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# **Taking national planning seriously: A challenged planning agenda in the Netherlands**

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## **Abstract**

The Dutch planning system has been widely feted as a coordinated, ‘plan-led’ and evidence-informed system that has been successfully implemented, resulting in sensitive land management, an absence of urban sprawl and the protection of ‘green areas’. However, at least since the 1970s, the reality has been somewhat different. This paper reviews Dutch planning history over the past fifty years to highlight in particular the challenge of implementation. The paper also reviews the current challenges facing Dutch planners and provides some international reflection from Dutch experiences for Irish planners.

*Keywords:* Netherlands, planning, spatial strategy, implementation, governance

## **Introduction**

From an international perspective, the Netherlands is well known for its quality of innovative urban development, based on the forecasted need for its citizens. Many planning specialists praise the Dutch planning system for this, often emphasising the influence and role of the national government in the Dutch planning processes. Further-

more, within international educational circles, the Netherlands has long been held up as an exemplar in effective land-use planning practices, as a result of its emphasis on clearly defined administrative hierarchies, maintaining policy consistency and demonstrating an evident sensitivity to the management of the land resource; for example, by creating compact cities with reduced car circulation and a protected green heart. As a consequence, the Dutch planning system is often referred to as a success story (Alterman, 1997; Bolan, 1999), a planners' paradise with great governmental powers in planning (Bontje, 2003; Faludi & van der Valk, 1994) or a role model for other countries (Fainstein, 2005).

This reputation of Dutch planning has often been based on the technocratic plans and ideas from the 1960s and 1970s – the period of the 'bundled deconcentration' or 'clustered suburbanisation', one of the famous Dutch planning doctrines, in tandem with the 'Green Heart' doctrine (Faludi & van der Valk, 1994). This concept was presented in the Second National Policy Document on Spatial Planning (Ministry of Housing and Spatial Planning, 1966). The idea behind the concept was to avoid excessively high densities in the main cities due to population growth, while concurrently avoiding sprawl. At that time, the belief in the extent to which social change could be effected by national government policies was strong. In the Amsterdam region, for example, priority was given to the development of the growth poles of Purmerend and Haarlemmermeer, as these municipalities were nearby and willing to cater to the growth of the central city of Amsterdam in a concentrated form. Further, a new town, Almere, was planned in the Flevoland Polder to accommodate part of the rapidly growing population of the Dutch capital city.

Contrary to the conventional demand-led planning in Ireland (see Ó'Riordáin & van Egeraat in this issue), the Dutch national planning system in these decades could therefore be characterised as a much more 'evidence-informed' approach to policymaking for the future. Although some planners would even use 'evidence-based' for their plan, one must bear in mind that data-driven planning is impossible as (visionary) plans are always based on certain assumptions of what might happen in the future, and on politicians giving effect to these assumptions and visions.

Planning for future demands thus uses forecasting based on assumptions alongside a normative-based vision of good quality of life. In the Netherlands the assumptions for plans have always been growth-driven based on a premise of population growth. National

spatial policies like the above-mentioned example of ‘bundled deconcentration’ were based on projected severe development pressures. In the 1960s the Dutch national government expected that the population would grow from 11.5 million in 1960 to 20 million in 2000. In reality, the population was 16 million in 2000. Currently, the Dutch population stands at 17 million people (Statistics Netherlands, 2016). The Netherlands thus experienced a considerable population growth, but not as large as the government once expected, and feared. Among more social-cultural and institutional changes (van der Cammen & De Klerk, 2012), and the decentralised nature of the Dutch planning system, this has had consequences for the implementation of the Dutch national spatial planning policies.

This paper will provide a different view on the ‘Dutch planning Mecca,’ by showing the hidden story of Dutch national planning, beyond the famous technocratic plans of the 1960s and 1970s. It will illuminate how some of the planning instruments have been used in practice, and elaborate on the consequences for Dutch land use. Furthermore, the paper will explore the current challenges in Dutch national planning and provide some international reflection from the Dutch experiences for Irish planners.

### **Short outline of the Dutch planning system**

The Netherlands is one of the world’s most densely populated countries with, on average, 504 inhabitants per square kilometre (Statistics Netherlands, 2016). The Netherlands is a parliamentary democracy and has three tiers of government: the national government (*Rijk*), the intermediate level governments (*Provincies*) and the local governments (the municipalities – *Gemeenten*). The Netherlands is divided into twelve provinces, ranging in size from Zeeland, with 380,726 inhabitants,<sup>1</sup> to Zuid-Holland (South-Holland), with 3,600,011 inhabitants. There are also 390 municipalities with much variation in size; the largest is Amsterdam, with 833,624 inhabitants, while the least populous is the Isle of Schiermonnikoog, with 919 inhabitants. The average population of a Dutch municipality is 43,500 people, slightly smaller than the city of Waterford; the median population is 26,500 (Statistics Netherlands, 2016).

The three distinct government tiers – national, provincial and local – all have their own responsibilities, competencies and authority

<sup>1</sup> Figures from 1 January 2016.

stipulated in the Dutch Constitution, and further elaborated in the *Provinciewet* (Province Act) and the *Gemeentewet* (Municipality Act). The multilevelled structure of co-governance and give-and-take relations between these tiers has caused the Netherlands to be described as a 'decentralized unitary state' (Evers, 2004, p. 211).

With an area of 41,526 square kilometres (including 18.41 per cent water), from a European perspective, land is scarce, and relatively steady economic and population growth has kept the Netherlands in a constant state of reconstruction. The Spatial Planning Act, 1965, (WRO) formed the legal basis for Dutch planning from 1965 to 2008. It established a framework within which spatial policy could be formulated. Each of the three government levels – national, provincial and municipal – had its own planning authority, and growth was controlled by regulations and policies at each of these levels. On paper, Dutch planning is one of the more plan-led systems, with different roles for the three governmental layers. Plan-led means that government plans are leading in the realisation and implementation of spatial planning.

Often visitors from abroad were under the impression that the Minister of Housing, Spatial Planning and the Environment, as author of the national policy documents, was the most influential player in a hierarchical system of centralised spatial planning (Needham, 2007, p. 121). Although the planning system had a clear policy hierarchy, with each planning level being monitored for consistency with goals at a higher level, only the local land-use plan made by municipalities was legally binding (Van Buuren et al., 2006). The position of the Dutch municipalities was, as a consequence, relatively autonomous in the spatial planning field. The national and regional levels of government were often seen as weak in spatial planning; the municipalities had the real power.

The Dutch planning system is thus decentralised in its nature. The municipalities have the most direct influence on development. They have the authority to issue building permits and supply land that is prepared for development. Dutch planning law requires municipalities to produce a local land-use plan. These plans regulate 'how the land, which is designated for a particular activity may be used and the form of the buildings' (Needham, 2007, p. 130). Applications for development need to be considered and assessed on the basis of the provisions contained in this land-use plan. If it is allowed within the terms and provisions of the plan, the building permit needs to be granted; if not, it should be denied. So, in its nature the system is plan-led. An appeals

mechanism exists for persons whose applications are rejected, as well as for stakeholders who feel it is an unjust development.

Although this system of zoning may appear quite rigid, flexibility had been built into the system by an exemption procedure, which allows local authorities to move away from the provisions of an existing local land-use plan. If proposed developments were favourably viewed by the municipality members, despite falling outside the terms of the local area plan, the land-use plan could be amended for areas of any size. Although it was not intended in the planning law, for decades the larger part of the development took place based on these exemptions, granted by local governments (Evers, 2004, p. 213). The supervision of higher levels of government was not very strict regarding these plans. Some argued that the famous Dutch planning doctrine, with its urban containment strategies and compact new towns, was therefore not as successful as planners in other countries usually thought (Zoete & Spit, 2007).

In general, municipal planners have used this 'planning by exception' to plan at the scale of individual developments. As a result of this practice of 'postage stamp planning', small land-use plans proliferate in the Netherlands. The local development-driven adaptation of plans was eventually also approved by higher tiers of government. In practice, the system is development-led, with consequences for legal certainty.

Due to the prevalence of flexibility, not only is the outcome of the plans different to what was intended in the internationally praised spatial plans, but the way in which citizens take part in planning procedures also differs. Sometimes citizens are involved in the drafting process of the plan, but more often they can only participate after a draft decision has been made (Coenen et al., 2001). Thus, both planning practices and their associated political processes are at variance from international planning specialists' view of the Netherlands. One of the motives for changing the Dutch Planning Act was the decreasing legal security due to the continuously increasing development-led practice. The 2008 Spatial Planning Act has been amended to reduce this flexibility and increase predictability and certainty of the planning system. The 2008 Spatial Planning Act granted new planning competencies to regional and national governments (Lloyd & Janssen-Jansen, 2013). No longer are local governments exclusively able to provide for legally binding land-use plans, as this competence is now also assigned to both national and provincial governments, which thus enables them to draw up binding

national and provincial land-use plans to establish elements of spatial planning that are of national or provincial importance.

Yet the economic crisis of 2008 inspired the Dutch government to draft a new crisis planning law in which the exemption procedure was resuscitated. The intended strengthening of the plan-led system was repealed by the Crisis and Recovery Act of 2010 that led to the abandonment of the project plans and the modification to the 2008 Spatial Planning Act (Lloyd & Janssen-Jansen, 2013, p. 360). The forthcoming Environment and Planning Act, expected to be implemented in 2019, will further amend the Dutch planning system, by introducing discretion into the system. These changes in legislation reflect an orientation towards a more market-based planning agenda starting in the late 1990s, and are, in a way, also an abandonment of national planning. But before addressing that issue, this paper will first continue with providing an overview of fifty years of Dutch national planning, and discussing its impact.

## **Fifty years of national planning in the Netherlands: 1960–2010**

### ***The First National Policy Document on Spatial Planning***

As early as the 1930s the idea that local and regional plans needed coordination in the form of a national plan emerged (van der Cammen & De Klerk, 2012, p. 245). In 1941, under Nazi occupation, the Central Agency for the National Plan was initiated. Under this institute and its successor, the Dutch national government became involved in spatial planning. The first National Policy Document on Spatial Planning was published in 1960 (Ministry of Housing and Spatial Planning, 1960). This National Policy Document introduced the ‘Green Heart’ to prevent the urban cores in the west of the Netherlands merging together. The open area in the middle, the Green Heart, would therefore be protected from development. Moreover, this National Policy Document introduced the deconcentration policy. This led to regional economic policy in the 1960s directing investments to the peripheral areas of the Netherlands with a package of stimulus measures, reflecting the political choices of the late 1950s in the Netherlands for a spatially equitable distribution of the sources of national wealth and a balanced national urbanisation pattern.

### ***The Second National Policy Document on Spatial Planning***

The Second National Policy Document on Spatial Planning (Ministry of Housing and Spatial Planning, 1966) was called ‘a fully-fledged national spatial plan, a blueprint for the desired layout of the country

in the year 2000' by van der Cammen & De Klerk (2012, p. 236). This policy document was based on a population forecast by Statistics Netherlands in the early 1960s of 20 million inhabitants in 2000. The document used a blueprint method in the making of plans together with a uniform view of user needs (van Der Cammen & De Klerk, 2012, p. 269).

It was in this policy document that the 'bundled deconcentration' concept,<sup>2</sup> as mentioned in the introduction of this paper, was introduced. As such, this national spatial policy aimed for a long-term spatial framework to achieve a balance between population growth between regions via a continuation of the deconcentration policy, while concurrently preventing sprawl. Growth poles were introduced.<sup>3</sup> The plan was perceived as top-down and bureaucratic.

Research has shown that this national urban policy has not been as successful as often thought. Although the planned amount of residential units has been built in the growth poles, a lot of suburban growth took place outside of these designated growth centres (Bontje, 2001; Ostendorf & Musterd, 1996). Relatively seen, it was the small towns within the Randstad, in the West, that grew the most whereas central cities faced a declining population. In the case of Amsterdam, as a result of this land-use policy, the population of the central city decreased from 870,000 inhabitants in 1960 to 680,000 by the end of the 1970s. Currently the city of Amsterdam has 830,000 inhabitants. The other large cities in the Netherlands showed comparable patterns. The projected growth of the Dutch population to 20 million in 2000 turned out to be an overestimation, as was the assumption that the policies would prevent all sprawling developments.<sup>4</sup> Moreover, due to increased mobility and the relatively more congested and restricted living conditions in the cities, the Dutch population increasingly favoured suburban neighbourhoods in the 1960s.

<sup>2</sup> In Dutch: *gebundelde deconcentratie*. Other translations are: concentrated deconcentration and clustered suburbanisation.

<sup>3</sup> In the Province of North Holland the growth poles were: Alkmaar, Haarlemmermeer, Heerhugowaard, Hoorn, Huizen & Purmerend; in the Province of Flevoland Almere and Lelystad were designated as growth poles. Amersfoort, Houten, Leusden & Nieuwegein were the Utrecht Province growth poles. In the Province of South Holland the municipalities of Capelle aan den IJssel, Hellevoetsluis, Spijkernisse and Zoetermeer were growth poles. The province of Gelderland had two growth poles: Duiven and Westervoort. Helmond and Etten-Leur were the growth poles of the Province of North Brabant.

<sup>4</sup> The Dutch population on 1 January 2000 was 15.864 million (Statistics Netherlands, 2016).

However, the planners' assumption that the population growth in the growth poles would be accompanied by job growth also turned out to be false. Nowadays, the western part of the Netherlands is heavily congested (OECD, 2007). For example, the volume of cars increased from 700,000 in 1960 to 7.6 million in 2010, while the amount of car kilometres (distance travelled) grew in parallel. During the same period, the population only grew by 10 per cent, a lower growth rate than in many other European countries. In a way the Dutch national planning policy, and/or the absence of a coherent and concerted effort during the 1960s, brought about the flight of the middle class to the suburbs.

Although the national planning approach of the 1950s and 1960s, with its focus on physical determinism and functionalism, led to great achievements in the period of the post-war reconstruction of the Netherlands, during the 1970s spatial planning by blueprint was perceived by the new generation of planners as too technical. Planning was turned upside down in these years: it shifted from a modernist unitary approach to an adaptive approach from 1970 onward; it was seen as a move from a socially engineered society to a shared society (van Der Cammen & De Klerk, 2012). In the early 1970s the post-war economic boom was over. The oil crises reinforced the end of this economic boom.

Between the 1970s and the 1990s Dutch planning shifted from blueprint planning to process planning. Planning in the 1970s was characterised by a bottom-up and process-oriented style linked to a new planning activity: urban renewal (van Der Cammen & De Klerk, 2012, p. 271). This organisation of bottom-up planning was brought forward by the so-called protest generation, which sought an alternative modern society based on self-development, instead of uniform planning, after 1965. A growing social complexity, a rapid increase in wants and needs due to the changing desires of inhabitants demanded flexible planning, but the Dutch planning elite could not provide an alternative to blueprint planning.

From this period the Dutch inherited a system of interactive planning and institutionalised participation: a practice of participative bottom-up planning, contrary to the post-war bureaucratic top-down planning (van der Cammen & De Klerk, 2012, p. 334). The consequently open culture of process planning, with ample room for bottom-up approaches, was adopted not only in Dutch planning but also in many other countries' participative planning regimes. As such, in the mid 1970s planning became 'a multiple instrument of

participative democracy for achieving environmental sustainability, and as a means of economic recovery' (van der Cammen & De Klerk, 2012, p. 271). Nevertheless, as in the 1960s, the political mainstream was still characterised by a focus on a more equitable distribution of wealth through the construction of the welfare state.

### ***The Third National Policy Document on Spatial Planning***

The Third National Policy Document on Spatial Planning reflected the above-mentioned switch to process planning with the focus on the adaptive and participatory approach. The national government decided to publish this policy document in various parts to allow for more flexibility. Part 1 of the Third National Policy Document on Spatial Planning, the *Orientation Report*, was published in 1973 and was rather optimistic in nature (Ministry of Housing and Spatial Planning, 1973), although it was realised that the population forecasts of the 1960s were overestimations.

Part 2 of the Third National Policy Document on Spatial Planning, with the title *National Policy Document on Urbanisation*, published in 1976, focused on the continuation of the construction of growth cities,<sup>5</sup> with the enormous demand for green housing as the main driver, alongside the heavy public investments<sup>6</sup> already in place in both these growth cities and growth poles, as well as in the infrastructure to these areas.

It was no longer the case, however, that this continuation of the bundled deconcentration policy was legitimised by the idea of protecting the central cities (Amsterdam, Rotterdam, The Hague and Utrecht) from growing too large, and to guide the urban overspill to the more peripheral areas of the Netherlands. Instead, the national policy refocused on the central cities, which at the time were perceived to be in need of economic development in order to halt their downward spiral. The national government realised the country needed thriving cities for economic growth, inspired by the work of Jane Jacobs (1961) and Mitscherlich (1965). Moreover the influential report of the Club of Rome (1972) and the oil crisis (1973) made the

<sup>5</sup> Breda, Zwolle, Helmond and Groningen were designated as growth cities; alongside another group of potential growth cities across the Netherlands that had to be decided on later. In the urbanisation report of 1976 the Dutch national government also published which growth poles should continue to grow, and in which of them the growth should be stabilised.

<sup>6</sup> Business investments in these economically weak regions and growth poles were eligible for subsidies (Investment Calculation Act, 1970).

negative environmental consequences of population deconcentration visible. This was combined with the growing concern at the threat of deteriorating urban neighbourhoods due to selective migration of middle- and higher-income groups to the suburbs (Bontje, 2001, p. 70).

Urban renewal and spatial clustering around cities became central in the national planning perspective from the mid 1970s, and in the 1980s. During this time the concept of the city-region was also introduced in national policy, alongside the municipality, provinces and national government. Size-wise, the city-region – which for political reasons never managed to become a formal fourth layer of government – was found in between municipalities and provinces. Part 3 of the Third National Policy Document, published in 1977, focused on the rural areas and on limiting the growth of rural villages. As mentioned above, rural villages had, despite the national policy on bundled deconcentration, showed a steady growth, particularly those in and around the Randstad.

Koomen et al. (2008, p. 371) show that in restricted areas, like the Green Heart and the buffer zones, the rate of urbanisation was much lower than in the non-restricted areas but that, at the same time, the population growth in these areas was higher than in the remainder of the Netherlands (van Eeten & Roe, 2000). With respect to the Green Heart doctrine, however, it is not often realised that some major urbanisation developments, like the Leidsche Rijn VINEX housing development in the 1990s (30,000 houses next to Utrecht), were realised by extending the growth boundaries of the municipalities of Utrecht and Vleuten-De Meern at the cost of the size of the Green Heart in the east. Recently, the new high-speed train between Amsterdam and Rotterdam started its service. The trajectory goes through the Green Heart. Without open-space protection policies the Netherlands would probably have had more sprawl, but the success story needs some nuances. At least these examples indicate that the Dutch planning system is not as plan-led as is often assumed.

The three Lubbers' governments (1982–94) pursued a neoliberal policy, including a reorganisation of the welfare state. It was realised that bundled concentration had brought lots of social costs while not being entirely successful in terms of containing urban sprawl and protecting green belts. It was also recognised that there was a need to redress the unhealthy financial situation of almost all the growth poles. The national policy of the regional growth poles was brought to an end, with the cancellation of their state subsidies. With the adagio 'get

people back in the cities', the post-war policy of national redistribution of population and resources came to an end. Subsequently, state subsidies were refocused to the cities. Moreover, government centrism was abandoned as the government was increasingly seen as an entity that is part of the reality that it aimed to steer. This resulted in the promotion of public–private partnerships (van der Cammen & De Klerk, 2012). This switch in national planning policy from urban diluting to compact cities put the Randstad Holland, with the cities of Amsterdam, Rotterdam, The Hague and Utrecht, as the main national growth centre.

### ***The Supplement to the Fourth National Policy Document on Spatial Planning***

The publication of the Fourth National Planning Policy Document in 1988 marked a change after the recession of the 1980s. It was very positive in nature, and focused on the creation of spaces for economic growth (van der Cammen & De Klerk, 2012, p. 387). Its publication marked a clear departure from the aversion to exclusively economic growth without social gain, which had been a hallmark of the sociocratic planners of the 1970s (Faludi & Van der Valk, 1994). This Fourth National Planning Policy Document did not contain a comprehensive vision for the desired spatial layout of the Netherlands as a whole, but emphasised that all the city-regions have their own strengths and should focus on these. The overall quality of urban and regional areas was introduced as a concept. However, the policy document was left in a vacuum by the fall of the third Lubbers' government.

A supplement to the Fourth National Policy Document was published in 1991 by a much more left-wing government. It introduced the final and last national building programme. As with previous policies, spatial planning was strongly focused on the housing sector. The Dutch national government decided to be more restrictive regarding development outside of the urban growth boundaries. It forced collaboration among actors in city-regions with hard money. A covenant was made with several city-regions about realising certain amounts of residential units; subsidies were only granted if more than 6,000 units were built in a municipality. About seventy-five municipalities built units under this regime. Unlike during the previous decade, the focus was not on social housing but on more expensive housing, as the social housing stock in the Netherlands was too big compared to the housing needs of the population. The

so-called VINEX policy, a sort of acronym for the supplement to the Dutch Fourth National Policy Document on Spatial Planning (Vierde Nota Ruimtelijke Ordening Extra) put the compact city to the fore (Needham & Faludi, 1999, p. 487). The government mandated that 1,100,000 new dwellings be built by the year 2015, of which 40 per cent were to be in inner cities and 60 per cent in sustainable urban extensions. Although it is often thought that the national government selected the sites for development, most of the locations were designated by local governments. The majority of these VINEX-homes have now been constructed; again Dutch planning used the 'carrot' of state subsidies (van der Cammen & De Klerk, 2012). It will probably take at least until 2025 before all the homes will be finished.

The genesis of the VINEX was based on the assumption that more effective restriction on development outside the city regions should increase the price of building land within the city region, permitting the municipalities to finance more of the infrastructure costs from land sales, thus reducing the need for government subsidies (Needham & Faludi, 1999). The general system in the Netherlands is that the value increase of land caused by a change of the zoning in a legally binding planning document falls to the landowner. In the Netherlands, local governments – the municipalities – can be landowners and use direct-development strategies, called active land policies in Dutch.<sup>7</sup> Active land policies used to be quite common in the Netherlands. Many municipalities bought land – and were allowed to borrow money for this purpose. They subsequently serviced the land and disposed these service plots/sites to development companies (Needham, 2007). For a long time, developers were not interested in land. The programme was dominated by social housing, which did not allow developers to make any profit (Korthals Altes, 2007). Due to the active land policies, municipalities, as dominant actors on the land market, could influence land prices and could subsidise desired forms of development, like social housing, by providing prepared land at determined cost. This price-setting power also allowed municipalities to cross-subsidise development by channelling the surplus captured from more profitable forms of building into social goods such as affordable housing, green space or infrastructure (Needham, 2007, p. 186). This resulted in a huge stock of social housing, even in the

<sup>7</sup> So, a municipality can buy land from a farmer, change the zoning from farmland to building land, service the land and sell it. The value increment then stays in the public domain. If acquiring land from, for example, a farmer to convert to building land, the price that will be paid is the expected value on the market: unserviced building land.

inner cities, and – compared to the social-economic features of the population – too many social housing units. This resulted in many higher-income households leaving the cities.

Through the application of the active land policy, a municipality could acquire additional income to the grants or transfers from the national government. Most municipalities sought to pursue such an approach given their otherwise limited tax base. As a consequence they always had considerable influence over the process of land development. Local government entities bought and sold land themselves as a means of achieving planning goals in addition to making plans, alongside their role as the zoning authority. The national government maximised the price of land. As municipalities owned almost all land for development, any value increment, the land surplus, remained in public hands, and was reinvested in the overall quality of urban and regional areas; for example, improvement of public spaces or investing in libraries.

Concurrent to the VINEX policy, the neo-liberal policies from the 1980s that had promoted deregulation and privatisation were reappraised. In the early 1990s market players noted the potential of land and entered the market that was now orientated toward more expensive housing (Janssen-Jansen et al., 2012). The shift to this private housing development drove up the cost of ‘urbanisable’ land to a point where potential profits from land development outweighed the financial risks involved. This resulted in acquisition of the land by private parties, instead of the municipalities. Thus, it soon turned out to be a miscalculation that the land surplus of the VINEX developments would go to the municipal governments.

Although the VINEX policies brought ample possibilities to increase housebuilding, restricting the supply was in the best interest of the dominant market actors. Elasticity of housing supply is exceptionally low in the Netherlands. Housing supply only increased slowly. At the same time, from 1997 to the mid 2000s the Netherlands had high economic growth rates and an abundance of investment resources through high mortgages due to low interest rates and extended mortgage possibilities. Housing demand boomed, while concurrently people could invest more money, which will sound very familiar to Irish people.

This resulted in an upward pressure on prices for houses. With the application of a residual analysis method for land value and only little increase in construction costs, land prices boomed as a result. For example, Segeren (2007) has shown that in densely urbanised parts of

the Netherlands the price of land zoned for housing is sixty to seventy-five times higher than the price of land that is zoned for agriculture.

Although the Dutch municipalities were legally able to buy the land and thus keep at least part of the value increment for themselves, many could often not afford it during the 1990s due to carry-over deficits caused by the recession in the 1980s. In the end, most of the development was realised through various kinds of public-private agreements, because the zoning plans still needed to be adapted by municipalities to allow the developments. In many of the contracts, there was a need to include some kind of cost recovery and the enforcement of quality standards, although not to the extent that local government could do with direct-development strategies.

After it was realised that, contrary to the earlier building periods, in the VINEX era most of the profits went to developers, many municipalities started to get involved in active land policy again by the end of the 1990s. Legal changes in favour of the municipalities were made; for example, broadening the conditions for pre-emption rights. After these changes, the use of the instrument doubled (Segeren, 2007). Local governments became landowners again – to a far lesser extent than before the 1990s – and as such they re-entered the land market, but now not only as provider of land for social housing, but as real market players.

Already competing for job growth and population, municipalities now also competed with their neighbours for land value increments. Due to the booming land prices, local governments could earn a large income to reinvest in the overall quality of the built environment and landscapes. In particular, it was tempting to develop expensive housing or, even more profitable, offices. In the Netherlands new offices often were the ‘cash cows’ in development, not only for the investors and developers, but also for the municipalities. Municipalities like Amsterdam purposely encouraged risky developments in the late 1990s, by removing pre-lease clauses to induce developers to build (Janssen-Jansen, 2010). The earned increments were reinvested in the restructuring of a deprived neighbourhood in the same city.

Given all the unexpected consequences of planning, a debate started about adapting the Dutch Planning Act and the drafting of a Land Policy Act to enable better cost recovery and prevent free riding, and in order to let cities take more control over new development circumstances (additional information can be found in WRR, 1998, and Needham, 2014). In the early 2000s the national government prepared a new national policy document.

### ***The Fifth National Policy Document on Spatial Planning: The Nota Ruimte***

The initial draft for the Fifth National Policy Document on Spatial Planning, which introduced the urban networks concept, suffered the same faith as the fourth one: it was left in a vacuum by a change in government. This document with social–democratic roots was taken over by the centre-right Balkenende governments. The Balkenende II government eventually produced the National Spatial Planning Strategy in 2004 – the *Nota Ruimte* – which marked a definitive rejection of centrally guided planning in the Netherlands, except for the national ecological structure program.

This *Nota Ruimte* included fewer rules and regulations dictated by the national government and more scope for local and regional consideration and developments. The concept of development-oriented spatial planning can be seen as an attempt to incorporate market mechanisms more explicitly in planning via cooperation with market interests in public–private partnerships, while at the same time still trying to steer development via public control (Ministry of Housing, Spatial Planning and the Environment et al., 2004). Development-oriented spatial planning was about interactive development and implementation aimed at developing value-added comprehensive plans for an area, in cooperation with all the regional players. The ultimate goal was to improve the overall spatial quality of an area by coupling spatial investments, protecting natural resources and revitalising communities. Compared with earlier national spatial policy reports, this document's focus was on steering issues toward planning instead of on the content of planning. It was much more a framework document, just like Ireland's *National Spatial Strategy*. The Dutch national government reemphasised the central role for local and regional authorities in land-use plans with the introduction of the credo: decentralise where possible, centralise where necessary (Ministry of Housing, Spatial Planning and the Environment et al., 2004).

This change in Dutch philosophy with regard to spatial strategy or planning was immediately subject to much criticism. In particular, the environmental/ecological parties feared unfettered developments and did not believe that the provinces and municipalities had sufficient capacity to stop the project developers in their eagerness to cover the entire Dutch countryside with buildings. Moreover they feared that a more market-based planning approach would lead to the deterioration of the landscape and stock of national resources, and denied that it is

possible to guide developments in such a way that they evolve in the most optimal place, especially with the lack of implementation principles for lower tiers of government. Assuming that spatial quality cannot be preserved by strategic alliances formed by regional players, both public and private, and that space is too valuable to even experiment with such decentralised planning, they argued for more national governmental control over land use. Referring to the excessive sprawl experiences in the US (but also closer to home, namely in Belgium), the opponents pointed out the landscape and quality-of-life dangers of loosening the grip on land use. Advocates, on the other hand, believed that a market-based planning approach would improve the overall spatial quality of urban and rural areas as it would offer possibilities for redistribution between profitable and non-profitable projects at a regional level in order to integrate red (urban) and green (rural, nature) forms of land use. This kind of development is usually called 'red-for-green' development. Trade-off instruments – whereby development potential was transferred between developed land, and open space or green areas are created, paid for by new urban developments – gained popularity.

Soon after the *Nota Ruimte* was adopted, several local and regional experiments with area-based comprehensive approaches, including so-called project envelopes, started. These project envelopes are used to offset loss-making parts of the plan against those that make a profit. With a combined collection of individual objectives, projects are supposed to solve complex societal issues that go beyond sectoral and governmental boundaries (Adviescommissie Gebiedsontwikkeling, 2005). Financial strategies, a sense of urgency and competences of prominent actors, involved in an early stage, collaborating to realise sustainable developments were seen as important success factors to create 'added value'.

Although the provincial authorities could not directly benefit from land development, they did stimulate development as it offered the possibility to capture land value for desirable developments. Industrial parks have been planned to relocate highways, villas have been built to pay for the demolition of stables, and large housing developments are planned to pay for nature development. Management by plan gradually gave way to management by project. Dutch spatial planning became quite project driven.

The Dutch planning system, as argued above and in contrast to its reputation as a plan-led system, was already quite development-led due to the exemption procedures, and became even more

development-led. The local authorities (municipalities) placed trust in the development process and started to acquire more and more land for development. In this more development-led system of the early 2000s local authorities, gaining from developments as a result of the active land policies, followed very optimistic 'develop as much as possible' strategies, focused on their financial benefits. Because of the development increments, city governments used the growth strategy to pursue job or population growth, which in the Dutch system also was financially beneficial for city governments. Income from active land policy is quite a nebulous element of municipal finances, and is not taken into account in the financial relations regulations. Korthals Altes (2008) showed that, in 2005, 12 per cent of the local government income came from land development. Thus, it became financially relevant for local government to pursue plans for development. Yet believing in the 'always growth' promise of the new economy for the developments of these plans, local governments, and project developers, presumed permanent property appreciation and placed their store in future economic growth and population growth, exactly as happened in Ireland. While the provincial forecasts showed a still growing, but ageing, population, most of the local authorities planned for housing for young people and a growth in jobs, based on their own local and quite optimistic forecasts. The plans were based on data, but the interpretation of the data was overoptimistic, resulting in overzoning for development.

Increasingly, it has become clear that the 'develop-as-much-as-possible' strategies have resulted in a devaluation of planning. For example, many cities still face enormous vacancies in office real estate, often accompanied by bubbles in retail, industrial parks and expensive housing. As a result of the financial burden caused by the municipal land development strategies, the austerity policies of some of the municipalities became more severe. Some of the ambitious spatial development plans never saw the light of day, while major investments were made to acquire the land.

### ***Farewell Dutch national spatial planning – or goodbye?***

In 2010 a centre-right-wing minority government took power. This government handed over the complete control of spatial planning to the provincial authorities. After fifty years of Dutch national spatial planning, this signalled the end of the perceived tradition of national integral spatial visions and plans so peculiar to the Dutch planning culture.

## **Some lessons for national planning in Ireland**

The Netherlands has traditionally promoted and pursued greater levels of public intervention in the land market than surrounding countries such as Belgium and the UK, and also Ireland. However, over the past decades the call for more market-oriented instruments and more market involvement has been increasing in a gradually more neo-liberal political context. In response to the demand for new and more decentralised planning policies and area-oriented and location-specific policies, the Dutch growth-control policy has been abandoned, and national planning does not exist anymore. What can Ireland, and the Irish planners, learn from this overview of Dutch national planning?

The story of Dutch national planning shows that even well-intentioned but partly implemented national planning strategies fell short due to governance shortcomings, associated with a lack of transparency and the absence of performance criteria at various tiers. This paper argues that in the Netherlands local authorities are, and have been, primarily focused on needs and expectations internal to their operational areas, much like in Ireland. The local-level councillors make the final decisions for development, despite the existence of a national growth-control policy framework in the Netherlands. Although most of the local governments did underpin the national strategy, they also pursued their own short-term financial gains with unplanned growth in towns and suburbs as a consequence. This occurred especially in the 1960s during the time the national government predicted enormous population growth, but also in the 2000s where stabilisation of growth was commonly known.

The subsequent National Policy Documents on Spatial Planning reflect a certain sensitivity in respect of changing societal outlooks and political ideas on the national level, but this sensitivity was much better developed on the local level. Here, the decision-makers were often not fully aligned with national thinking, and even more influenced by electoral cycles and the political reality. So, also in the Netherlands, implementation problems can be brought down to governance and local authorities. Moreover, the Dutch experiences show that centralised planning is limited by its vulnerabilities to the ideologies of national-level political parties. The Dutch system of active land policy also enabled the local authorities to raise funds through development (the land surplus). This was not always in the interest of sustainable social or environmental development trajectories.

Nevertheless, in the Netherlands, some of the ideas and concepts of the national policy documents have been implemented, although not to the extent that was envisaged when they were drafted. Sometimes that was perceived as a problem, but in other instances it was not too much of a problem as new insights and the evolution of practices led to other policy decisions. The implementation of the 'bundled deconcentration' policy created path dependency through financial investments, resulting in a relatively late policy shift towards investing in the central cities again. All national policy documents were based on the available insights and data at that time, but sometimes they proved not to be as accurate in the long term. A change in circumstances, alongside a change in political and societal perspectives, resulted in a different policy focus. The national spatial planning strategies evolved over the years.

Ireland is now working on its second national spatial strategy. The implementation of the first is perceived to have failed, in particular because the local governments did not adhere to the strategy, partly because the reality turned out to be very different from the one on paper. But if we look at the Dutch experiences with national spatial planning, this is what happened as well. During the fifty years of national spatial planning, every decade had its own focus, based on changing needs. The policy adapted, as did the way of planning. Starting blueprint planning, national planning became much more process-oriented and problem-focused over the years. There have been some successes that even made Dutch planning internationally praised, but some of the policies became outdated before they were implemented. But at least there were ideas and debate. Currently, there is no national planning; there is no longer a spatial vision about where national investments should be directed. Having a long-term spatial planning vision for a country is not a bad thing as there are still a lot of societal and spatial challenges that need ideas and thinking. Here, the Netherlands might learn something from Ireland: taking national planning seriously again.

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