32. The future of the city

Amsterdam between growth and overexploitation?

*Jeroen Slot and Laure Michon*

Amsterdam is doing well. The population is growing, the economy is picking up, and prosperity is increasing. Since Glaeser’s *Triumph of the City* (2011) and Barber’s *If Mayors ruled the World* (2013) the self-assurance of policymakers and administrators has grown with respect to the future of the city. So much so, in fact, that success seems a foregone conclusion. So much so that little attention is given to the downside of success. So much so that it is hard to initiate a discussion about which future city is the most desirable. Even if the city were to have a population of two million and free zones for start-ups in the foreseeable future, and were to receive many more tourists – meaning that it remains successful in the eyes of many – this discussion remains relevant. Currently, it is too easy to think that all ongoing changes (new lifestyles, developments in the housing market and labour market) will by themselves lead the way to the optimum city of the future. However, these changes can lead to overexploitation: the city and urban society can also lose much that is valuable.

Three questions need to be addressed in this discussion on the future of the city. The first question relates to the sustainability of the success: how certain is it actually that the current success will continue? The second question is whether enough attention is being devoted to the downside of the growth scenarios. And finally, how will we all decide about the future of the city? In other words: what is the democratic basis for the discussion about the future of the city, which also aims to be a responsible capital and which also plays an important regional function?
The success of Amsterdam

Who, at the end of the 1970s and the start of the 1980s, could have predicted the current success of Amsterdam? The outdated housing stock, the rise of the car and the decentralisation policy were at the time leading to suburbanisation. The city was emptying and at its low point had a population of around 675,000. This is now over 830,000, and Amsterdam is one of the fastest-growing cities in the Netherlands.

The growth of the population in Amsterdam is due to two related causes. Since the crisis (in the housing market), fewer families have been leaving the city. In addition, more people in their twenties and thirties are coming to the city to study or work. These groups are relatively well-off and the level of prosperity in the city has risen in recent years. But that also means that the increase in prosperity has taken place mostly among the more highly educated.

Besides the resident population, the number of tourists visiting the city has also grown strongly. This too has influenced the local economy positively. The crisis has had consequences for the economy and above all for the job market, but the developments in Amsterdam are more positive than in the other larger cities and in the Netherlands as a whole. Unemployment fell a little in 2014 and the housing market is picking up again.

However, one must ask how sustainable Amsterdam’s success is. Firstly, there is a good chance that groups which remained in the city in recent years will now, prompted by the recovering housing market, leave the city again in search of space and green surroundings. In particular, those with lower-middle incomes find it hard to find a place to live in the city; relocating may be the only option for them. Moreover, housing preferences do not change overnight.

Furthermore, will growth in line with the trend of recent years essentially change the character of the city? Today’s Amsterdam citizens have a close relationship with their city: eight out of ten Amsterdam residents feel attached to the city, and this feeling is strong across all population groups. How will this sense of connectedness be influenced by the further growth of the city? The
many expressions of dissatisfaction with the urban squeeze can be seen as a signal: for some Amsterdam residents, it has become less pleasant to live in the city. The attraction of Amsterdam is not one-dimensional: if certain groups move to the city (even more than was previously the case), then a completely different dynamic will be created. The recent news that ever more foreign investors are buying buildings for speculation purposes is one example of this. Apart from the question of whether this is desirable – and new dynamics are certainly not automatically negative – it is important to realise what the downside and possible negative impact of this may be.

**The downside of success**

Not everyone can benefit to an equal degree from the success of the city. It is mostly the more highly educated and people in employment who benefit from the current developments. But they too are unhappy with the pressure created by the strong population growth in the city and by the increased tourism. Moreover, the housing market serves only part of this group. So there is a realistic chance that precisely the families who lend Amsterdam's growth a special character (middle- and high-income families) will in part leave the city again, either from choice or necessity – certainly if the housing market stabilises further.

The big question for groups who benefit less from the growth of the city is: will there still be space for them in the future? Developments in the housing market play a primary role here. Rises in house prices and in rents are already making it impossible for people on low incomes to move to the centre of the city, and accessibility is coming under pressure in other parts of the city as well. Other issues also play a role, such as: will amenities in the city remain attuned to their needs or will investments mostly be made in what the more successful (potential) city residents find attractive? This question concerns the consequences of gentrification and segregation.
Comparisons with other European cities are often made both with regard to this issue and to tourism. To what other situations should and can Amsterdam compare itself? Which cities form shining examples for emulation, or conversely can be seen as horror stories?

London, Berlin and Paris are at the top of the European league. It is hard for Amsterdam to measure up to these cities. The population of London is almost ten times that of Amsterdam. Due to their scale and their much stronger economic (and tourist) functions these cities cannot be compared to the Dutch capital. Moreover, as seats of national government they hold strong regional, national and European positions of power. Nonetheless, the cases of London and Paris in particular can be taken as a warning when it comes to urban segregation and gentrification. Both cities are characterised by great wealth but also by huge differences and by conflicts (for instance the riots in Paris in 2005 and in London in 2011).

<table>
<thead>
<tr>
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<th>Resident population 2015</th>
<th>Overnight stays 2012</th>
<th>GDP/resident in the agglomeration 2010</th>
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<tbody>
<tr>
<td>London</td>
<td>7,556</td>
<td>37,500</td>
<td>37,813</td>
</tr>
<tr>
<td>Paris</td>
<td>2,138</td>
<td>34,000</td>
<td>44,167</td>
</tr>
<tr>
<td>Berlin</td>
<td>3,426</td>
<td>25,000</td>
<td>24,854</td>
</tr>
<tr>
<td>Barcelona</td>
<td>1,621</td>
<td>16,000</td>
<td>28,447</td>
</tr>
<tr>
<td>Amsterdam</td>
<td>822*</td>
<td>9,800</td>
<td>37,779</td>
</tr>
</tbody>
</table>

Source for residents: *OIS, other cities: World Population Review
Source for overnight stays: MasterCard Index of Global Destination Cities
Source GDP/resident: Eurostat. Expressed in Purchasing Power Standard, to correct price differences between countries

When it comes to tourism, Venice holds a firm place as the horror story: a city floundering under tourism. In the historic centre of Venice, the number of residents halved between 1990 and 2009, falling from 120,000 to 60,000 (although very few tourists stay overnight in Venice). It is hard to imagine that Amsterdam would
go down this path. Indeed, quoting this horror story actually kills the debate: the discussion of the future of Amsterdam should thus not be about Venice.

A more realistic example for comparing urban developments (including tourism) is Barcelona. This city is slightly larger than Amsterdam and attracts more tourists. Recently the city has mostly been in the news due to the tensions created by the strong increase in tourism. The new Mayor aims to reverse the trend: no new hotels should be opened in the city centre and tourists should be distributed more evenly across the city. This seems to strongly resemble the solutions sought by Amsterdam. In Barcelona, the tensions between tourists and residents seem much stronger than those in Amsterdam. So it also forms a warning: tensions should not be allowed to rise so high that polarisation occurs.

Both the issues of tourism development and of segregation and gentrification revolve around the question: who makes the city, and for whom is the city? Displacement is the spectre in both debates. It should also be said that on both fronts there is no clear recipe for balancing the interests of various city residents and users. This requires a dialogue. At the moment we often see a stalemate where the concerns of one group are swept away by the ambitions of the other group, and vice versa. Moreover, this discussion on the future development of the city not only concerns Amsterdam, but the entire metropolitan region.

Who makes decisions, how and on what basis?

The downside of the success can also be seen in the region. While the city used to attract young people, who then left the city again for the surrounding urban regions after they had completed their education, found work and started a family (the city as escalator), this group of prosperous residents now departs from Amsterdam less frequently. Moreover, the city is growing less and less accessible for less privileged groups. As a consequence, the
traditional growth poles, such as Almere, are seeing shrinking populations and becoming less prosperous.

The issue of the relationship with the region brings us to an overarching problem, namely that of urban and regional democracy. The region does not have a say in deciding on the developments in Amsterdam, but the impact of these developments nonetheless affects the entire region. More generally, there are three problems. Firstly, there is a democratic shortfall: only half of the Amsterdam citizens voted in the last municipal council elections, and in some parts of the city this was less than a third of the residents. Lack of interest, barriers to participation in the democratic process (such as language) and cynicism are all obstacles to a good decision-making process.

Secondly, there is a democratic vacuum: Amsterdam decides about Amsterdam and in part also about what happens in the region, but which influence do municipalities in the region have on what happens in Amsterdam and the region as a whole? There are of course contacts and agreements between neighbouring municipalities, but there is no framework for discussion on the developments in the region in relation to the future of the city. This is not an appeal for a new administrative layer at (sub)regional level. Nothing will be solved by more elections. However, as a responsible capital, Amsterdam can ensure that this discussion is conducted jointly. This is an interesting task for reinforcing the success of Amsterdam: not only attention for and interest in what is already going well, but also ensuring positive developments in all parts of the city and success outside the city boundaries.

Here, attention will need to focus on the way the debate is conducted. This is the third problem in the current situation: there is no substantive basis for the debate. There is no lack of opinions, or forums, but people are talking past each other instead of with each other. According to some, the urban economy should be developed to full flowering by making the city even more attractive to tourists, to companies (above all the promising innovative companies) and to investors. Others
fear that precisely this approach will threaten what has made Amsterdam a special and attractive city up until now. But the various parties fail to arrive at a joint analysis and resulting task. It is not necessary to describe how this discussion can be conducted in practical terms here (e.g. a citizens’ summit, a G1000 or another form of broad-based assembly); the main thing is that the discussion should be broad-based and constructive. And that it should involve an exchange of questions and logical, fact-based arguments. What are the current trends? What results do they have, also in the longer term, as regards prosperity and welfare? To what extent can these trends be influenced? What results can interventions have, and what are the costs? And for whom exactly? In and around Amsterdam, we can see developments that are also taking place in Europe as whole: the people of Germany and Greece cannot pretend that they can make decisions on the future separately. The same goes for the people of Almere, Diemen and Amsterdam.

The authors

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Further reading
