

Trial and Error in Urban Restructuring Processes

Dutch Experiences

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Research questions

- How satisfied are the stakeholders about the process and outcome in urban restructuring areas?
- Which factors contribute to this satisfaction or dissatisfaction?



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Overview of the presentation

- Focus of our research on urban restructuring processes
- Methods
- Dutch urban restructuring policy
- Illustration of the functioning of the networks: one case on the level of the networks; one case at the institutional level of the local authority
- Evaluation and conclusion
- Implications



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Why is studying these processes important?

How does network theory work in practice?

Network theory:

- The importance of **the institutional design** (see e.g. Stoker, 1998)
- The importance of **network management** (Rhodes, 1996; Kickert et al., 1997; Klijn and Koppenjan, 2000; Edelenbos and Klijn, 2005)

Less known about the **intervening factors** which affect these processes (Klijn and Koppenjan, 2000)



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Focus of the research

- Focus on the successes and failures in **network management**
- Focus on **the conditions of the local authority** for these policy arrangements
- **Other intervening factors** on these processes
- The **impact of all these factors** on the urban restructuring areas



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Methods

- 2 case studies
- **One at the level of the networks** in urban restructuring: Hoograven in the city of Utrecht
- **One at the level of the local authority** of Breda in order to investigate the institutional conditions to these policy arrangements
- **Semi-structured interviews** with local stakeholders (33)



Dutch urban restructuring policy

- Since 1997: focus on housing diversification to create a social mix, mostly in post WWII areas
- Aim: strengthening of social cohesion
- Less central government budgets for the local authorities to implement the policy
- Mid 1990s: privatisation of the housing associations
- Since 1999: incorporated in the Big Cities Policy
- **Strong governance orientation:** multi-sector policies and many actors involved (Van Kempen, 2000)



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Urban restructuring Hoogravens' Heart

- Mid 1990s: start of the process of urban restructuring in this post WWII neighbourhood located near the city-centre
- Aim: improvement of the bad social and physical situation of a shopping area and its direct surroundings
- Building of a new large shopping centre, new dwellings and improvement of the public space
- Stakeholders: the local authority, a real estate developer, a housing association, residents and shopkeepers



The process in Hoograven

- Open planning process, residents and shopkeepers involved
- During the first years of the process: no clear vision about the neighbourhood
- No clarity about responsibilities
- no synchronisation between drawing and calculating
- unrealistic plans



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The process in Hoograven the consequences

Dead end of the project, due to strategic behaviour

- The housing association was aimed at collecting rents
- The real estate developer was aimed at securing financial investments
- The local authority was no longer interested because it had a lack of financial means
- Worsening of the physical and social situation
- Residents and shopkeepers no longer involved in the process
- Lost trust



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The process in Hoograven solutions

The local authority creates a breakthrough:

- Takes up the directive role: clarity about responsibilities and the degree of residents' participation
- **More money for the project:**
 - Additional national subsidies
 - Another method of land calculation: fixed per cent of the developed real estate
- **Result:** other partners take up a more active role



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Evaluation of the process in Hoograven

Failures in network management:

- A lack of managing the inter-organisational relations
- Result: a lack of a sense of urgency

- A lack of management of risks
- Result: a lack of political commitment

- A lack of management of the time frame
- Result: distrust by residents and shopkeepers



Explanation of the process in Hoograven

- Institutional design: inter-organisational form (Stoker, 1998).
- **Change**: managing of the expectations, agreed rules

Another **intervening factor on the progress**, namely the **complexity** of the project:

- Large financial scope and the complex task of integration of housing, shopping and public space in one project



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The organisation of the local authority in Breda

- Since mid 1980s several reorganisations: concern-division model conform the New Public Management
- Since 1999: two areas of urban restructuring: Heuvel and Noordoost
- Policy development for urban restructuring takes place within the organisation part of City Development of the Development Division
- In March 2006 abolishment of the sectoral divisions
- In March 2006 appointment of the Board of Directors



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The NPM of autonomous product divisions

Difficulties with integrative policy in urban restructuring:

- **A lack of financial commitment** in the divisions
- **A lack of political commitment** in the Executive Committee
- **A lack of fine-tuning in investments**

Result: internal and external conflict and delay of the urban restructuring processes

Solution: local performance and implementation agreements between the local authority and the housing associations



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The NPM of planning and control

- Reorganisation in 2006: **centralisation** at the Board of Directors: aim coordination of policy
- Effect: central management focus on **controllability** (NPM instruments of planning and control)
- Result: **A lack of mandate** to the officials
- Effect on the urban restructuring areas: **more time-consuming and blocks to make creative solutions**



The NPM of earning money

- **Conflicting interests** between the public directive role and the private role on the land market
- **Effect of this double role:** the local authority and the housing associations became competitors
- **Result:** Lack of administrative transparency. Tension and distrust in the network about the independent directive role of the local authority



Evaluation of the local authority

A lack of incorporation (Edelenbos, 2005) with respect to processes in urban restructuring

Result: conditions of the local authority affect very strongly **the productiveness** of the networks in urban restructuring



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Evaluation

The same underlying mechanism affects negatively the networks:

- **Dominant internal institutional focus** on the own interests of (or part of) the organisation
- Using of strategic and organisational instruments to meet the own goals
- Interests of the neighbourhood are subordinated to these institutional interests
- Result: ineffective and inefficient policies



What conclusion to be drawn?

- **Intervening factors** inside and outside the networks strongly interact on **the progress and productivity of the networks**
- Intervening factors can be very different in place and time
- **Also structural reforms of central government contribute to a institutional climate of avoiding any risk**
- It leads to closeness, inflexible contractual relationships, traditional steering instruments and a lack of innovation capacity



Implications for network theory

- Functioning of networks **cannot be explained by the quality of network management alone**: intervening factors contribute very strongly to the success or failure
- **Mismatch between the suggested importance of the instruments in network theory and relative usefulness in everyday practice**
- More attention in research for intervening factors
- Neglecting intervening factors: Risk of blaming the network managers for all failures and it masks the responsibility of others to this failing

