the Haarlem agglomeration, Amstelveen and also in Hilversum (Het Gooi), the centre of Almere and in IJmuiden (IJmond). The south-western part of the region, including Haarlemmermeer and Aalsmeer, as well as Amsterdam's highly-accessible office zones and Diemen, are the most important clusters when the number of working persons is concerned. The inner city especially has smaller companies, while large companies settle in the urban periphery or in suburban areas (LISA, 2005).
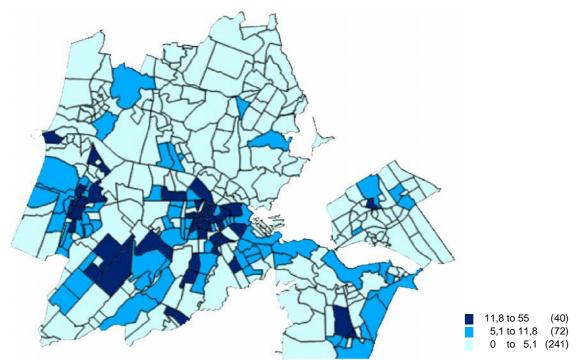
Figure 39: The number of ICT-services firms within the Amsterdam Metropolitan Area (Source: LISA, 2005)

There has been a negative development for the 'financial services' sector. Employment has been decreasing for a number of years in insurances and retirement funds, and since 2005, also the number of jobs at the stock exchange has decreased. This last development is the result of a merger between the Amsterdam stock exchange with the exchanges of Paris and Brussels (Euronext) (Bontje et al., forthcoming). Also the number of companies has been decreasing for years, especially after 2004 and in particular in the field of insurances and retirement funds. Within the city of Amsterdam, the number of companies even decreased with 16% between 2002 and 2006. Despite this diminished importance, the financial sector still accounts for 6% of all employment in the region and even 10% within the city of Amsterdam, making it the main financial centre of the Netherlands (O+S, 2006).

There are currently 3,308 firms (2% of all firms) in the Amsterdam Metropolitan Area that are involved in 'financial services', which together provide 54,828 jobs (6%). Compared to the national level, the number of firms is similar (2%), but the Netherlands as a whole has relatively less employment in financial services (4%). Most companies are involved in service delivery related to financial intermediation (69%), but financial intermediation itself is the most important activity in terms of the number of working persons (62%).

Of those firms, 1,356 (41%) are located in the city of Amsterdam. Although figure 40 shows that the financial sector is pretty much dispersed across the region, some dominant clusters can still be distinguished. In Amsterdam, the inner city, the harbour districts and the districts in the south and east within the ring road, as well as some peripheral office locations (e.g. the South Axis) have the largest clusters of firms. On the regional scale, there are axes running from Amsterdam to Amstelveen in the south, Diemen and Het Gooi in the southeast and

Haarlemmermeer in the southwest. However, also Haarlem, Zaandam (Zaanstreek) and Purmerend (Waterland) have concentrations of financial services.

■	24 to 129 (32)
■	9 to 24 (77)
■	0 to 9 (244)
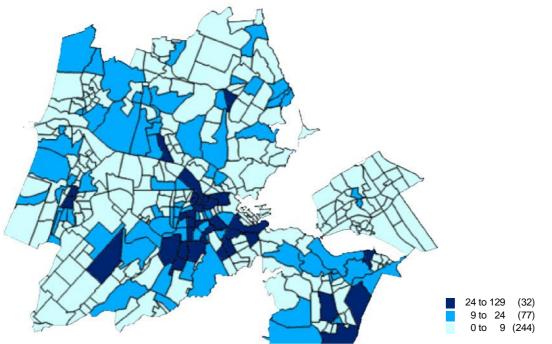
Figure 40: The number of financial companies in the Amsterdam Metropolitan Area (Source: LISA, 2005)

■	740 to 5.620 (15)
■	160 to 740 (32)
■	0 to 160 (306)
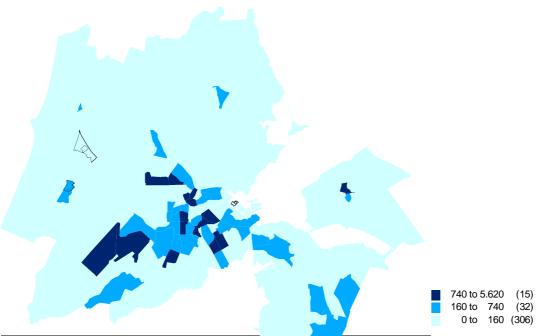
Figure 41: The number of people working in financial firms within the Amsterdam Metropolitan Area (Source: LISA, 2005)

Figure 41 illustrates that jobs within the financial sector are much more concentrated than firms. The main locations in terms of the number of working persons are the south-western part of Amsterdam's inner-city, Amsterdam's highly accessible office locations (South Axis,

Amstel, Sloterdijk and Southeast), Haarlemmermeer and Amstelveen, but also Almere seems to have attracted some large financial offices in its city centre (LISA, 2005).

The sector 'law and other business services' contains 16,485 firms (12%), employing 86,099 people (9%) within the Amsterdam Metropolitan Area. Apart from legal and accounting firms, this sector also includes technical testing and analysis, labour recruitment and provision of personnel, and investigation and security activities. Legal, accounting, book-keeping and auditing activities; tax consultancy, market research and public opinion polling; and business and management consultancy together form the largest sub-group, with 85% of all companies and 78% of all working persons. Within this group, most companies are involved in economic research and advising (50%) and consultancy and administration (18%). In terms of employment, economic research and advising (21%), consultancies and administrative offices (20%) and concern services and holdings (20%) are the most important players. The Amsterdam Metropolitan Area is specialised in this sector: on the national level, only 8% of all firms belongs to this sector, and 24% of those firms is located in the Amsterdam Metropolitan Area.
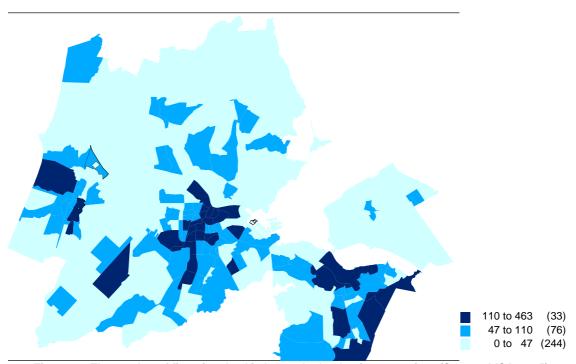
Figure 42: The number of firms involved in law and other business services (Source: LISA, 2005)

The sector is present in all sub-regions, but figure 42 shows that there are four main clusters of firms. One concentration area stretches from Amsterdam's city centre and the harbour districts, via the southern city districts to Amstelveen. The other three concentration areas are Hoofddorp, the Haarlem agglomeration and Het Gooi. In terms of the number of working persons, also the south-eastern part of the Amsterdam agglomeration, parts of Almere and IJmuiden (IJmond) are concentration areas for the 'law and other business services' sector.

Because the sector is so broadly defined, it is interesting to look at one distinctive sub-sector as well. Lawyers' offices are especially concentrated in the traditional high-status districts.

Within Amsterdam, the canal belt and the districts to the southwest of the inner city of Amsterdam are the concentration areas and outside the core city, only the city centre of Haarlem and Hilversum show relatively large concentrations of lawyers' offices (figure 43) (LISA, 2005).
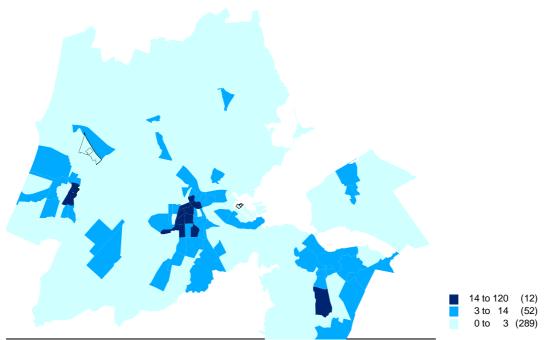
Figure 43: The number of lawyers' offices within the Amsterdam Metropolitan Area (Source: LISA, 2005)

The final creative knowledge sector is 'R&D and higher education', which has 0.4% of all firms (523) and over 1% of all employment (14,199 jobs). Compared to the national level (0.3%), the share of the sector in the total number of firms is only slightly higher in the Amsterdam Metropolitan Area. Still, 19% of all Dutch companies within this sector is located in the Amsterdam Metropolitan Area. Most jobs are found in higher education (64%), which is logical, given the presence of 2 universities (University of Amsterdam and Free University) and several polytechnics within the region. However, 68% of all firms within the 'R&D and higher education' sector is involved in R&D, within which research institutes on natural sciences and engineering form the most significant category (44%). Research on social sciences and humanities is a relatively small category, with only 24% of all firms and 6% of all working persons.

The 'R&D and higher education' sector is mainly concentrated in the core city: two-thirds of all firms is located within the municipality of Amsterdam (figure 44). The largest concentrations of firms are found in the inner city and in Buitenveldert, which is logical since the two universities have their main buildings there. Also parts of Watergraafsmeer, where a Science Park has been constructed, the harbour districts, Southeast, Osdorp and some districts to the south and east of the inner-city have large clusters of R&D and higher education. In some of these districts, polytechnics or faculties of the University of Amsterdam are located, which could partly explain their high score. Outside the city, the most important concentration areas are Haarlem, Hilversum and Zaanstad, but also Diemen (Polytechnic INHOLLAND)

and Almere (social sciences faculty of the University of Amsterdam) have important institutions for higher education (LISA, 2005).
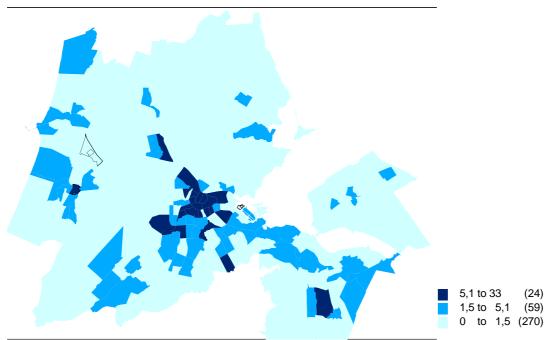
Figure 44: The number of R&D and higher education firms (Source: LISA, 2005)

5.1.6 Explanations for clusters of creative knowledge sectors

Sector	Companies (absolute)	Companies (%)	Working persons (absolute)	Working persons (%)
Creative business services	10,825	8%	46,091	4%
Arts	4,339	3%	11,339	1%
Media & entertainment	4,872	3%	26,271	3%
Total creative industries	**20,036**	**15%**	**83,701**	**8%**
ICT	1,961	1.5%	18,260	2%
Financial services	3,308	2%	54,828	6%
Law & other business services	16,485	12%	86,099	9%
R&D & higher education	523	0.4%	14,199	1%
Total knowledge-intensive industries	**22,277**	**16%**	**173,386**	**18%**
Total creative knowledge industries	**42,313**	**31%**	**257,087**	**26%**

Figure 45: The share of each creative industries and knowledge-intensive industries in the total number of firms and the total number of working persons within the Amsterdam metropolitan Area (Source: LISA, 2005)

In short, 31% of all firms in the Amsterdam Metropolitan Area belongs to the creative knowledge sectors, which is more than the national figures (22%) More specified, 20,036

firms (15%) and 83,701 jobs (8%) are within the creative industries and 22,277 firms (16%) and 173,386 jobs (18%) are within the knowledge-intensive sectors. Thus, in terms of the number of firms, both sectors are equally important, but the knowledge-intensive sector is much more important in terms of jobs (figure 45). The Amsterdam Metropolitan Area is home to nearly one quarter (24%) of all creative knowledge companies in the Netherlands and is particularly specialised in certain creative industries (like 'radio and TV', 'music and the visual and performing arts', 'video, film, music production and photography', 'publishing' and 'advertising') and 'law and other business services' (figure 46).

Creative knowledge sectors	Share (%) of the Amsterdam Metropolitan Area in the total number of Dutch companies
Creative industries	
Radio & TV	**97%**
Music + visual and performing arts	**68%**
Video, film, music production and photography	**65%**
Publishing	**42%**
Advertising	**28%**
Software	23%
Arts- and antiques trade	23%
Architecture	16%
Designer fashion	15%
Other knowledge-intensive sectors	
Law and other business services	**24%**
R&D + higher education	19%
Financial services	17%
ICT	9%
Total	**24%**

Figure 46: Specialisation of the Amsterdam Metropolitan Area in creative and knowledge-intensive industries (Source: LISA, 2005; http://www.cbs.nl)

Overall, the most important clusters of creative knowledge are Amsterdam within the ring road, the suburbs south of Amsterdam (especially Amstelveen), Haarlemmermeer, Het Gooi and the city centre of Haarlem. For a few sectors, also Zaanstreek has a high score, while the sub-regions IJmond, Waterland and Almere have the relatively smallest concentrations of creative and knowledge-intensive sectors.

Explanations for the large concentration of creative firms in the central parts of Amsterdam were provided by DRO (2006b). First of all, the inner-city is attractive, not only because of the proximity to clients and other creative industries, but also because of the architectural quality; the city has many old and monumental buildings. Related to this are identity and image factors: creative companies derive status from their location in a popular creative district, like the inner city of Amsterdam, which is important for their survival in the creative circuit. This argument probably also holds true for Haarlem, which also has a historic inner-city with many monumental buildings and where creative firms are also predominantly found in this inner-city.

The diverse and high-quality supply of urban amenities in the Amsterdam inner-city is also regarded as important, because of status factors and because this creates meeting places that are important for business contacts within the creative sector. Amsterdam is the only Dutch city where the large local creative production (like museums and visual and performance arts) clearly has a positive influence on employment growth. Especially the cultural sector is important in this respect, both for the creation of new ideas and as a meeting place for highly educated urban professionals. Amsterdam's relatively high density of culture and nightlife is seen as an important settlement factor for creative workers and in this respect, Amsterdam has a structural advantage over other Dutch cities (Marlet & Poort, 2005). Furthermore, the attractiveness of Amsterdam's public space and green structure, and especially the presence of much water, (canals and rivers) are factors that give Amsterdam's inner-city its unique character, which in turn makes the city attractive for creative industries and creative knowledge workers. More details on Amsterdam's cultural circuit and other 'soft factors' will be presented in section 5.3.

The structure of the housing market plays an important role as well. Neighbourhoods with fragmented ownership, small-scale allotments and large variations in housing types turn out to have the best cards for attracting creative industries, and those neighbourhoods are found in Amsterdam's (and Haarlem's) inner city. Inside the inner city, parts where large-scale urban renewal has taken place (Kattenburg/ Wittenburg) turn out to be less popular with creative industries, because of their less authentic appearance and because of a lack of office space. The high rents in the tourist core (broadly between Dam Square, Nieuwmarkt and Central Station) make this area less popular with creative industries. This area is also regarded as too crowded and noisy for other sectors than pubs, hotels and restaurants (DRO, 2006b).

The city centre and Oud-Zuid have for a longer time been the main concentration areas for creative industries, but over the last couple of years also boroughs like Oud-West, Amsterdam North (on the borders of the river IJ) and Zeeburg (Indische Buurt) have become increasingly popular with (small) creative companies (Van Oosteren & Slot, 2006). Van der Groep & Röling (2005) found three explanations for the shift of audiovisual and advertising companies towards Oud-West, which will probably apply to other industries and other locations as well. First of all, many companies are in need of larger office space, which is scarce in the traditional concentration districts, but can be found in Oud-West. Second, some companies prefer to be located away from the 'establishment' in the traditional concentration areas. Related to this, DRO (2006b) concluded that especially the advertising branch is very innovative and willing to 'conquer' new neighbourhoods. Third, the often (still) cheaper rents in those areas play an important role, especially in the case of starting companies.

The central districts of Amsterdam have the largest concentration of firms, while highly-accessible zones on Amsterdam's periphery (South Axis, Teleport Sloterdijk, Amstel and Bijlmer) and sub-centres like Haarlemmermeer and Amstelveen have high scores when the number of employees is concerned. A possible explanation could be that small companies attach more value to a central-urban environment and the possibility of face-to-face contacts than to accessibility, while a choice for a peripheral location is often made because of logistic reasons and lack of space in the inner city. Moves to the periphery are usually made by large

firms with an established reputation. Peripheral locations are highly accessible, both by car and by public transport, and still offer the space that is needed for large-scale office construction. In the case of Haarlemmermeer, the proximity to Schiphol Airport is also an important factor, especially for firms that are dependent on international contacts, like many architectural or engineering firms. Still, a highly-accessible location should not be located too far from the inner-city in order to be attractive as a creative knowledge cluster (DRO, 2006b).

Scale-factors also could explain Hilversum's importance as a creative cluster, with no less than 23% of all local employment belonging to the creative sectors, especially media and entertainment. The presence of the large-scale 'Media Park' makes Hilversum an attractive location for large audiovisual companies, while small audiovisual companies mainly settle in Amsterdam. It is likely that the presence of a large media-cluster in combination with the reputation as a 'media centre' has attracted other creative (knowledge) sectors to Hilversum and the rest of Het Gooi as well (Van der Groep & Pfeffer, 2006).

The concentrations of some creative sectors in the former industrial centre of Zaanstad are at first sight more surprising. However, the earlier mentioned 'architectural quality-hypothesis' could prove true here as well. On the 'Hembrug' site, some characteristic and monumental former industrial buildings have been converted into office space. This location, at the crossing of the Zaan River and the North Sea Canal, is regarded as a hotspot for creative industries by the municipalities of Zaanstad and Amsterdam. Other smaller-scale former industrial complexes along the Zaan River are also seen as potentially attractive places for creative start-ups (http://www.zaanstad.nl).

Finally, Almere has not yet developed into a significant creative knowledge centre, although it has the ambition to become a 'knowledge city'. The city still mainly has a residential function and also does not have an 'exciting' image; people predominantly associate Almere with a dormitory town. However, as was already mentioned in Chapter 4, Almere is steadily gaining importance as an employment centre and the maps also showed that at least the inner-city of Almere has a cluster of certain sectors. Many developments have taken place or are still taking place in order to transform the city from a satellite town into a complete city with its own cultural facilities, like the construction of a theatre and a concert venue (Muzinq) (http://www.almere.nl). Whether this 'artificial' urban culture will help the city to develop into a creative cluster is still questionable and, according to Florida (2002), not very likely, but perhaps the companies that already settled there could function as a pull-factor.

5.2 Residential preferences of creative knowledge workers

Official data regarding the place of residence of specific occupational groups are not available at the local level in The Netherlands, but the work of Groenemeijer (2002) provides some useful insights. His research was based on the address lists of companies and institutions in Amsterdam. Since not all companies co-operated with the research and only companies located in the city of Amsterdam were included, it does not give a complete view, but still it can at least indicate which neighbourhoods, towns or villages are popular with knowledge workers.

The research showed that Amsterdam's knowledge workers are dispersed across a large region, but there is a very large concentration in the city itself, especially within the A10 ring road and south of the River IJ. A "north-south-axis" from the eastern and western harbour districts, via the inner city, Zuid and Buitenveldert to Amstelveen can be distinguished. Also, there is a considerable concentration in the traditional residential areas for higher income groups, like Het Gooi and Kennemerland. What is perhaps more surprising is that also many knowledge workers who work in Amsterdam live in other cities within the Randstad, also in cities that are located further away from Amsterdam, like Leiden, Utrecht and Den Haag. Almere, which is known as a commuter city, not surprisingly has a high score as well (Groenemeijer, 2002).

For the analysis of the choice for residential locations, a distinction was made between three occupational groups, which turned out to have different preferences. The first group consists of knowledge workers in the financial and ICT sectors. This group predominantly lives in small towns or villages, especially in Het Gooi and south of Amsterdam, and is underrepresented in the most central urban milieus (less than 10%). Within Amsterdam, especially the Eastern Harbour District and the new area surrounding Amstel station (De Omval) are popular residential areas for financial and ICT knowledge-workers. The suburban orientation of this group is further illustrated by the fact that less than 20% lives within the municipality of Amsterdam, compared to 48% of all workers in Amsterdam. Around 10% of this group even lives outside the four Randstad provinces.

The second group consists of scholars and teachers in natural, medical and economic disciplines. This group has a more urban orientation than the first group, which manifests itself mainly within the pre-war and post-war neighbourhoods, but also between 10 and 20% of this group lives within the central urban milieu. The neighbourhoods that belong to the South Axis (Museumkwartier, Apollobuurt and Buitenveldert), Watergraafsmeer and Gaasperdam (Southeast) are the most popular locations for this group. The concentration in the last mentioned districts can possibly be explained by the proximity of the Science Centre in Watergraafsmeer and the Academic Medical Centre (AMC) in southeast. Outside the core city, Amstelveen, Kennemerland and the villages north and south of Amsterdam are the most popular locations.

The third group consists of scholars and teachers in law, societal and behavioural sciences as well as creative workers in architecture, advertising, media and local government. This group has the most urban orientation of all three groups. Especially architects and civil servants predominantly live within the municipality of Amsterdam: respectively 71% and 60%. At least 25% is living in the most central urban milieu. The largest concentrations are found in the inner-city, the south axis, the Eastern Harbour District and Watergraafsmeer. Outside Amsterdam, the creative workers are mainly living in other urban centres, like Haarlem, Leiden and Utrecht. The most popular neighbourhoods for knowledge workers turned out to be the Western Canal belt and Jordaan within the city centre and Museumkwartier in Zuid. In those highly-urban neighbourhoods, large concentrations of all three groups can be found (Groenemeijer, 2002).

In order to find an explanation for these concentrations, the Department of Spatial Planning of the municipality of Amsterdam carried out surveys among people living in Amsterdam. They made a distinction between knowledge workers and creative workers on the one hand and other occupational groups on the other hand. Also that research found clear concentrations of both creative workers and knowledge workers within the ring road and south of river IJ, while other occupational groups live much more dispersed across the city. However, there are also some small differences between knowledge workers and creative workers. Whereas knowledge workers also have large concentrations in the most central parts of the inner city, creative workers are underrepresented there, probably as a result of the high rents, the crowdedness and touristy atmosphere (DRO, 2006a).

For knowledge and creative workers, the location of their dwelling turned out to be more important than the dwelling itself, whereas other occupational groups attached more value to characteristics of their dwelling than to its location. Often, a smaller dwelling near the city centre was preferred over a larger one outside the ring road A10. Dynamic and tolerant neighbourhoods, with a large variety of people, functions and ideas, are also clearly preferred by creative and knowledge workers, and these neighbourhoods are also found in and around the inner city of Amsterdam. Also, the quality and especially the variety of facilities were regarded as very important, especially for creative workers who are dependent on face-to-face-contacts. Even when knowledge and creative workers do not actually make use of those facilities, they still like to live near them, possibly because of status factors. Furthermore, an attractive public space, interesting architecture, monuments and the proximity of green space were mentioned as important factors that determine the residential choice of knowledge and creative workers (DRO, 2006a).

Still, the features of dwellings themselves, and especially the size, were often mentioned by creative and knowledge workers as negative aspects of their residential situation. Related to this is the lack of moving possibilities on the housing market. Most dwellings in Amsterdam are relatively small and located within apartment or tenement blocks. People who prefer a larger (single-family) dwelling do not have much choice on the housing market within the core city and are more or less forced to move to the suburbs, where more types of housing can be found. For all respondents who seriously considered moving out of the city, the small size of their dwelling was most mentioned as a reason (DRO, 2006a).

In order to retain and further develop its position as a creative knowledge city, DRO (2006a) concluded and suggested that interventions in the housing stock will be inevitable if Amsterdam wants to establish itself as a creative knowledge city where people both live and work. There should in particular be more variety in terms of housing size. On the other hand, DRO also suggested looking at what the region has to offer to creative knowledge workers. The variety of dwellings and residential milieus on the regional scale is much bigger. Outside Greater Amsterdam, it is much easier to find larger dwellings and also the share of owner-occupied dwellings is much higher there, as was already mentioned in Chapter 4. High-status residential areas with detached houses can be found in Het Gooi and the suburbs of Haarlem (Bloemendaal and Aerdenhout), while Almere still has many cheaper single-family dwellings to offer.

5.3 Soft factors

5.3.1 Safety

The perception of safety is measured in Amsterdam by the 'Objective Safety Index'. The score 100 stands for the average safety-score for Amsterdam in 2005, a score above 100 means that an area is relatively unsafe and a score below 100 means that an area is relatively safe. For the city as a whole, the 'Objective Safety Index' declined between 2001 and 2005. This is probably the result of a decline in the number of burglaries, most forms of theft and street robberies and improved traffic safety. The most unsafe places, which have a score higher than 130, are the areas surrounding the red-light district in the city centre, where many drug-related crime takes place, and Bijlmer-East (Southeast), which has the most registered violent crimes.

A comparison of the police figures between 2001 and 2005 indicates that the Amsterdam-Amstelland police-region has indeed become safer over the last five years: there has been a decline in the number of registered crimes from 120,000 in 2001 to 96,000 in 2005. 86,000 of those registered crimes took place within the city of Amsterdam and 70% of all cases involved some sort of theft. All sorts of theft have, however, shown a decrease in the last couple of years, especially car-theft (-39%). An exception is the number of bicycle thefts, which has increased again after 2003 (+15%) and remains one of the biggest problems of Amsterdam. It needs to be said though that this increase could also be caused by the new opportunity to report crime via the internet, which makes reporting a stolen bicycle a much smaller step to take. Burglary also declined drastically between 2001 and 2005, both from houses (-28%), motor vehicles (-24%) and especially from companies (-51%). Pick-pocketing (-42%) and street robbery (-34%) also decreased strongly between 2001 and 2005. The figures regarding violence show a less positive development: personal violence has decreased with 7% between 2001 and 2005, but threatening (+35%) and physical abuse (+11%) have increased strongly over the same period.

Finally, a look at the Liveability and Safety Monitor provides some insights into Amsterdam's safety. As is to be expected from a large city, people living in Amsterdam feel unsafe more often than the national average: 43% of all Amsterdam people above 16 feel unsafe sometimes, compared to 25% of all Dutch people. In short, although there are still many unsafe aspects, the Amsterdam police region has experienced a positive development over the last couple of years (O+S, 2006).

5.3.2 Diversity and tolerance

According to Richard Florida (2002), an ethnically diverse society and a large gay community and scene represent a tolerant climate and are therefore important preconditions for attracting creative employment and creative workers. If this is true, then the city of Amsterdam should have an advantaged position, since diversity and tolerance have been part of Amsterdam's image already since the 16th century (see chapter 3).

In chapter 4, it already became clear that 30% of the regional population, and even 40% of the city's population, is of non-Dutch origin and that this number has been increasing for years. In total, there are 176 different nationalities living together within the city of Amsterdam (O+S, 2006). This cultural diversity is also clearly visible in the streets of the city. Many ethnic entrepreneurs are running shops and food establishments in the city, especially in neighbourhoods where their own ethnic group is overrepresented. Examples are Islamic butchers, Turkish bakeries, shoarma and döner takeaways, Surinamese *toko's* and the large number of Chinese restaurants. Also cultural facilities belonging to (ethnic) minority groups, like mosques, synagogues and recently even a Chinese temple (in 'Chinatown', around the Nieuwmarkt square) are clearly visible in the Amsterdam urban landscape. Also some other cores in the region have such visible multicultural aspects (for instance a big mosque in Wormerveer), but in Amsterdam this cultural diversity is the most outspoken.

In terms of tolerance, the relatively big gay scene in the city of Amsterdam is one of the most important aspects. The city presents itself as the 'gay capital of the world' and is one of the top destinations for homosexual travellers. There are over one hundred gay bars, discos, saunas, video stores, bookshops, restaurants and hotels. In 1987, the first, and until now only, gay monument in the world has been opened in Amsterdam, which serves as a symbol against discrimination. Amsterdam was also the city where the country's first same-sex marriages were registered in 2001 and one seventh of all gay marriages in the Netherlands take place in Amsterdam.

It is interesting that especially foreign gay visitors appreciate Amsterdam's gay-friendly climate, while Amsterdam gays appreciate other European cities, like Berlin and Barcelona, better than their own city. This could be related to the positive image of Amsterdam as a gay city: tourists will likely base their opinion on this international image, whereas residents are more sensitive toward local developments that they encounter in their daily life. Although gay tourists are still an important economic group, their number has been decreasing for years. More diversity and renewal within the gay nightlife-scene will be needed in order for the city to retain its position as a prominent gay centre. Apart from this, there are also perceptions by gay residents and local actors within the gay scene of decreasing tolerance and openness toward gays, increasing insecurity and religious fundamentalism, which are increasingly seen as threats to Amsterdam's future position as a gay tourist destination. These are signs that should be taken seriously by the Amsterdam policy-makers (Hodes et al., 2006).

Also the liberal attitude toward soft drugs is a well-known example of Amsterdam's tolerant climate. The selling and use of soft drugs is tolerated (though not legalised, which is often thought), but only in designated 'coffee shops' and under the conditions that no more than 5g is sold per customer and that customers are over 18 years old. The legalisation, rather than criminalisation, of prostitution is also part of this liberal attitude. Although this is in fact a national policy, prostitution mainly manifests itself in Amsterdam, as will be described in further detail in the next section (http://www.amsterdam.info; http://www.amsterdam.nl).

In order to demonstrate that Amsterdam is proud of its diversity and tolerance, some 'cultural niche' festivals and events are organised annually, like the 'Kwakoe' cultural festival and the Gay Pride festival, with a famous canal parade as its highlight. Also, ethnic groups are given

the opportunity to manifest themselves by means of providing broadcasting space on local TV channels (http://www.amsterdam.nl).

5.3.3 Amsterdam as a 'Fun City': places to go; things to do

As was mentioned earlier in this section, Amsterdam has a high density of cultural facilities, which gives the city a structural advantage over other Dutch cities as a location of settlement for creative people. For example, in 2005, there were 11 cinemas, with in total 54 screens and 10,283 seats. Also, there are 21 theatres or concert halls, the most famous ones being 'Het Concertgebouw' (814,000 visitors), 'Royal Theatre Carré' (486,000 visitors), 'Paradiso' (485,000 visitors), 'Melkweg' (312,000 visitors), 'Het Muziektheater' (206,000 visitors), 'De Kleine Komedie' (117,000 visitors) and 'Stadsschouwburg' (115,000 visitors). Bigger pop-concerts often take place in the 'Heineken Music Hall' (capacity of 5,500) and in the 'Amsterdam Arena stadium' (51,000 seats). In 2005, a new music theatre was opened at the IJ River, mainly specialising in jazz and world music. It is one of the first parts of a transformation of the area east of the central railway station into a new cultural complex (O+S, 2006). In the wider region, Haarlem also has some theatre and music venues that are known nationally, like 'De Lichtfabriek' (music and cultural events), 'Het Patronaat' (music) and 'Stadsschouwburg' (music and theatre) (http://www.haarlem.nl). Furthermore, Almere has opened a music hall in 2005, 'Muzinq', but this venue has not been very successful until now and is even threatened with bankruptcy (http://www.almere.nl; Van Gijssel, 2007).

Amsterdam also has 51 museums, covering various topics like art and history, but also leisure. In total, the ten biggest museums attracted nearly five million visitors in 2005. The most popular museums in 2005 were Van Goghmuseum (1.4 million visitors), Anne Frankhuis (965,000 visitors), Rijksmuseum (846,000), Sexmuseum Venustempel (525,000 visitors) and Stedelijk Museum (183,000). The Rijksmuseum is expected to become second again after the current renovation process will be completed. Also Stedelijk Museum has had a decrease in the number of visitors over the last years, as a result of renovations and a temporary relocation. The Amsterdam museums are visited mainly by tourists, but also more than half of Amsterdam's residents visited a museum in 2005; especially young people (school trips). Also the Artis Zoo, the oldest and one of the largest zoos in the Netherlands with over 900 kinds of animals, is a popular attraction, both for locals and tourists (O+S, 2006). The rest of the region also accommodates some museums. In Zaanstad, for example, especially the open air museum Zaanse Schans, which has many characteristic windmills and historic houses, is a popular tourist attraction (around 900.000 visitors per year), but there are a few other museums within the municipality as well (http://www.ontdekdezaanstreek.nu). Also Haarlem has a number of museums, of which the Frans Hals Museum and the Teylers Museum (the oldest museum in the Netherlands) are the most well-known ones (http://www.haarlem.nl).

In terms of the annual number of visitors, the most important attractions of the region in 2005 were the canal boat tours (2.7 million visitors), the 'SAIL' event (2.5 million visitors), which takes place every five years, and the 'Amsterdam Arena' stadium (1.5 million visitors), where 'AFC Ajax' (soccer) and 'Amsterdam Admirals' (American football) play their matches and

where big pop concerts take place. Also, many yearly festivals in Amsterdam attract a lot of visitors, both from within and outside the city. The 'Kwakoe' cultural festival is the biggest one with 1.1 million visitors, followed by the 'Vrijmarkt' at 'Queens Day' (600,000 visitors) and the music and theatre festival 'Uitmarkt' (500,000 visitors). Furthermore, the distinctive fairs and congresses that are held in the RAI congress centre attract a lot of visitors. Most events have experienced an increase in the number of visitors since 2001 (O+S, 2006).

Amsterdam is the largest nightlife centre of the Netherlands; around 10% of all Dutch pubs and restaurants are located in Amsterdam (Musterd & Deurloo, 2006; O+S, 2006). In total, there were around 1.250 pubs and the same number of restaurants. Although the number of pubs and restaurants has been declining strongly for years in the Netherlands, in Amsterdam the number has stayed nearly the same. Although many pubs have disappeared over the last 10 years, there has been a large increase in the number of restaurants (http://www.os.amsterdam.nl). The main nightlife centres are Leidseplein, Rembrandtplein and the red-light district, but also in other parts of the inner-city and in the 19th century neighbourhoods, some (concentrations of) bars and pubs can be found. The less touristy and relatively cheap bars are located outside the main nightlife centres.

A famous aspect of Amsterdam's urban landscape is the 'coffee shop', where cannabis is openly sold and smoked. There are more than 300 distinctive coffee shops in Amsterdam, which are visited by many tourists. These coffee shops contribute to Amsterdam's image as 'a place of fun' and 'the city where everything is possible'. Another aspect that contributes to this image is the red-light district (De Wallen), located between Central Station and Nieuwmarkt. Also this image of a 'sex-city' attracts many (low-budget) tourists every year (http://www.amsterdam.info). In this respect, it is interesting to mention that the municipality wants to impose more strict regulation on prostitution and plans were made recently to close one third of the red-light district. However, whether this will happen in the end is yet unclear, because of successful protests by the owners of the brothels (http://www.volkskrant.nl). It is also unclear which effect the closure of such a large part of the red-light district would have on tourism, since it is one of the main attractions for (certain groups of) tourists.

Finally, the Amsterdam Metropolitan Area is also a green region. The city itself has many parks. Especially Vondelpark is used as a place to relax or sport by many people, both locals and tourists. Also, on the southern edge of Amsterdam, there is a large forest, *Amsterdamse Bos*, which includes a long rowing track. The rest of the region also has much green space to offer and is especially attractive because of its diversity in landscapes. Since the region is bordering the North Sea, there are beaches and dunes near Zandvoort, to the west of Haarlem. Also, Waterland and Zaanstreek have peat and polder landscapes, which are often used as walking, cycling or other recreation spaces. Furthermore, Het Gooi is known for its forests and hilly landscape, which makes this sub-region also attractive as a walking and recreation area. This diverse green structure in the direct vicinity of the big city can be a major point of attraction for knowledge workers. DRO (2006b) mentioned the proximity of green space and water as an important settlement factor for creative knowledge workers.

5.3.4 Attractiveness and authenticity

Amsterdam ranks first in the Netherlands in terms of its historic character (Musterd & Deurloo, 2006). The city has a unique morphology with many canals, narrow streets and old houses. Amsterdam's historic city centre has largely survived the Second World War and the pressure of modernization and has now developed into a cultural and tourist centre and a high status residential location. In the preservation of the historic character of the inner-city, the urban social movements have played a prominent role. In the 1970s, plans were proposed to transform parts of the city centre into an 'American-style' CBD, including the conversion of some canals into streets and the replacement of the Jordaan neighbourhood by large-scale office construction. These proposals, as well as alternative plans, generated mass protests and even violent riots, which were organised by the various anti-growth coalitions that struggled for a 'liveable city' on a human scale" and the preservation of historical street patterns. The social movements won and the reconstruction plans were withdrawn and replaced by a social policy of urban renewal without displacement. The first metro line was constructed, but further extensions were cancelled and the destruction of the character of the Nieuwmarkt area as a result of the metro construction was mitigated by restoration with lots of public housing and small shops that fit in well with the city's historic landscape. The urban social movements were thus able to block a radical reconstruction of the historic city centre and even helped the city of Amsterdam to realise its own preservation policy (Terhorst & Van de Ven, 2003; see also chapter 3).

Amsterdam now has over 8,000 official monuments, of which 7,395 are located within the historic city centre. It is not allowed to tear down these buildings and their use and physical changes are subject to strict government control. Amsterdam's historic city centre has been designated as a Historical Preservation District a couple of years ago, which means that non-listed buildings and the public domain have also become subject to strict political controls. A building does not necessarily need to be a monument to be preserved and new construction has to fit well into the historic urban landscape (Terhorst & Van de Ven, 2003; O+S, 2006).

In the wider region, some other historical cities and towns can be found, some of which are popular with tourists. Haarlem has an attractive historical inner-city, but also the old (fisherman's) towns of Volendam, Edam, Marken, Monnickendam and Muiden have historical and characteristic old-Dutch houses. In Zaanstad, there are many monumental former industrial buildings, which have now been converted into office space, that commemorate the status of Zaanstreek as the oldest industrial area of Europe (http://www.parelsinzaanstad.com).

This authenticity, in combination with the long tradition of openness, tolerance and diversity, are hard to copy elsewhere and give the Amsterdam Metropolitan Area the right profile to further develop itself as a creative knowledge city (Musterd & Deurloo, 2006). At the same time, Amsterdam is also facing numerous challenges and problems that can hamper this development. These challenges, as well as the policy agenda related to them, will be described in the next chapter.

5.4 Conclusions

Based on the statistical analysis, we can conclude that the creative knowledge sectors together take in a prominent place in the economy of the Amsterdam Metropolitan Area: nearly one-third of all companies and more than one quarter of all employment belongs to those categories. Even 24% of all Dutch creative knowledge companies is located within the region. The region is especially dominant in creative industries (e.g. radio and TV, music and arts, video, film, music production and photography, and publishing), but also financial services and law and business services are overrepresented within the region.

Creative knowledge sectors are not evenly spread across the region. Rather, they are concentrated in a few 'creative hubs', which have an attractive environment or a strategic location near a motorway, a railway station or the airport. The residential preferences of creative and knowledge workers, as far as they are known, show a similar pattern. For these groups, the living environment turns out to be more important than the dwelling itself and especially the creative workers prefer a central-urban living environment.

However, policy-makers should be cautious with making generalisations. Groenemeijer (2002) showed that not all creative workers and knowledge workers have the same residential preferences and sometimes even do not have an urban orientation (like the financial and ICT workers). This, in combination with the dispersal of companies within the creative knowledge sectors across several parts of the region that was shown by the statistical analysis, gives the impression that it makes sense not to focus too much attention on the city of Amsterdam only. Before taking drastic measures on the Amsterdam housing market, which can in fact even damage the socio-economic and socio-cultural mix and the specific character of Amsterdam's inner-city districts, regional co-ordination of the housing market should perhaps be considered first. Unfortunately, in this respect, the Amsterdam Metropolitan Area and in fact the Netherlands in general is not very successful yet, as will be described in more detail in Chapter 6.

In terms of soft factors, we can conclude that Amsterdam has the right profile to attract and retain creative knowledge firms and workers. The city has an historic inner-city with a unique morphology and safety has improved in most fields over the last couple of years. The city also offers many cultural and leisure facilities and has an international reputation of being a tolerant city, although this reputation is being challenged recently. Finally, the green structure in both the city and the region should be regarded as a valuable asset. It will be an important challenge for Amsterdam and its neighbouring municipalities to keep this favourable profile intact.

6 Improving competitiveness in the Amsterdam Metropolitan Area

6.1 Strategic programmes of regional governments, institutions and coalitions

6.1.1 Regional co-operation: Amsterdam Metropolitan Area, Stadsregio Amsterdam, and target-specific co-operations

In chapter 2, the most important regional co-operative networks and institutions have already been introduced. In this section we will shortly discuss the results and most important plans and initiatives of these regional co-operations in the last few years.

The *'Regionale Samenwerking Amsterdam'* ('Regional Co-operation Amsterdam' - RSA) aims to strengthen co-operation in the region by organizing meetings, exchanging information and representing the interests of the region. One of the main activities of the RSA is a frequent meeting of the municipalities with other regional partners (like the provinces of North Holland and Flevoland and the Chambers of Commerce in the region). This initiative is known as the *Noordvleugelconferentie* (North Wing Conference). The name refers to the RSA area being the northern part of a larger conurbation, internationally known as the Randstad. The North Wing Conferences are an initiative of the national government and the region, in order to strengthen the international competitive position of this part of the Randstad. The first North Wing Conference was organized in 2001. Each conference results in decisions on strategic development projects, mainly in the spheres of housing, economic development and infrastructure. Following the preceding chapters, we will refer to the RSA / North Wing area as the 'Amsterdam Metropolitan Area' in the remainder of this chapter.

The *'Regionaal Orgaan Amsterdam'* (ROA) ('Regional Body Amsterdam') was founded in the 1990s, actually in anticipation of the planned introduction of the city province. This city province, however, was never realised as indicated before (chapters 2 and 3). Since November 2006, ROA changed its name in *Stadsregio Amsterdam* (Metropolitan Area Amsterdam). It aims to improve the area's infrastructure, accessibility, quality of life and the economic development. Initially, Almere was also part of ROA, but it left the organisation some years ago. Still, Almere participates in some elements of the *Stadsregio* programme. Until recently this constellation was referred to as the 'ROA+': the 16 municipalities of *Stadsregio Amsterdam* plus Almere. In section 6.4, we will discuss one of the most influential policy documents of the *Stadsregio*: the regional economic development plan OPERA.

Apart from the two multi-target regional co-operations, several target-specific regional initiatives emerged in recent years. In each of them another group of partners is involved, but most often these initiatives are rather closely linked to either the Amsterdam Metropolitan Area or the *Stadsregio*. Three of these initiatives are about accessibility and connectivity, albeit addressing different aspects. First, *Amsterdam Airport Area* is a coalition encouraging the development of Schiphol Airport, not only as an important air traffic hub, but also as an employment and facilities centre. Apart from two airport-related companies (Schiphol Airport

Development Company and Schiphol Real Estate), this partnership includes the cities of Amsterdam and Almere, the municipality of Haarlemmermeer, the province of North Holland, the Amsterdam Port Authority, the Dutch national air carrier KLM and two real estate developers. Second, the *North Sea Canal Area* alliance consists of a policy platform and a regional development agency aiming for a sustainable economic development of the North Sea Canal and the harbours of Amsterdam, IJmuiden and Zaanstad. Apart from the municipalities bordering the North Sea Canal and the Amsterdam Port Authority, the national government (through *Rijkswaterstaat*, the government agency in charge of the national road and water infrastructure), the Amsterdam Chamber of Commerce and Corus (the largest industrial complex in the area) are also involved. Third, in 2003, the city of Amsterdam initiated the founding of the *'Platform Bereikbaarheid Noordvleugel'* (Platform Accessibility North Wing), a platform aimed at gaining support for major infrastructural projects and development strategies at the level of the Amsterdam Metropolitan Area.

At the moment of writing this report, the Randstad as a whole seems to reclaim a prominent position on the Dutch policy agenda. An advisory commission chaired by the former Dutch Prime Minister Wim Kok (Commissie Versterking Randstad, 2007) was asked to assess the Randstad's international economic position and to present possible measures to strengthen its competitiveness. Its main focus was on administrative and policy structures that might block or hamper economic dynamics in the Randstad area. The key problem according to the Kok commission is a lack of political 'ownership': it is unclear who is responsible for the development of the Randstad as a whole. An impressive number of administrative bodies, networks, platforms and working groups are involved in initiatives for the Randstad or parts of it. The plea of the Kok commission to strive for a regional government at the Randstad level is not surprising and definitely not new. The Randstad lobby seems more powerful than ever. It is probably no coincidence that the preliminary results of an OECD study with similar advices was already leaked to the press three months before officially being published, in exactly the same week that the Kok commission presented its advice. Earlier attempts have failed due to the unwillingness of the existing provinces in the Randstad to merge, but also (and maybe even more) because the provinces outside the Randstad dislike the idea of a concentration of political and economic power in the West of the Netherlands. It will depend amongst others on the policy agenda of the new Dutch coalition if this attempt to create a polycentric Dutch metropolis will be more successful. It is more likely, though, that the North Wing will remain the most relevant regional level for the Amsterdam Metropolitan Area.

6.1.2 Important networks and institutions

Apart from local, regional and national governmental institutions, there are also several semi-governmental and non-governmental institutions as well as public-private networks that play an important role in strengthening the competitiveness of the Amsterdam Metropolitan Area. We will focus here on those institutions and networks that are involved in strengthening the Amsterdam Metropolitan Area as an attractive location for creative, innovative and knowledge-intensive companies.

The *Chamber of Commerce Amsterdam* is an important intermediary organisation between business, government and citizen interests in the Amsterdam Metropolitan Area. The

geographic reach of the Chamber of Commerce Amsterdam includes the largest part of the Amsterdam Metropolitan Area. For initiatives and strategies involving the entire metropolitan area, increasingly co-operation is sought with the Chambers of Commerce of adjacent areas like Flevoland and Gooi- and Eemland. Next to the chamber's responsibilities for regional economic development in general, several specific programmes have recently been developed at the crossroads of creative and knowledge-intensive industries, innovation and competitiveness. Examples that will be discussed in more detail later are the Chamber's involvement in the 'Creative Metropolis' programme and the Regional Innovation Strategy, as well as the strategic economic development report *Going for Gold*. In addition to (and partly overlapping with) these programmes, the Chamber of Commerce has recently developed an action plan for the regional creative industries for the years 2006-2008 (Kamer van Koophandel Amsterdam, 2006). In the various actions included in this plan, the Chamber is involved as either leader, partner or adviser. The plan includes amongst others: an inventory of the wide array of already existing projects and initiatives; the support and co-financing of a new regional development Agency for the creative industries; stimulating international creative industries trade missions; participation in the development of a 'talent factory' and an 'academy of excellence'; and participation in the development of a international design centre in the new central business district of Amsterdam, the South Axis.

Kenniskring Amsterdam ('Knowledge Circle Amsterdam'), founded in 1994, is a joint initiative of the municipality, the Chamber of Commerce, several national and multinational companies, and higher education institutions. The *Kenniskring* regularly organises meetings to encourage the exchange of ideas and interests between government, business and higher education partners. These meetings frequently lead to joint projects and initiatives of the partners involved. Examples include the initiative for the branch network Amsterdam New Media Association and the start-up of an expertise centre for logistics and transport. The *Kenniskring* has initiated the 'Amsterdam Innovation Motor' (AIM) project, meant to stimulate the development of three innovative business clusters in particular: ICT/New Media, Sustainability, and Life Sciences. Meanwhile, AIM has become an independent organization and through one of its three spearheads, ICT / new media, it has become an important player in initiatives to develop the creative industries as well (see section 6.1.3).

iMMovator is a cross media network and expertise centre, operating from Hilversum. Though it is in principle a national expertise centre, iMMovator mainly focuses its activities on the area called 'the Creative Axis' in the northern part of the Randstad (see section 6.1.3). Recently it published the *Cross Media Monitor 2006*, an inventory of the state of development of the ICT sector and the creative industries for the northern Randstad as a whole and the cities and sub-regions within this area (iMMovator & Hogeschool INHOLLAND, 2006). At the moment of writing this report (April 2007), iMMovator mainly focused on the themes broadband, interactive TV and gaming, but this focus might change in the future depending on the further development of the ICT and creative sector. With activities like 'Cross Media Cafés' and projects like the 'Expert group Digital Television' and 'Digital Market Places', iMMovator wants to facilitate the innovation process in the cross media sector. The expertise centre co-operates with several higher education institutes, local and regional governments, multinational companies and public and commercial broadcasters.

The *Waag Society* was founded in 1994 especially to develop new and improved communicative technologies means to enhance social interaction. Its roots lay in the first digital society of the Netherlands, the *Digitale Stad* ('Digital City'). The foundation works in particular for people with limitations in communication; it has developed, for example, software for cognitive handicapped and for elderly. The Waag Society also develops digital art and educational programmes and projects about themes like history, cultural heritage, and integration. It has gradually developed into a research, test and development laboratory with an extensive national and international network of partners and clients. It is also actively involved in the organisation of several meeting and networking events like the PICNIC Cross Media Week, attracting about 5,000 participants in 2006.

PICNIC is becoming an influential organisation itself, too. Next to the yearly event, the organisation offers a website which is intensively used and regularly organises debates and other networking activities. The first edition of PICNIC was in 2006 and existed of a conference for creative and innovative professionals (attracting about 1400 delegates); several partner events where creatives from various backgrounds could meet; and public events. The latter were especially aimed at the local population of Amsterdam. The opinions on the success of the event were quite divided. The organisation itself was very satisfied and the conference participants gave very high grades to the event in the evaluations. The city of Amsterdam and the national government welcomed the event too, judging from their generous subsidies and support. Many creatives for which this event was intended, however, could not afford the conference fee (despite the government subsidies, the fee was 750 Euro for a three-day conference) and felt that the conference and the event as a whole met their needs insufficiently. The second edition of PICNIC in 2007 will try to meet this criticism partly in particular in an extension of the public event programme; the conference fee is planned to rise further, though.

The foundation *Kennisland* ('Knowledgeland') wants to develop the Netherlands as a 'key region in the international knowledge economy', in a way that creates 'economic and social added value'. To realise this mission, *Kennisland* develops strategies, innovative projects and 'learning networks' in co-operation with governments, business, knowledge institutions and NGOs. *Kennisland* has evaluated the project applications for the 'Creative Challenge Call' (see section 1.4), helped to start up the Amsterdam Innovation Motor, and participates in several national and international consortia like Creative Commons Netherlands, Digital Pioneers, and the European P2P-Fusion project. In those consortia and projects it often works together with the Waag Society. Though *Kennisland* operates nationally, it is important for the Amsterdam Metropolitan Area in particular, not only because it is based in Amsterdam, but also since this region is the leading media hub and one of the leading ICT hubs in the Netherlands.

Finally, an increasingly important network for the creative industries in the Amsterdam Metropolitan Area is *Amsterdam Creativity Exchange*. The Amsterdam Creativity Exchange (ACX) offers a platform for the presentation of plans, projects and people, for stimulating exchange and interaction. The ACX aims to bring individuals and organisations together to explore and stimulate creative potential. It regularly organises networking events at which various economic, cultural and political issues affecting the creative industries are discussed,

and showcasing events for creative talent. The ACX website functions as a hub for online discussions between the members, coming mainly from the creative industries but also from other backgrounds (researchers, policy makers, investors etc.).

6.1.3 The 'creative metropolis' programme

In 2005, the Amsterdam Metropolitan Area met in the 4th 'North Wing Conference'. The central theme of this conference was how to increase the economic competitiveness of the Amsterdam Metropolitan Area. The creative industries were singled out as one of the most promising sectors, and a group of aldermen was commissioned to develop a strategic programme for the further development of the creative industries. The group was advised by a wider group of policy-makers from municipalities and the Chamber of Commerce, as well as experts from the creative industries and consultancy firms. This resulted in the 'Creative Metropolis' programme (Stuurgroep Creatieve As, 2005). A 'creative axis' between the cities of Amsterdam, Haarlem, Hilversum, and Zaanstad was considered as the core of the creative regional economy. The actions proposed therefore are also focused on these four cities. The four 'prioritized actions' were:

- The foundation of a Creative Development Company, aimed at the international acquisition of creative industries, strengthening the knowledge infrastructure on the creative economy, and improving service provision to creative starters;
- Experiments with transformation: industrial locations as testing grounds for spontaneous transformation into creative working environments;
- The foundation of the Academy of Excellence IDAFIMA. Each year, 20 young top talents from across the globe and from various disciplines will be invited to develop new concepts and product innovations. The main disciplines that this initiative is aiming at are fashion, industrial design, mobile services and media, architecture, visualization, graphic design and merchandising;
- Installing a taskforce to make better use of the creative potential of young people at all educational levels. Especially the talents of the ethnic minority youth should be acknowledged and stimulated more through initiatives of this task force.

Meanwhile, the 'Creative Metropolis' programme has evolved to a web of mutually linked creative cities, including also Almere, Amersfoort and Utrecht. In September 2006, the most recent progress report was published (Projectgroep Creatieve As, 2006). The participants in the Creative Metropolis programme have managed to attract funds from the national government programmes 'Peaks in the Delta' and 'Creative Challenge Call' (see chapter 1), that will probably contribute to realising the programme's goals considerably. In addition, the participating municipalities also invest in the programme themselves, and undertake attempts to attract European funds and business contributions. Though the Creative Metropolis programme is still largely in its planning phase, concrete results should be reached within the next few years.

6.1.4 The Regional Innovation Strategy

The most recent development in regional competitiveness policy is the Regional Innovation Strategy. The 5th North Wing Conference in November 2005 decided that such a strategy should be established (see section 6.1.1. for more information on the North Wing Conference). This strategy was not yet formally accepted at the time of finishing this report (April 2007), but this was due to happen very soon. The following is therefore based on the most recent draft and not on the final version of the Regional Innovation Strategy (Kamers van Koophandel Amsterdam, Flevoland & Gooi- en Eemland, 2006).

The Regional Innovation Strategy (RIS) aims at establishing more focus, critical mass, coherence and impact in the implementation of innovation policy within the Amsterdam metropolitan Area. The actions proposed are supposed to start soon and should be benefiting the entire Metropolitan Area. The RIS should be seen as a 'work in progress' and will therefore be evaluated and updated regularly in the coming years. A large part of the RIS actually consists of already existing or planned initiatives that so far were arranged in a too fragmented way at the local and regional level. Three types of actions are proposed:
- actions to enhance the 'generic innovation climate';
- actions targeting specific clusters;
- and actions to improve co-operation and synergy within the Amsterdam metropolitan Area.

The generic innovation-enhancing actions include amongst others the improvement of knowledge transfer; the improvement of the 'match' between investors and innovative entrepreneurs; a coherent promotion campaign of the Amsterdam Metropolitan Area as 'top knowledge and innovation region'; and the introduction of a digital expat office. The clusters targeted are ICT and creative industries; trade and logistics; life sciences; and sustainability. Most actions for these clusters involve the establishment or encouragement of cluster-specific networks, events, and institutes like the Creative Development Company mentioned before in the 'Creative Metropolis' programme. The actions to improve co-operation and synergy at the regional level are deliberately *not* aimed at creating yet another institutional layer. The largest problem as perceived by most policy-makers and business representatives is that there are already too many different institutions responsible for parts of the regional-economic development. Therefore it is encouraged to form a 'board of directors' representing the relevant existing institutions, responsible for leading the regional innovation programme, and a regional organisation that implements the programme, also existing of representatives of relevant existing institutions.

6.2 Current policy ambitions in the largest cities of the Amsterdam Metropolitan Area

Before addressing the most relevant sectoral policies in more detail, we will give a brief impression of the overall strategic goals of the currently ruling local governments of Amsterdam and the most important sub-centres of the Metropolitan Area: Almere, Haarlem, Zaanstad and Haarlemmermeer. The left-wing government of the city of Amsterdam, chosen in 2006, focuses on Amsterdam as an attractive location for enterprises. Nevertheless, it wants

to fight the 'reverse side of the knowledge economy: the growing inequality'. The motto of the programme agreement, 'people make Amsterdam', expresses that the city government wants everyone to feel welcome in their city. According to the city government, sustainable economic growth can only be realized by participation of all citizens. For the period 2006-2010 the ambitions of the city government are:

- the attraction of international visitors;
- to facilitate a creative and knowledge intensive climate;
- a highly qualified population;
- Schiphol airport as a mainport;
- an attractive city and region;
- a high quality of housing and living;
- co-operation between the municipality and (small) businesses; less bureaucracy.

(Gemeente Amsterdam, 2006a)

Of these ambitions, the Schiphol ambition is probably the most controversial and complicated one. 'Mainport', by the way, is an English word invented by the Dutch which is almost meaningless beyond Dutch borders. With this term, Dutch policy-makers express the economic importance of Schiphol and the seaport of Rotterdam as hubs of infrastructure, logistics and distribution. Schiphol does not lie on Amsterdam's municipal territory, but in the neighbouring municipality Haarlemmermeer. After years of unlimited growth ambitions in which Schiphol was mainly seen as a welcome 'job motor', this municipality has recently become much less pleased with the presence of the national airport at its territory. Several residential extensions and business parks are hardly feasible in Haarlemmermeer if Schiphol keeps expanding, and some of the existing neighbourhoods around Schiphol are already becoming close to unliveable because of noise and air pollution (Bontje, 2005). A second party threatening to spoil Amsterdam's plans with Schiphol is the national government. So far, Schiphol is a publicly owned company with the Dutch national government and the cities of Amsterdam and Rotterdam as shareholders. In 2006 the national government wanted to sell its shares to set the privatisation of Schiphol in motion. Amsterdam blocked this privatisation plan and held on to its shares. The outcome of this dispute will become clear later in 2007.

Almere's development agenda has always been largely determined in The Hague, and partly also in Amsterdam and Utrecht, since it has had a major role in catering for the housing need of the Amsterdam and Utrecht metropolitan areas. Meanwhile, Almere has become a large city for Dutch standards with about 180,000 inhabitants and its municipal council is increasingly determining its own fate. Still, Almere's growth is seen as a national policy priority. In 2003, an Integral Development Plan (Projectbureau Toekomst Almere, 2003) was agreed upon between the city of Almere, the province of Flevoland and the Dutch national government. Almere agreed to build an additional 60,000 dwellings between 2010 and 2030. This would mean that Almere becomes the fourth city of the Netherlands. At the same time, however, Almere's ambition is to improve the balance between its residential and its economic function. Too many Almere residents are still forced to commute to their jobs in surrounding cities because of a shortage of employment opportunities in their own city. The number of jobs in Almere should therefore grow faster than the number of dwellings in the coming decades. A third ambition of Almere is to become a more urban place. Ambitious

projects like the new city centre and the mixed-use extension Almere Poort are first steps in that direction (Bontje, 2004b).

Haarlem's built environment has reached its municipal borders. Maybe this is the reason why this city seems much less ambitious in its development goals than most of its neighbours in the Amsterdam Metropolitan Area. A strategic development plan is hard to find. The development plan issued within the framework of the Dutch Large Cities Policy for 2005-2010 (Gemeente Haarlem, 2004) is probably the best indicator of Haarlem's development priorities. Inner-city regeneration projects are given at least as much priority as strengthening the economic position of Haarlem. The city invests considerably in its cultural facilities, in maintenance and liveability, and in redevelopment of the area around the central railway station. Haarlem chooses to profile itself as a 'multifaceted cultural city'. Culture and tourism are seen as the main assets for economic growth. This includes day visitors: Haarlem has built up a sound reputation as one of the best shopping destinations of the Netherlands. The city also hopes to profit more from its strategic location near Schiphol airport.

Zaanstad has formulated four strategic targets in its development programme, which is like in Haarlem the result of the Dutch Large Cities Policy: 'sustainable strengthening of the economic structure', 'city atmosphere', 'Zaanstad is worth seeing', and 'doing daily things right'. The latter refers to 'ordinary' municipal tasks like maintenance of public space that should be improved first before investing in the other three goals. Zaanstad wants to increase its share in regional economic growth and sees the creative industries as one of the most promising sectors to reach this goal. The city government identifies three dilemmas to be solved in order to improve its economic strength and residential quality: spatial restructuring (increasing Zaanstad's identity as a city and overcoming infrastructural barriers); enabling economic development despite spatial constraints (the noise contours of Schiphol airport and the development restrictions in protected landscapes); and getting the municipal budget in order (Gemeente Zaanstad, 2004).

6.3 Amsterdam's economic policy: HERMEZ and Amsterdam Top City

The Amsterdam economic policy in the period 2002-2006 was based on three pillars:
- Strengthening of the production structure: using the existing opportunities to stimulate the pillars of the Amsterdam economy. The main focus in the acquisition of new companies was on adding strengths to the harbour, manufacturing, ICT and the medical and biotechnology.
- Improvement of the business climate: creating a vibrant climate for entrepreneurial activities. This meant offering more space for large and small businesses and the revitalization of shopping centres. In addition, labour market problems had to be solved, the accessibility of Amsterdam needed to be improved, and the city needed a safer working and living environment.
- Increasing the organising power in city and region: co-operation and networks between entrepreneurs, knowledge institutes and administrations were needed to solve problems and initiate new projects and plans. The city of Amsterdam supported starting enterprises and local and regional organizations of entrepreneurs.

The evaluation (EZ 2005) of the economic policy of the municipality of Amsterdam states that this policy of the city has been successful to a large extent. The so-called Hermez program stimulated (in co-operation with commercial parties) the strengthening of the diversity, cohesion and profile of the Amsterdam economy. This had been realised by financing projects and developing (long-term) strategies. The current economic structure is more balanced and less sensitive for global economic downturns; these conditions are necessary for a stronger economic growth. However, there still is a sense of urgency to reinforce the Amsterdam economy, because of the increasing international competition and the need for jobs.

The economic policy document HERMEZ (EZ 2002) also touched upon topics relevant for the development of the creative knowledge city. This economic policy programme did not yet identify the creative or cultural industries as an important pillar of urban and regional economic development. It did, however, pay considerable attention to the ICT and new media cluster. The presence of one of Europe's most advanced internet hubs made Amsterdam a very attractive location for ICT and new media companies. The aim was to connect every Amsterdam workplace and home to a broadband network. Currently, more than 80% of all Amsterdam residents has access to internet (http://www.os.amsterdam.nl). Another, less sector-specific policy priority in the HERMEZ programme was a more efficient use of the huge knowledge potential in Amsterdam. Several measures were taken to improve contacts and co-operation between the municipality, institutes of higher education, and knowledge-intensive companies. The most influential network organization in this respect is the Kenniskring Amsterdam ('Knowledge Circle Amsterdam'), a joint initiative of the municipality, the Chamber of Commerce, and Amsterdam higher education institutions. This organization is responsible for the 'Amsterdam Innovation Motor' project, meant to stimulate the development of three innovative business clusters in particular: ICT/New Media, Sustainability, and Life Sciences. However, the Amsterdam Economic Department stresses the importance of Amsterdam's broad and diversified economic base and does not want to neglect other traditional pillars of the urban and regional economy, like the financial sector, the harbour, and the airport.

The municipal elections of 2006 changed the local political scene of Amsterdam considerably: the broad coalition of Christian democrats (CDA), social democrats (PvdA) and liberals (VVD) was replaced by a socialist-green coalition (PvdA-GroenLinks). This resulted in a new ambitious economic development agenda. *Amsterdam Topstad* (Amsterdam Top City) (2006) was the first outline of a programme to make Amsterdam and its Metropolitan Area more competitive. The main target of this programme is to bring 'Amsterdam back in the top 5 of European business locations'. This goal refers to the influential yearly *European Cities Monitor* of Cushman & Wakefield, in which Amsterdam lost its 5th place to Barcelona in 2005. Creative industries, innovation and knowledge are seen as important ingredients to regain Amsterdam's prominent position in Europe (Gemeente Amsterdam, 2006b).

The *Amsterdam Topstad* programme was still in development at the moment of writing this report. However, it already contributed to slightly different accents in Amsterdam's economic policy:

- Small and medium-sized enterprises: a better service delivery by the city to entrepreneurs and creating excellent entrepreneurial conditions in Amsterdam;
- Innovation and knowledge infrastructure: increase the innovative power of the city;
- Tourism and congresses: Amsterdam as a hospitable city, with the profile of an international tourist, congress and leisure centre;
- Accessibility and connectivity: improvement of the in- and external infrastructure of the city, and more cohesion between Schiphol airport and the region;
- Location for businesses: offering enough large- and small-scale locations to (starting) enterprises and keeping the balance between demand and supply on the labour-market.

6.4 Regional economic policy: the OPERA plan and 'Going for Gold'

Stadsregio Amsterdam (at that time still known as 'ROA') has developed a regional economic development strategy that is most often referred to by its Dutch acronym OPERA (*Ontwikkelings Plan Economie Regio Amsterdam*). The OPERA plan (ROA, 2004) results from the ambition of *Stadsregio Amsterdam* to stimulate and facilitate a healthy and differentiated economy which is able to compete internationally. Four structural targets have been defined to strengthen the regional economic structure: optimising the use of the regional economy's specific profile; maintaining the broad and diversified economic base; increasing the coherence of the regional economy; and a spatially balanced regional economic development. Most policy actions linked to these targets are either linked to the *Stadsregio* area or the larger regional entity of the Amsterdam Metropolitan Area, but some proposed policy actions are also at the level of the entire Randstad.

The international orientation, the prominent position in international networks (transport, ICT) and the contact- and knowledge-intensive character of most segments are highlighted as specific strengths of the metropolitan economy. Most policy measures proposed in the plan aim to strengthen this profile further. To improve connectivity, a further growth of Schiphol airport is encouraged, but only to the extent that this contributes to regional development. The seaport should also grow and be better connected by sea (to enable larger cargo ships to reach the harbour) and by land (with improved road and rail connections). The ICT infrastructure, which is already quite advanced, should be improved through a regional glass fibre network. To improve the economic balance within the region, relatively weak sub-regions like the Zaan area and IJmond are targeted with additional structure-enhancing policies. Both sub-regions have developed a rather one-sided economic profile: food production in the Zaan area, steel (Corus) and fishery in IJmond. The region's knowledge and innovation structure should mainly be strengthened through improvements of spatial conditions. Specific policy measures mentioned in this regard are the regional glass fibre network and the development of science parks and incubators. The OPERA plan also mentions 'development of networks' and 'general spatial policy aimed at an innovative climate', but does not specify these vague goals. Finally, the OPERA plan calls for the development of a regional office location policy and a better 'tuning' of business location development between the municipalities of the Metropolitan Area. Most of this programme eventually has to be realised by the municipalities, working together with relevant institutions, companies, the province of North Holland and sometimes also the Dutch national government. The role that the *Stadsregio*

plays in this process is mainly supporting municipal actions, bringing the parties involved together, co-ordinating regional development programmes and/or offering subsidies to encourage regional development programmes.

In the same year, the Chamber of Commerce Amsterdam published the strategic policy document *Going for Gold* (Kamer van Koophandel Amsterdam, 2004). Even though the geographic area covered by the Chamber of Commerce Amsterdam is considerably smaller than the Amsterdam Metropolitan Area, this policy report was aiming at the metropolitan area as a whole. The policy programme proposed in the report resulted from co-operation and discussion with five Chambers of Commerce from neighbouring areas, business NGOs and labour unions. The report can therefore be seen as the spatial-economic policy agenda for the next decades according to business representatives in the entire Amsterdam Metropolitan Area. The report is full of sports metaphors. The 'gold' in the title stands for the high ambitions of regional business, aiming to further strengthen the international competitiveness and connectivity of the Amsterdam Metropolitan Area. Significant investments are needed to maintain or improve these; otherwise the region might face 'the danger of relegation'. The key economic sectors and the spatial-economic foundations on which they depend are combined in 5 'Olympic rings': 'logistics and manufacturing'; 'business and trade'; 'knowledge, innovation, culture and tourism'; 'space and infrastructure'; and 'labour market, residential and living environment'.

The report proposes four 'coalitions for economic development'. They should encourage the development of the Amsterdam Metropolitan Area as an international centre of business and trade; an international logistics and distribution centre; an international cultural and tourist centre; and a centre of innovation. In addition, two 'joint ventures for coherent spatial development' are proposed: one for the urbanised corridor Haarlemmermeer – Amsterdam – Almere, and one for the logistic-manufacturing corridor North Sea Canal – Schiphol – Aalsmeer. For each of these coalitions and joint ventures, a public-private partnership with local and regional governmental institutions, business representatives and NGOs is proposed. Altogether, the *Going for Gold* strategy aims at organising the Amsterdam Metropolitan Area as a kind of common enterprise. Since the Amsterdam Metropolitan Area is a relatively small region compared to most of its competitors, the region will have to 'outsmart' those regions with a larger internal market, and this requires a joint effort of public and private partners in the view of regional business. Interestingly, the strategic policy agendas of regional business (*Going for Gold*) and regional policy-makers (the *OPERA* plan) seem to be very close to each other and largely even overlapping. Apparently regional business and regional policy-makers increasingly manage to find each other in joint interests in the Amsterdam Metropolitan Area. Meanwhile this has resulted in several strategic programmes targeting more specifically the creative knowledge sectors, like the Creative Metropolis programme and the Regional Innovation Strategy presented before.

6.5 Metropolitan marketing: 'I Amsterdam'

In 2004, the organization of Amsterdam Partners was founded in order to promote the city. 'I Amsterdam' is the new logo of Amsterdam and the Amsterdam Metropolitan Area. This city marketing initiative has been developed as a means for Amsterdam to profile itself assertively in the international arena. The Amsterdam Area consists of the partners paying contribution to Amsterdam Partners: the province of North-Holland and the municipalities of Almere, Aalsmeer, Haarlemmermeer, Zandvoort, Haarlem, Velsen and Amsterdam. Regional business, cultural institutions and higher education institutes are also well represented among the partners supporting the metropolitan marketing programme. The fact that five neighbouring municipalities - themselves important sub-centres and/or tourist destinations too - agreed to participate in an Amsterdam-centred campaign is a telling sign of growing willingness for regional co-operation. On the campaign's homepage, the marketing idea behind 'I Amsterdam' is summarised as follows:

"I Amsterdam is the motto that creates the brand for the city and people of Amsterdam. In saying or expressing I Amsterdam, we demonstrate a clear choice for the city of Amsterdam. I Amsterdam shows our pride, our confidence and our dedication. I Amsterdam is our personal endorsement for our city. Using I Amsterdam, we can show clearly and proudly all the many benefits, opportunities and dimensions of excellence that make Amsterdam our city of choice." (http://www.iamsterdam.com/introducing/about_'i_amsterdam'/'i_amsterdam')

Several previously existing, but unconnected promotional activities have been merged and intensified under the common umbrella of the 'I Amsterdam' campaign. The organisations involved in Amsterdam Partners have agreed to use the 'I Amsterdam' logo in their promotional activities as much as possible. In addition, several new activities have been developed, including branch-specific events like the Amsterdam Fashion Week and the Picnic Cross Media Week. These events put the spotlight on segments of the creative industries that are still relatively small from an international perspective, but which Amsterdam hopes to expand in the coming years. While most activities are aimed at an international audience of visitors, investors and companies, the I Amsterdam campaign has also been advertised among the regional population and regional stakeholders, amongst others with a glossy photo book. The book contains portraits of people living in, working in and visiting Amsterdam. It expresses the focus on people in the 'I Amsterdam' campaign.

Since the 'I Amsterdam' campaign has only started recently, it is yet too early to judge on the results and effects of this metropolitan marketing programme. The joining of forces at the metropolitan level is already a positive result in itself. But will it result in attracting more international companies and visitors than the previously existing local marketing programmes? The Metropolitan Area has managed to attract both more companies and more visitors from abroad in recent years (see chapter 4), but the extent to which this is the direct effect of the intensified promotional efforts of the 'I Amsterdam' campaign is hard to assess.

6.6 Spatial development: from polycentric region to metropolis?

The division of competences in spatial development within the region makes an integral spatial development perspective complicated. The *Stadsregio Amsterdam* does have competences in spatial planning, but it is much less influential than the provinces and municipalities. Normally speaking the provinces (in this case North Holland and Flevoland) are designing and implementing regional plans. Amsterdam, however, has a kind of spatial planning autonomy within the province of North Holland. The city designs and implements its own strategic spatial plans, while the provinces of North Holland and Flevoland make regional plans for the rest of the Metropolitan Area. The regional spatial development perspective of the city of Amsterdam does not always correspond with that of the provinces. However, in recent years all parties involved seem to have improved their communication and co-operation and are stressing shared regional interests over local municipal interests to an increasing extent. Next to the local and regional level, the national spatial planning level should of course also not be neglected. Still, after decades in which 'top-down' planning from the national political capital The Hague set the scene, a decentralisation process has been set in motion in the 1990s. The planning implementation philosophy of the national Ministry of Housing, Planning and the Environment has become: 'decentralised when possible, centralised when necessary'. Therefore, the most important strategic planning documents to discuss in this section are two regional plans (for North Holland South and the National Landscape 'Low Holland'), the structural plan of Amsterdam, and the joint efforts of Amsterdam and Almere to develop as a 'twin city'. Apart from that, we will review some of the most important spatial planning-related agreements of the Amsterdam Metropolitan Area in the 'North Wing Conferences'.

The province of North Holland tries to relieve the enormous development pressure south of the North Sea Canal (especially around Schiphol airport) and to stimulate the development of the area north of that canal. Because sub-urbanisation was for decades mainly directed towards the north of the province of North Holland and towards Flevoland, partly resulting from the national government's new town policy of the 1960s and 1970s, the regional balance between residential and working locations has become seriously disturbed. Cities like Zaanstad and Almere have mainly developed as residential locations with a sub-urban image. Both the municipalities and the provinces involved want to transform their cities into more urban and functionally more diversified places. At the same time, however, the province does not want to frustrate the further development of the southern edge of Amsterdam and the area around Schiphol into an international business hub. Despite the reservations against further boosting the Amsterdam-Schiphol area described above, therefore, the regional plan for North-Holland South (Provincie Noord-Holland, 2003) is a growth-oriented plan, which mainly seems to serve to enable the further growth of Schiphol, the harbour and industrial complex around the north Sea Canal, and the horticultural cluster of Aalsmeer. The province defines seven tasks that are hard to combine: 'space for water', 'development of valuable landscapes', 'an accessible network city', 'space for residence', 'space for employment', 'economic safeguarding of agriculture', and 'maintenance and development of cultural-historical values'. The regional plan mentions that 166,000 dwellings have to be built until 2020. In the same period, the plan aims at 1,000 hectares of new business locations, but to limit the further spatial expansion of business locations, redevelopment of existing locations

is preferred and encouraged. The spatial planning task is complicated enough in a densely built region like the Amsterdam Metropolitan Area, but it gets even more complicated since some parts of the region should be kept open to protect valuable landscapes, maintain sufficient space for recreation, and offer possibilities for water storage. The latter goal has become more important in recent years under the influence of the climate change debate. The Netherlands, and especially its western half which is largely below sea level, would be one of the first countries to suffer if the level of oceans and rivers will indeed rise as significantly as the latest prognoses suggest. Contrary to Dutch tradition, some polders therefore are destined to be flooded to create more room for water.

Directly north of the Amsterdam Metropolitan Area, and actually even covering its more rural parts, is the recently installed National Landscape 'Low Holland'. A spatial development plan for this area was agreed upon by the provincial parliament in late 2006. The largest part of Low Holland consists of peat meadows and polders. It is one of the Dutch areas included in the EU Natura 2000 programme, amongst others as an important bird area. The rich cultural history is an additional reason to protect this landscape. One of its polders, the Beemster, is included in the UNESCO World Heritage list as a typical example of the 16th- and 17th-century reclamations around Amsterdam. As the legal status of the National Landscapes is still rather unclear, it remains to be seen how powerful this instrument will be in protecting open landscapes and cultural and natural heritage. As it is defined until now, however, it looks like construction of housing, infrastructure and business locations in the Waterland sub-region will be restricted to a minimum. The same is true for the polders between Zaanstad and IJmond, but this area might eventually be transformed into harbour and other business areas to add to the harbour-industry complex along the North Sea Canal. Zaanstad, meanwhile, is almost completely surrounded by the area included in the National Landscape, which might result in serious problems in realising possible further extensions in the future. On the other hand, the city governments of both Zaanstad and Amsterdam consider the nearness and accessibility of leisure and nature areas close to their cities very important, so especially Waterland will probably largely be spared in future extension plans. The cities of Amsterdam and Zaanstad are even official partners in the co-operative organisation that is founded to realise the National Landscape goals. Apart from these cities, the province of north-Holland and the municipalities within the national Landscape borders, also several nature protection and agricultural organisations take part in this co-operative network (http://www.laag-holland.nl).

The most recent structural plan of Amsterdam (DRO, 2003) is titled 'choosing for urbanity'. With this motto the Amsterdam urban planners link to the revival of Amsterdam as an attractive residential and business environment since the mid-1980s. The structural plan continues and intensifies the compact city planning philosophy that Amsterdam started already around 1980. Its main target therefore is realising mixed and lively urban environments, preferably at sites well connected with public transport. Next to the continuation of projects that fit well in this philosophy, like the new high-status business location South Axis, the regeneration of Amsterdam Southeast and the Western Garden Cities, and the latest residential city extension IJburg, ambitious new urban regeneration projects are announced in the structure plan. These new projects are mainly located in the north of the city, where former harbour and business areas are transformed into mixed living,

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working and leisure areas. Another area to be upgraded is the island on which the central railway station is built. The station itself is already being renovated intensively and building activities around the station have meanwhile started as well. The area is destined to become a new cultural centre, including the main public library, a new music theatre, a conservatory, a conference centre, offices and apartments. The local and regional public transport network is improved and expanded, amongst others with the North-South subway line. At the same time, the highway and road infrastructure is also significantly improved in an attempt to alleviate the growing congestion problems. The improvement of public space and the city's ecological infrastructure (parks, water, and the agricultural and natural areas around the city) also get ample attention in the plan. The structural plan also emphasises the growing regional ambition of the Amsterdam urban planners. Amsterdam and its Metropolitan Area are presented as a 'network city', in which several specialised sub-centres should be developed complementary to each other.

The latter point has contributed to the emergence of 'twin city' concept, which envisions the development of Amsterdam and Almere as a polycentric metropolis around the IJ lake. Almere was founded in 1976 and initially developed as a predominantly residential city. Its main task was to offer an attractive residential environment for people leaving Amsterdam, to channel the massive sub-urbanisation movement of the 1970s. Other places in the Amsterdam Metropolitan Area like Haarlemmermeer and Purmerend also got this task, but Almere has eventually developed on a significantly larger scale than those municipalities. In recent years, Almere has undertaken serious efforts to become a more urban place. Amsterdam and Almere are working on a spatial development programme for the IJ lake, where the two cities should become better connected. A bridge-tunnel link for public and private motorised traffic, combined with a new series of islands with high-status residential areas, is a serious option for the coming years. These plans are still quite uncertain though and meet considerable resistance of nature protection movements, but also of the residents of IJburg, who fear that their district might be crossed with busy rail and road links between the cities.

In recent years, a shift from formal hierarchical to less formal plan-making has occurred in the Amsterdam Metropolitan Area. The regional plan for north Holland-South discussed above has rapidly become outdated. Instead of drawing up a revised version of this plan, the province and the region have discussed the most urgent planning decisions at the North Wing Conferences (see section 2.2, 6.1.1 and 6.1.3). The most recent conference took place in February 2007. At this conference important decisions were taken about the amount of office space and business areas to be developed in the next decades. Finally the municipalities within the Amsterdam Metropolitan Area managed to agree on a realistic amount of office space and business areas for the region as a whole. This resulted in the historic decision to cancel 3.5 million square metres of office space. The negative experience of only about 5 years ago, when the amount of vacant office space rose rapidly as a result of a sharp economic downturn and a lack of mutual adjustment of local office plans, will no doubt have played a role in this decision. A second topic discussed at this conference was the 'metropolitan landscape'. The abundance of water and relatively open green areas between the region's cities and villages is quite unique for a metropolitan region. However, this landscape is increasingly under threat and the conference delegates discussed how to improve landscape protection. At earlier North Wing Conferences, agreements were reached on large

infrastructure projects, the division of the regional housing task across the municipalities involved, and initiatives to support the attraction of creative industries (see section 6.1.3). Meanwhile, a long-range future perspective is being developed: *Noordvleugel 2040*. This initiative was launched in February 2007, and should result in a regional development vision with broad support throughout the region by December 2007.

6.7 Housing, social and cultural policy in the Amsterdam Metropolitan Area

6.7.1 Housing policy: increasing owner-occupation and working against segregation

As mentioned before (chapters 3 and 4), Amsterdam has built up a reputation of being mainly a city of social housing. In general, the social rented sector is relatively big in the Netherlands, when placed in an international context. There are a few reasons for this. First of all, in the Netherlands, the relationship between the position on the housing market and income has been changed as a result of welfare arrangements since the 1950s. Because of rent rebates, low-income households have been enabled to move into relatively new, high-quality and more expensive dwellings. Also, the social rented sector is considered attractive because it includes a large proportion of larger (single-family) housing and because of the often good state of dwellings. The units are generally allocated to low-income households, but tenants cannot be evicted when their income increases. This, in combination with the relatively high prices of owner occupied dwellings and the relatively low prices of social rented dwellings, has created a situation where one fifth of the social rented housing stock is inhabited by households with a relatively high income. Especially in cities with a tight housing market, like Amsterdam, this so-called 'mismatch' is occurring. There is both quantitative and qualitative shortage of housing due to a combination of high demand and lack of space.

Since the 1980s, the government gradually started to withdraw from its deep involvement in housing and a shift toward a more market-oriented strategy occurred. One of the intended effects was to limit the mismatch on the housing market (Van Kempen, 1998). As a result, since 1993, more non-subsidised dwellings than subsidised dwellings have been built. In the mid-1990s, housing corporations became private non-profit organizations and in order to earn some money, the purchase of dwellings was stimulated. Concerning this point, the Dutch policy is, however, still different from other European housing policies. Whereas tenants have a right to buy their rented dwelling in the UK, tenants can only offer to buy in the Netherlands; the social housing provider cannot be forced to sell the dwelling (Aalbers, 2004).

Especially in Amsterdam, the selling of social rented dwellings is considered a politically sensitive issue, because it would imply a break with the social-centred housing tradition of the city. Also, there are differences between the policy agendas on the city-wide and borough levels and even within housing associations, there are diverging interests that hamper radical policy changes. Furthermore, the Dutch political culture of consultation and compromising (the so-called 'polder model') makes it difficult to pursue controversial policies. As a result of these factors, the selling of social rented dwellings has made a slow start, but over the last couple of years, a process of privatisation has been set in. Parts of the social-rented housing

stock are replaced by or converted into owner-occupied dwellings. Corporations should, however, be careful that not only sell the best segments of the social housing stock are sold (Aalbers, 2004).

Next to the ambition to create a more balanced housing market in which owner-occupancy is better represented, the city of Amsterdam also gives high priority to prevention of ethnic and socio-economic segregation. As we demonstrated in chapter 4, Amsterdam still does not have the high levels of segregation of American cities or European 'global cities' like London or Paris. Even the districts with a high concentration of ethnic minorities and/or socio-economic deprivation are still quite mixed in population composition. This does not mean that segregation should not be expected to increase in the coming years, though. The city of Amsterdam is ware that political action continues to be needed to prevent higher levels of segregation and polarisation. Even though the philosophy that contacts between population categories are more likely to emerge at the workplace or in schools gains ground, residential mixing strategies remain popular among local and national politicians. Especially in large-scale regeneration programmes like in Amsterdam Southeast and the Western Garden Cities, the Amsterdam housing department and housing corporations are convinced that changes in the built environment will result in a more mixed population. Large housing estates are torn down or refurbished and partly replaced by low-rise row housing which should specifically attract the middle class. The selling of the social housing stock is also seen as a means to promote more mixed populations in the most deprived parts of the city. It is yet too early to judge on the effects of this mixing strategy, but research results so far do not look encouraging (see for example Musterd & Murie, 2006; Andersson & Musterd, 2005)

The problems of the Amsterdam housing market might partly be solved by a more integrated regional housing market. After all, as shown in chapter 4, the owner-occupied sector is much better represented in most other parts of the Metropolitan Area than it is in Amsterdam. The first attempts towards regional integration are in progress. A relevant initiative in this regard is *'Woningnet'*: people searching social housing in the Amsterdam region can now react to offers from the whole region instead of only one municipality. In addition, Amsterdam housing corporations are increasingly merging or co-operating with corporations of surrounding cities and suburbs like Haarlem, Almere and Haarlemmermeer. However, these are only first small steps and a truly regional housing market still seems a distant goal. Another notorious problem of the Amsterdam housing market discussed in chapter 4, the very rapid rise of housing prices in general and in the owner-occupied and private rental sector in particular, have meanwhile spread across most of the Metropolitan Area. So have the long waiting lists for social housing, though these are still considerably shorter in cities like Zaanstad and Almere. Haarlem was a quite popular destination for Amsterdammers with an urban living preference but limited financial resources in the 1990s, but this city meanwhile has an almost equally problematic housing market as Amsterdam. Therefore, those leaving Amsterdam in search for more spacious but affordable housing are increasingly forced to cross the Metropolitan Area borders. The recent attempts to create a regional housing market should also be seen as an attempt to increase the regional ability to attract and keep especially middle-income households. People working in the creative and knowledge-intensive industries are a prominent target group within this broader middle class category.

6.7.2 Social and cultural policy: the Social Structure Plan and 'We Amsterdammers'

The Social Structure Plan (Gemeente Amsterdam 2005) stresses 'investing in metropolitan dynamics' and 'investing in human capital' as two of its three policy goals. The former goal is connected to the future perspective of an internationally competitive creative knowledge city; the latter goal is related to stimulating personal development and the participation of citizens. Just like the economic development programme 'Amsterdam Top City' (section 6.3), Richard Florida's ideas on the creative class have clearly inspired the Social Structure Plan. The authors of the Social Structure Plan see a promising perspective for Amsterdam both as a knowledge and cultural city. However, strong efforts should be undertaken to realise this potential, and this requires a cross-sectoral approach in which social and cultural policy join forces with economic, spatial planning and housing policy. Problems are especially seen in the match between supply and demand of housing and workspace, traffic accessibility, as well as between qualifications and labour market demands, and the maintenance of Amsterdam's traditional tolerant image. The Social Structure Plan mentions that creative cities can only be successful if they manage to quickly adopt new markets, lifestyles and behaviour patterns without large social conflicts. The third main policy goal of the plan, 'investing in a liveable environment', mainly addresses this prevention of social conflicts. The three main policy goals are elaborated further in thematic chapters: 'knowledge city', 'working city', 'cultural city', 'sportive city', 'caring city', and 'safe city'. The many policy actions announced in the plan include investments in education (with specific attention for vocational schools); improving housing market access for students and those working in creative and knowledge-intensive industries; improving physical and digital connectivity; reducing unemployment below the Dutch national average; investing in cultural and tourist attractiveness; prevention of poverty; and increasing participation in society, including what is called 'activating Amsterdam citizenship'.

As mentioned in section 6.7.1, Amsterdam is actively working against polarisation between population groups, especially between ethnic groups. The events of '9-11' still seemed to affect other Dutch cities (most notably Rotterdam) much more than Amsterdam. But with the murder of movie director Theo van Gogh in 2004, the growing tensions between the native Dutch and ethnic minority groups become apparent in Amsterdam as well. The immediate response of the Amsterdam city government was the programme *Wij Amsterdammers* ('We Amsterdammers')'launched only two weeks later. In 2006, the second phase of this programme was started. The central motto of phase II of *Wij Amsterdammers* is 'investing in people and limits'. The programme wants to cross borders between ethnic groups and encourage inter-ethnic and inter-cultural contacts, but at the same time it wants to make clear that tolerance has its limits, even in Amsterdam. In the policy programme, the city government makes clear that it expects all Amsterdam citizens to protect and respect 'rules of decency' on the one hand and the principles of a 'free and tolerant society' on the other (Gemeente Amsterdam, 2006). The city government wants to encourage integration of individuals within their own ethnic groups, which should then also contribute to integration in Amsterdam's society as a whole. Ethnic organisations are considered as important intermediaries to stimulate integration of ethnic minorities. But ethnic minorities and native Dutch are also encouraged to meet and get to know each other and to become active for their local community. Among the activities to encourage this are the poster campaign 'what do

you do for the city?', yearly meeting events like the 'Day of the Dialogue' and the 'Amsterdam Day', a 'real life soap' in which residents of a housing estate in Amsterdam-West play characters based on their daily living experiences, and a 'virtual office for good ideas'.

6.7.3 Fostering creative talent: the 'broedplaatsen' programme

In recent years several initiatives at the crossroads of cultural, economic and spatial development policy have been developed in the city of Amsterdam and in other parts of the Metropolitan Area. The prime Amsterdam example of this hybrid project category is the *'broedplaatsen'* programme. This programme, led by the city's Programme Management Office, involves the provision of incubation spaces for non-commercial artists and starting creative entrepreneurs. The project emerged on the Amsterdam policy agenda in reaction to the plea of artists and (former) squatters to stop the loss of buildings and spaces for non-commercial art and alternative lifestyles. Initially, most artists and squatters were happy that they finally managed to put the importance of space for sub-cultures on the municipal political agenda. Meanwhile, emotions on both sides of this rather unique development partnership are more mixed. On the one hand, the municipality, especially the Economic Department, expects more entrepreneurship (and eventually commercial success) from the artists and starting creative entrepreneurs. The artists and creative entrepreneurs, on the other hand, increasingly have problems with the formal arrangements the municipality is demanding and fear that they are limited in their artistic freedom. The difference between the formalized *broedplaatsen* and the spontaneous *vrijplaatsen* (spaces occupied by artists and/or squatters without government intervention) seems to have gradually grown, much to the disappointment of some artists and (former) squatters (see Arnoldus 2004 and Uitermark 2004 for a more detailed discussion). Other artists and creative entrepreneurs are very happy with the chance offered through this programme to get or keep access to affordable working space, though. But their plea to the city government to leave room for experiment, surprise and bottom-up initiatives was expressed loud and clear in a series of interviews evaluating the first five years of the programme (Luyten, 2005). The Programme Management Office is putting much effort in meeting the space demands of artists and creative entrepreneurs on the one hand, and making the *broedplaatsen* programme fit in the city's (commercial) creative industries ambitions on the other. The programme will run at least until 2010, and has meanwhile inspired several Dutch and foreign cities to launch similar initiatives.

Zaanstad and Haarlem are two of these inspired cities. Zaanstad has embraced the creative industries as a sector which might contribute to economic recovery after the gradual demise of the food industry and the disappearance of the shipbuilding industry. The city government of Zaanstad is convinced that it can offer spaces and buildings that Amsterdam has a shortage of: large former manufacturing complexes offering considerable freedom to artists and starting creative entrepreneurs to redesign according to their particular needs. These sites are mainly concentrated at a former artillery production complex at the North Sea Canal (Hembrug area) and along the Zaan River. Apart from space and relatively low rents, some of these complexes also offer high architectural quality that might be an additional attraction to creative talents and creative industries.

Haarlem has so far been less active in developing a specific 'creative city' programme. Still, several initiatives were taken in recent years both by the local government and by creatives themselves to enrich the creative and cultural offer in the city. The best known example is the *Lichtfabriek*. This former lighting factory has been transformed at first into a breeding ground of artists and starting creative entrepreneurs that could not afford a place elsewhere in the city. Meanwhile, however, the project has become much more commercial and many of the initial users could no longer afford to stay. Other remarkable cultural investments in Haarlem include a new theatre and the refurbishment and upgrading of the pop concert hall.

6.8 Towards a complementary creative knowledge region?

Both in spatial planning policy and economic development policy, the Amsterdam urban region is increasingly seen as a polycentric area with an increasing interdependence between the traditional core city and the smaller cities in its surroundings (see also section 6.4 and 6.6). The local authorities of Almere and Zaanstad in particular see their cities as complementary to Amsterdam. Zaanstad is increasingly aware that its future is unavoidably connected to its large neighbour Amsterdam. It sees complementary roles for both cities in a creative knowledge region: Amsterdam can profile and develop itself as a creative knowledge city, while Zaanstad would become its 'creative working place', following its manufacturing tradition. While the Zaanstad municipality wants to offer (relatively cheap) space for creative industries and artists, Almere mainly seeks to strengthen its ICT sector and its educational facilities. This happens in the context of a fast-growing city that is still suffering from a relative lack of jobs and urban facilities, despite its rapid catching up on both dimensions in recent years. Almere is not striving to compete with Amsterdam, but rather tries to develop its own economic identity complementary to that of Amsterdam and the other regional sub-centres. Being a young city, Almere managed to attract innovative parts of the ICT sector already in the 1990s, and is pioneering in the Netherlands in offering large-scale optic fibre networks to local entrepreneurs and households. The city would like to expand the ICT sector and add higher education and academic research.

Contrary to Zaanstad and Almere, Haarlem hardly has space to expand or restructure and until recently city politicians did not seem very interested in creativity and creative activists. The polytechnic Inholland - with 11 branch locations, 5 of which are in the Amsterdam Metropolitan Area - decided to expand in Haarlem, which created room for the new media faculty. It was not connected to any attempt to meet Haarlem's labour market demands or to profile Haarlem as a media city. In addition, Haarlem has only few cheap and unregulated spaces for starting artists or creative start-up companies. A fortunate exception to that rule, the former energy production complex already mentioned in section 6.7, has been sold to a commercial developer that raised rents significantly (Bontje et al., forthcoming). More recently, plans were made to redevelop the former chocolate factory of Droste into a mixed working-residential environment that might accommodate creative industries. Haarlem managed to feature in a Financial Times article in October 2006, which might signal a more active marketing of the city as a creative centre. This article, however, especially suggests that Haarlem still sees itself mainly as a residential competitor of Amsterdam, offering detached

and semi-detached houses in an urban setting while Amsterdam's offer is mainly limited to apartments (Financial Times, 28 October 2006).

On the regional level, the Amsterdam Metropolitan Area (see section 6.1) is actively involved in initiatives to attract creative and knowledge-intensive industries and to accommodate these industries. This includes project proposals for the Dutch national subsidy and incentive programmes 'Peaks in the Delta' and 'Creative Challenge Call' (see section 1.3). Probably the most ambitious project is 'Creative industries / creative cities Amsterdam Area'. The aim of this project is to develop a regional programming office for the creative industries. Next to the Amsterdam Metropolitan area, also the Utrecht region is involved in this project. Project participants include amongst others seven cities, three provinces (Noord-Holland, Utrecht and Flevoland), two Chambers of Commerce, and the Amsterdam Innovation Motor.

6.9 Conclusions: opportunities and challenges for the Amsterdam Metropolitan Area

Without doubt, the Amsterdam urban region is both an attractive location to live for creative and higher educated people and an attractive business location for creative and knowledge-intensive industries. Amsterdam already is a creative knowledge city considering its population composition and its economic structure and dynamics. It would be a logical choice of the municipality of Amsterdam to further strengthen this profile, and to involve the urban region in a 'creative knowledge region' strategy. As the preceding sections have demonstrated, this tendency of increasing regional co-operation and co-ordination has already been set in motion in recent years. Other parts of the Metropolitan Area might well be able to provide assets that the city of Amsterdam has a shortage of. This might apply for example to affordable residential space for creative talents and affordable working space for starting creative and knowledge-intensive companies in cities like Almere, Haarlem and Zaanstad. It might also apply to space to expand for companies no longer fitting in the densely built environment of Amsterdam's inner city (Haarlemmermeer, Almere), and attractive high-status residential environments for managers of creative and knowledge-intensive companies in other parts of the Metropolitan Area (Gooi and coastal zone). The bewildering array of governments, institutions and organisations involved in the presented regional co-operation initiatives proves that a coherent regional competitiveness strategy supported by stakeholders throughout the region will be a huge challenge. Actually the stakeholders we presented in this chapter are only the 'tip of the iceberg'; presenting a truly complete overview would probably have produced a book instead of a chapter.

One of the main challenges for the Amsterdam Metropolitan Area might be to hold on to the 'sense of urgency' that seems to have emerged in recent years to take action to improve regional competitiveness. The healthy state of the local and regional economy, quickly recovering after the post-9-11-crisis, could easily produce a climate of satisfaction. From a historical perspective, Amsterdam and its policy-makers have generally not been modest. Also currently, many leading politicians and civil servants in Amsterdam like to see their city as one of the most important European or even global centres. This results for example in a strong belief that Amsterdam is and will always stay a financial centre of international

importance, and that Schiphol Airport will continue to be one of Europe's largest and most important airport hubs. A quite different dimension where this tendency to satisfaction also lures is the reputation of Amsterdam as a tolerant city. It is understandable that Amsterdam is proud on this international reputation, but is it still deserved? Fortunately the Amsterdam city government seems quite aware that this tolerance has been seriously threatened in recent years and an intensive effort of the local government with representatives of civic society has already started. Finally, again in a quite other political dimension, the ambitions of Amsterdam to grow into a metropolis in the top league of world cities run the risk of reviving the past 'anti-Amsterdam' sentiments in the surrounding cities and villages. If the Amsterdam Metropolitan Area really wants to intensify its co-operation and grow into a metropolitan region, the balance of powers between the central city and other parts of the region is an important issue to take into account. However, as said before, the recent tendency of improved regional co-operation and co-ordination looks promising. If policy-makers manage to maintain the positive spirit in regional co-operation of recent years, the next challenge will probably be to also encourage the feeling of 'regional belonging' of the inhabitants of the Amsterdam Metropolitan Area.

The most recent policy documents expressing Amsterdam's competitiveness programme, especially 'Amsterdam Top City', seem to have a mostly economic focus. The competitiveness agenda of Amsterdam, like that of most other European cities, also seems to be targeting a rather selective population category: higher educated young people. A broader integral vision and programme on what Amsterdam needs to develop further as a creative knowledge city should be developed. Many questions have remained unanswered so far. To what extent are the ambitions of 'Amsterdam Top City' in line with other strategic policy documents like the Social Structure Plan and the Structural Plan of the spatial planners? How can a competitive city become or remain a social, liveable and sustainable city? How to turn the city's competitiveness programme into a socio-economically inclusive strategy to the benefit of the entire city population, or at least a majority of it? Can 'creative knowledge' really deliver sustainable economic growth and become the basis of the city economy, or should it rather be seen as one of several important sectors? It would be even better to develop such a vision and programme at the Metropolitan Area level. This produces additional questions like: What do other parts of the Metropolitan Area think of Amsterdam's competitiveness ambitions? And what can other centres in the Metropolitan Area like Haarlem, Almere and Zaanstad add to Amsterdam's competitive strength? As promising as the future prospects of the Amsterdam Metropolitan Area as a creative knowledge region might already look, a lot of work still remains to be done.

7 Preliminary conclusions of the Amsterdam case study

It can be concluded that Amsterdam's rich history as a trade and cultural centre is still visible in the early 21st century. Currently, the Amsterdam Metropolitan Area is still the economically most powerful region of the Netherlands and the regional economy is still dominated by the service sector (85% of all regional employment; even 92% in the city of Amsterdam). The region is specialized most in the sectors transport, distribution and communication, financial services and hotels and restaurants. Also, the region has an above average share of professionals and senior officials, and this share has been growing as well over the last few years. The regional economy is very diverse, which means that a decline in one sector can always be compensated or at least mitigated by growth in other sectors. This makes the city less vulnerable in times of economic change.

Also, we can conclude that the Amsterdam region already is a creative knowledge region, both in terms of its economic profile and its population composition. The creative and knowledge sectors play a relatively big role in the regional economy: 31% of all companies, compared to only 22% nationally. Furthermore, in terms of 'soft factors' the region appears to have a favourable profile, which makes the region an attractive settlement location for creative knowledge companies and workers. Although this analysis seems to be a success story, some difficult challenges still remain for the policy-makers in the region.

First of all, although the creative knowledge sectors turn out to be significant in the Amsterdam region, knowledge-intensive work is suited only for a limited segment of the regional population. Still two-thirds of all companies are currently within other sectors and also low-skilled (service) jobs should not be forgotten in economic policy-making. The main question remains how the whole region, or at least a majority of it, could benefit from a competitiveness programme that focuses on creative and knowledge intensive employment. Amsterdam is known for its social-centred political culture, and this does not always go hand in hand with competitive strategies. Finding a balance between the economic and the social goals will be a daring challenge for the Amsterdam Metropolitan Area. Thus, can a region be both competitive *and* social-centred?

Second, the regional economy is very much dependent on Schiphol international airport. The question, however, remains whether Schiphol can continue growing. Space is scarce in the region and already many residential areas in the vicinity of the airport have become close to unliveable due to noise pollution. Partly for this reason, the further growth of Schiphol is a controversial issue, but still this is a crucial issue for the future competitiveness of the Amsterdam region. Relocation of the airport has already been considered, but until now without realistic alternatives.

Third, although Amsterdam can still benefit from its image as a 'tolerant city', policy-makers should keep their eyes open to recent developments that are changing this picture. Especially since the murder of film-maker Theo van Gogh in 2004, inter-ethnic relations have become

more problematic. Also, we have shown that Amsterdam is losing ground within the gay scene, also because of perceptions of decreased tolerance, and runs the risk of losing its reputation as 'gay capital of Europe'. Policy makers should take such signs seriously and fortunately, this appears to be the case with the new local government of Amsterdam.

Finally and most importantly, the focus of policy-making should be much more on the region than on the city of Amsterdam alone. Our analysis has shown that the creative knowledge sectors are dispersed across several parts of the region and that Amsterdam is no longer the only important economic centre. Also, creative and knowledge workers do not all live inside the central urban milieus and should not be seen as one single group with homogeneous residential preferences. The region in fact offers assets that the city has a shortage of. For instance, building space for residential and employment districts. There are still some large-scale projects running within the city, like the South Axis (offices) and IJburg (residential), but once these are finished, there will not be any space left for further expansions. Also the current housing stock in the region offers possibilities that are not available in the core city: large single-family houses are scarce in Amsterdam, but can be found in other sub-regions. Thus, regional coordination of the housing market and spatial planning should be considered before drastic actions are taken within the city of Amsterdam. Amsterdam should be cautious with trying to turn its entire inner-city into an elite district, as this could in fact severely damage the socio-economic and socio-cultural mix in Amsterdam's inner-city, which has always been regarded a strong asset of Amsterdam, and thereby also the specific character of certain neighbourhoods. Displacement of low-income groups (perhaps even including certain creative workers), and thus increasing segregation, could be the outcome. The region also offers green spaces, and especially diversity of landscapes, which are highly valued by creative and knowledge workers. Finally, Amsterdam's main economic motor, Schiphol international airport, is also located outside the municipal borders of Amsterdam.

These points make clear that we should speak of a creative knowledge *region*, rather than a creative knowledge *city*. In fact, Amsterdam and its neighbouring municipalities are pretty much interdependent and this interdependency should be reflected in policy-making. At first sight, it might seem problematic in this respect that regional co-operation only takes place in informal networks and that there is no regional political entity. The opportunity to create such an entity was in fact turned down by residents in the 'city province referendum' in 1995, but there are recent signs of an increasing willingness to co-operate by municipalities within the region. Another problematic factor could be the blurred definition of 'the Amsterdam region'. All regional co-operation networks involve different combinations of municipalities and some are even on the level of the whole Randstad region. But looking at the promising acceleration and intensification of regional co-operation in the Amsterdam Metropolitan Area in recent years, the supposed weakness of a lack of regional authorities might turn into a strength: informal regional governance might in the end lead to more results than a formalised regional government.

In short, although the future perspective of the Amsterdam Metropolitan Area looks bright at first sight, still a lot of work has to be done in order to keep this positive picture intact. Especially more effective and clear regional co-operation will be necessary if the Amsterdam region wants to retain its competitiveness in the future.

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