The Asian tourists visiting Amsterdam are obediently trailing after their tour guide, who is holding up the sign for the group. They stop at the Oudezijdskolk canal at the top of the Zeedijk and crowd around the tour guide, who begins to describe the wild history of the area to them. Somewhat further away, a hipster on a bicycle is attempting to weave his way through the many tourists and day trippers who have ventured off the beaten track hoping to see something different from Dam Square or the Rijksmuseum.

And the Zeedijk is definitely still different. For example, there is a shop specialising in latex fetish wear that you are not likely to find on the Damrak or Kalverstraat. But the days when this street was the domain of the homeless, drug addicts and other representatives of the fringes of urban society are long past. The prostitutes strutting their stuff, the Surinamese addicts shivering in the cold Dutch winter, the drug users leaning against shop windows to smoke crack, the glass from smashed car windows underfoot and the noisy altercations and arguments that may or may not lead to physical violence – those were the types of scenes that typified the Zeedijk’s image a quarter of a century ago, so much so that ‘the top of the Zeedijk’ was known virtually nationwide as being a gateway to the fringes of the big city.

Sanitised city

With just a hint of exaggeration, you could say that the cleaning up of the Zeedijk is representative of the transformation of the city of Amsterdam as a whole. In the 80s, the city suffered from high unemployment rates – officially, nearly a quarter of the working population was unemployed around 1985 – squatters’ riots and a relatively large population of drug addicts. To quote Simon Kuper
columnist for the *Financial Times*: ‘When I was growing up in the Netherlands in the 1980s, Amsterdam was for hippies, drug addicts, prostitutes, penniless bohemians, students, a native white working class and gays fleeing intolerant Dutch small towns.’ The latter category still has a strong presence in the capital city, but there seems to be little left of those other subcultures that were such visible features of the urban landscape back in the 1980s.

It is difficult to pinpoint an exact turning point, but from the mid-1990s it became increasingly apparent that Amsterdam was going through a striking transformation. It has gone from being a city with a considerable number of members of the working class to increasingly being one for highly educated people (the largest proportion of the working population in Dutch cities). Where in the late 1980s the city was still characterised by high levels of urban decay with dilapidated and boarded-up properties, today’s property prices (per square metre) in the capital are among the highest in the Netherlands. For the first time since the Second World War, the Dutch Labour Party (PvdA) is not represented in the Municipal Executive with Democrats 66 (D66) having become the biggest political party in the city. The pressing shortage of hockey pitches reported by daily newspaper *Het Parool* as a result of growing interest in the sport is a telling development in this context – after all, hockey has traditionally been the sport of choice for the upper middle classes. This transformation is also reflected in the changes that are taking place in the hospitality industry, where the traditional pubs (the so-called ‘brown cafés’) are losing more and more ground while ‘third spaces’ such as cafés, restaurants and coffee corners, sometimes with heated terraces, where people can also have a bite to eat, meet up and, increasingly, work on their laptops, are on the rise.

However, these highly educated citizens, in particular those who live within the ring road, are increasingly required to share their city with others. Nowadays these are no longer drug addicts and homeless people, but tourists and other visitors. In 2000, around four and a half million foreign tourists came to Amsterdam; by 2014, this figure had increased to nine million.
And this change is clearly apparent in the crowds walking from Amsterdam Central Station to Dam Square every day; the long queues in front of the city’s museums; and the many tourists that pay a visit to the red light district, including the Zeedijk. Complaints by residents about disturbances caused by tourists are increasing – but so are jobs and revenues in the tourist sector. The urban experience economy (there are more festivals on average than there are days in the year) thus fulfils a crucial role in Amsterdam. But this success also brings new problems, which have less to do with residents’ complaints about disturbances and overcrowding and more with the diversity of the urban environment.

The self-destruction of diversity

An ever-present danger associated with any successful sector of economic activity is what Jane Jacobs called ‘the self-destruction of diversity’, a process of homogenisation whereby one set of activities ends up pushing out the others. This phenomenon is increasingly occurring in those parts of the city centre where facilities aimed at tourists – ranging from tourist shops to Airbnb’s – become more and more dominant. This homogenisation not only affects the quality of life for many residents in the short term, but also increases the city’s vulnerability to crises. In the medium term, there is the risk that a dip in tourism due to, for example, a recession in China, rising oil prices or an imminent threat of terrorism will hit the capital’s economy hard if that economy is too one-sided.

There is also a problem in the long term. When, in the 80s, Amsterdam was going through an economic rough patch, there was an abundance of cheap residential and commercial properties. As a result of the city’s economic boom since 1990, slowly but surely those spaces were all laid claim to; the rough edges were smoothed away and given a new lick of paint and inevitably, as a result, prices rose. Jane Jacobs also pointed out the importance of accessible spaces: new ideas mainly take shape in old buildings.
New initiatives still need to prove their worth, and are dependent on affordable spaces. The economic success and the rise in prices in the housing market undermine the physical conditions that are required for the existence and emergence of new ideas and innovations. This could have a detrimental impact on the city’s economic foundation in the long run.

This process is far from unique to Amsterdam. In cities such as New York and London, this phenomenon of rising property prices can also be seen. In her book *The Warhol Economy*, Elizabeth Currid described how New York was able to house musicians, visual artists and fashion designers in the 1970s and the first half of the 80s due to the economic crisis and low prices – and not just provide them with housing, but with affordable spaces located close to one another where the possibilities for meeting each other and, by extension, for the cross-pollination of ideas, were plentiful – a classic agglomeration economy. People could meet in the street, in nearby cafes and clubs and immerse themselves in the atmosphere of the city. The successive locations of Andy Warhol’s famous Factory, with its eclectic entourage of real and would-be artists, were all in Manhattan, surrounded by a host of different amenities. With the self-destruction of diversity resulting from New York’s economic boom, the possibilities for these types of experiments have been pushed to the city’s periphery and sometimes even beyond city boundaries. Elizabeth Currid considered this to be a real threat to New York’s economy. On the outskirts and especially outside the city boundaries, the conditions allowing people to meet each other – both intentionally and fortuitously – are less favourable, which means there is also less chance of the spill over of knowledge and, by extension, of innovation taking place.

However, it seems that this view is too pessimistic. The scale of New York City is such that there are still parts of the city where property is relatively cheap. However, the timescale seems to be shrinking, with processes of gentrification taking place at an accelerated pace. Williamsburg in Brooklyn is a case in point. With some exaggeration, you could say that where only yesterday this
area was a haven for artists, now it has transformed into a ‘hipster Disneyland’, with property prices having shot up accordingly. We also see this acceleration in London, where similar developments are taking place on the south bank of the Thames. The role of artists as pioneers of gentrification has come to be so well-recognised that, in many cases, their arrival alone will drive up property prices.

Like New York and London, Amsterdam has lots of space for new initiatives ‘on the other side of the river’. But Amsterdam too has to think carefully about ways to safeguard innovation. This acceleration of urban processes of transformation also offers opportunities, for example pop-up spaces in former retail properties, schools, offices or other venues. It is also possible to combine different functions under one roof, for example by combining bars, restaurants and nightlife with studio spaces. There can be greater flexibility in terms of time and space. This requires changes to the regulations and the mentality of administrators, users and residents. One should keep in mind, however, a fully-tamed city is not just boring – it also ends up being a stagnating city.

The author

Robert C. Kloosterman is Professor of Economic Geography and Planning at the University of Amsterdam. His research focuses on new economic activities in metropolitan settings.

Further reading

http://www.ft.com/intl/cms/s/2/87fef186-e6c6-11e3-9a20-00144feabdco.html#axzz35PCfwoK