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Urban renewal performance in complex networks
Case studies in Amsterdam North and Rotterdam South

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Abstract: Since they became financially independent in the mid-1990s, Dutch housing associations, local authorities and other actors in the local network have had to negotiate in networks to agree their urban renewal performance targets. Government no longer can decide in a hierarchic setting what targets housing associations need to meet. The actors in a local network have more equal power than in a hierarchic system and they are interdependent. They have their own interests and perceptions and cannot operate independently, thus they have to cooperate in networks in order to set joint targets for urban renewal.

This paper examines four cases of how actors handled their new collaborative roles in complex networks in Amsterdam North and Rotterdam South. The cases are analysed in terms of the characteristics of complex networks: the interdependencies between actors, their multifaceted nature (consisting of different groups within the network and within a particular actor) and how they do or do not respond to signals from the network (openness versus closedness). Last but not least, the dynamics inside and outside the network, the changing rules of the game, influence how the network operates. Next to the description of these characteristics different concepts of learning are used in order to explain how the networks built joint images, the targets that were agreed upon.

The cases show that the complex networks setting has not yet become a ‘way of life’ in urban renewal. Taking account of the complexity of networks improves the chances of gaining public/network support for problem definitions and solutions. This will result in goal intertwinement and win-win package deals, leading to joint image-building and joint goals on the part of the actors in the network.
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Introduction

Since the Dutch housing associations became financially independent in the mid-1990s, local authorities and housing associations have shared responsibility for urban renewal. In the past, government decided more or less hierarchically what should be done and the municipalities got a budget to carry it out. The joint non-hierarchical responsibility in the current situation is reflected in the fact that the actors are involved in a urban renewal network which decides what should be done and then carries it out.

The importance of studying how networks of this kind operate in the Netherlands is shown by the conviction of both government and the housing associations that both should contribute financially to urban renewal (Tommel, 1997). New is that housing associations have funds that they can invest in urban renewal and that there is in fact a big task laid out for them in neighbourhoods with predominantly social rental dwellings. New are also the offers that partnerships of housing associations presented to society concerning the sums they plan to invest in keeping neighbourhoods liveable (see e.g. Aedes, 2007). It is essential, therefore, for the actors in a network to set performance targets for urban renewal; otherwise urban renewal might not take place.

For the purpose of this study we examined how urban renewal partnerships work in the Netherlands based on the governance network approach, which revolves around interactive joint planning and decision-making. Actors negotiate with one another on the desired course of action, trying to steer one another in the desired direction. Steering means that actors influence other actors, but that they are not necessarily able to determine the outcome of the interaction in the network. The network approach thus provides a handle for analysing how the actors in a network deal with one another: how they respond to signals, what tools they use to steer or influence others, and what targets they agree upon. We used the network approach to examine how agreements are reached on performance targets, in particular for housing associations, in local urban renewal networks.

This involved carrying out case studies in The Hague, Amsterdam and Rotterdam, interviewing over twenty persons concerned in each city. The reconstruction of the collaboration process in the case studies is based on the interviewees’ perceptions, and relevant documents were used wherever possible. The results of the Hague case have been published in Van Bortel & Elsinga (2007).

This paper reports the results of the cases in Amsterdam North and Rotterdam South (Haffner, Oei & Elsinga, 2007, forthcoming; Haffner & Elsinga, 2007, forthcoming). The next section presents the alternative network approaches that have been used here to analyse the cooperation among actors in the restructuring of urban areas. Common elements in the approaches are described, as well as individual elements that will be used from the ‘network toolbox’ for the purpose of analysis. The subsequent section analyses the cooperation in the cases, based on the characteristics of complex networks and how they helped to create deadlocks and breakthroughs. The process of joint image-building is also described in terms of learning: what performance targets did the networks in the cases agree upon and how are they viewed? The final section sets out the conclusions.
Approaches to analysing complex governance networks

In a recent special issue of Housing, Theory & Society Mullins & Rhodes (2007) distinguish five approaches to studying the cooperation between organizations in networks. These approaches enable aggregate organizational behaviour to be studied in networks that operate more or less horizontally and not vertically (Koppenjan & Klijn, 2004, p. 3). One of the strands of research that Mullins & Rhodes (2007) identify is the ‘governance network approach’, which, given its roots, is described as a typical continental European research approach:

*networks are viewed as a new form of governance arising in situations where there are high levels of interdependence between organizations and the state and where hierarchical forms of ‘command and control’ are no longer the most effective methods for policy implementation.*

Representatives of a network approach in the Dutch literature include De Bruijn & Ten Heuvelhof (1991, 1999), Klijn (1996), Koppenjan & Klijn (2004) and Teisman (1998). Common to the strands of the network approach that these researchers apply is (a) the acknowledgement of the existence of interdependence between organizations and (b) the normative attitude that there are horizontal steering or influencing mechanisms at work that enable the partners in the network to agree upon performance targets and consequently take decisions. According to Koppenjan & Klijn (2004, pp. 11-12) this approach arises from a school of network theory where the management of the strategic interaction processes – the ‘policy game’ – is the focus of interest. The ‘policy game’ takes place in the network that De Bruijn & Ten Heuvelhof (1999, p. 32, translated) define as ‘a dynamic totality of actors [representing organizations] that are mutually dependent, display a diversity of characteristics and possibly operate in a relatively closed mode in relation to one another’. Networks like these can be considered a typical Dutch phenomenon, cf. the ‘Polder Model’, the culture of compromise.

For our study we used four different approaches from, or variations on, Dutch governance network analysis to examine how networks operate in Dutch urban restructuring and how performance targets are set in networks.

Characteristics of complex governance networks

The first approach is based on the four characteristics of complex governance networks as introduced by De Bruijn & Ten Heuvelhof (1999; see also De Bruijn & Ten Heuvelhof, 1991) and as shown in Fig. 1. The hypothesis is that the way actors deal with one another is affected by the characteristics of a complex network: interdependencies between actors, a certain degree of closedness on the part of actors, the multifaceted nature of organizations and goals, and the dynamics of the changing rules of the game inside and outside the network. Dynamics involves changes in the network (e.g. new members) or in the context of the network (e.g. policy changes). Each characteristic in a network is given and also affects the way other characteristics are reflected in the network. The characteristic of interdependencies would seem to be crucial, however, as the definition of a network given above shows: if an actor is not dependent on another actor they can operate independently and there is no complex network.
The three-step model of performance measurement

Using Teisman’s three-step model (1998) we examined how satisfied actors were with decision-making after the formulation of the common interest (step 1) and how their original objectives (step 2) were adjusted to serve their own interests or the perceived public interest in the process of negotiation in the network. If the actors subsequently considered the results of the decision-making to be satisfactory and the process conditions were met (step 3, the role of the decision-making process itself contributing the result), the process can to some degree be described as effective. The criterion, then, is the maximum that is achievable under certain circumstances.

The question is, of course, whether a process of this kind will always result in maximizing utility for those concerned (however we measure this), or whether they will set a minimum own-interest level for themselves which they will be satisfied with. This is referred to as ‘satisficing’ behaviour (Clarkson & LeRoy Miller, 1983). Another question is to what extent actors will try to justify decisions after the event (the theory of cognitive dissonance reduction: Kotler, 1980). In any event, analysis based on Teisman’s three-step model indicates whether actors’ goals are intertwined when agreeing on the common interest, achieving win-win situations and taking decisions.

Learning in complex governance networks

The ‘learning in complex networks’ approach assumes that the need for the actors to operate in complex networks rather than a hierarchical system vastly increases the uncertainties (Koppenjan & Klijn, 2004). The increased fragmentation of knowledge, interdependencies and the multifaceted nature of value systems etc. means that it cannot be taken for granted that consensus will be reached on ‘the problem’, the appropriate criteria and the solution; three types of uncertainty about content, process and institutions can potentially cause problems. Substantive uncertainty (on content) can result from not having the required
information or knowledge, or from different interpretations and perceptions of the information or knowledge that is available. Situations of this kind can be described using terms such as ‘knowledge conflict’, ‘asymmetrical debate’ or, in the worst case, a ‘dialogue of the deaf’ (p. 23). Strategic uncertainty (on process) results from unpredictable behaviour on the part of actors, unexpected strategic decisions they make when formulating the problem and the solution to it. Institutional uncertainty results from ‘clashes between divergent institutional regimes’ in which actors operate (p. 7), e.g. when they apply different perceptions and rules of the game.

Deliberate management efforts are required, in the opinion of Koppenjan & Klijn (2004), to resolve or reduce these uncertainties. If the efforts are successful, cognitive learning (on content), strategic learning (on process) and institutional learning take place, as a result of which the uncertainties are reduced and cooperation can take place in the network. Actors will have learned (p. 125), if ‘the sustainable increase in shared knowledge, insights and methods of working between parties [has taken place].’

**Tools in complex governance networks**

The tools perspective is closely related to the idea of exerting influence in networks (De Bruijn & Ten Heuvelhof, 1991) or ‘horizontal networks’ as Koppenjan & Klijn (2004, p. 3) refer to them. The idea here is that a kind of hierarchical steering, in the form of legislation and regulation, is less effective in networks than voluntary steering or influence from other actors in the network. This latter type of steering involves a certain degree of voluntary cooperation on the part of the actor being steered or influenced (De Bruijn & Ten Heuvelhof, 1991). Examples of voluntary steering tools are multilateral agreements, person-based tools and subsidies. The basis of a multilateral agreement is that the various equal and interdependent parties commit to a certain target following negotiation. Person-based tools can take the form of a person put in an organization to influence it, who then acts as a linking pin, a connecting link, between two or more actors. Government can use positive incentives (subsidies) to encourage actors to modify their behaviour, e.g. to deliver something they would not have delivered without the incentive.

**The approaches compared**

The approaches to network governance discussed here each have a different focus, but they overlap to a greater or lesser extent in that they apply many of the same or similar concepts. The three-step model and the ‘reducing uncertainties’ approach in networks can be seen as the most comprehensive approaches: both of them cover the substantive and strategic aspects of cooperation and decision-making, but the focus is different and the definitions of some concepts differ slightly. Teisman’s three-step model revolves around the goals achieved and the process by which they are achieved. The ‘reducing uncertainties’ approach and Koppenjan & Klijn’s learning approach stresses cognitive, strategic and institutional learning to reduce uncertainties in decision-making about content, process and institutions.

Ultimately the substantive dimension of both approaches is that decision-making takes place in a network, i.e. the actors are able to come together and formulate a joint image. Interaction therefore leads to a better understanding of the problems and solutions, and the actors also reach agreement. This study equates formulating a common interest (Teisman, 1998) with building a joint image (Koppenjan & Klijn, 2004); goal intertwinement is the result of the former, and a strategy for reaching the latter. Goal intertwinement in the various approaches refers to creating added value, also creating a win-win situation and an enhanced solution. Contrary to the usage here, Teisman (1998) includes in his definition of common interest also the judging of the targets achieved and the process of decision-making.
The strategic dimension (management and structural) in both approaches involves such things as shaping the process and structure of cooperation so that relevant parties are included in the decision-making, installing mediators or facilitators (in the form of person-based tools or otherwise), formulating the rules of the game and taking crucial decisions, including breakthroughs, so as to conclude a round of decision-making (referred to as a ‘game’ by Koppenjan & Klijn, 2004).

The ‘reducing uncertainties’ approach places more emphasis on the institutional side of decision-making than the three-step model. Institutional learning aims at the development of stable patterns in interactions (rules), perceptions and relationships of trust etc. in a network.

These two more ‘comprehensive’ approaches can engulf the other two ‘less comprehensive’ approaches. The ‘special steering tools’ approach relates to the tools actors can used to influence (or try to influence) other actors. These are the tools that structure the relationship in the network; they could either be an aspect of the process or of the institutions.

The characteristics of complex networks can also be used in both of the comprehensive approaches. Taking e.g. the multifaceted nature of goals as a characteristic of a network, we can examine to what extent this diminishes in the process of cooperation in a network. We can ascertain, for example, how learning took place when a joint image was formulated, or how actors adjusted their original goals to formulate a common interest.

Although the focus of the various approaches is different – how complex networks function, how tools function, achieving goals versus achieving learning – we find that they use the same or similar concepts. For the evaluation of the case studies this paper, we use the approaches as ‘toolbox’, there were we perceive the biggest added value for explaining the cooperation in the network. The characteristics of complex networks are used to explain the deadlocks. The types of learning explain the breakthroughs and thus the changed characteristics of the network as a result of that. We describe the targets (already achieved or otherwise) – the joint image-building – and the governance aspects or concepts involved in reaching a joint image, such as cognitive learning (on content) and goal intertwinement. We then indicate how the actors viewed the joint image-building achieved and whether the decision-making can be characterised as effective.

Case studies

Table 1 shows the typology of networks and actors in the Amsterdam North and Rotterdam South cases. The Amsterdam cases relate to three of the garden villages that were built early last century in the north of the city. The two villages of Disteldorp and Vogeldorp are regarded as a single case, as their decision-making took place together; the second case covers the Mercuriusbuurt and De Ring, parts of the Tuindorp Oostzaan garden village. The WBA, the housing association that owned these villages, whose property consisted mainly of low-rent social housing at that time, set out a strategy to improve the quality of the dwellings in its portfolio, too many of which were small, low-rent and of poor quality. The improvement scenarios it put forward up to the mid-1990s for the villages allowed for a maximum of one in three households to return there after the improvement scheme. As the tenants did not want to leave, they protested, and the district council in due course supported them. On initiative of the district council the Garden Villages Negotiation Team was set up in 1997. The negotiations concerned the three villages at the same time, although the processes had been separate up to that point. They were separated again after the Negotiation Team reached agreement.

Two independent chairpersons headed the Negotiation Team, with the district council, the WBA housing association and the three residents’ committees (Disteldorp, Vogeldorp and Tuindorp Oostzaan) participating. When the Team first convened, all the actors promised to
go for a compromise but also to respect one another’s points of view. The compromise consisted in:

- the low-level renovation of Disteldorp and Vogeldorp (residents’ target)
- the sale of Disteldorp and Vogeldorp to a new owner (WBA target) that would renovate them according to the requirements laid down in the compromise (residents’ target)
- the construction by the WBA of 600 new rented homes elsewhere (WBA target)
- the high-level renovation of De Ring (WBA target)
- the low-level renovation of Mercuriusbuurt (residents’ target)
- a limit on rent levels for tenants returning after the renovation (tenants’ target)
- the sale of 10% of the dwellings as owner-occupied homes (the WBA would have liked to sell more in order to fund the improvement scheme, the tenants fewer)

After the deal was made the WBA set out, as was put into the compromise on the insistence of the WBA, to find a new owner for Disteldorp and Vogeldorp. Eventually the De Key housing association took over Disteldorp and Vogeldorp in order to strengthen its position in Amsterdam North. By the time we interviewed the persons involved, the housing stock improvement scheme had been completed.

### Table 1 Typology of cases and actors

<table>
<thead>
<tr>
<th>Type of neighbourhood</th>
<th>Amsterdam North</th>
<th>Rotterdam South</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mercuriusbuurt and De Ring in Tuindorp Oostzaan</td>
<td>Hordijkerveld</td>
</tr>
<tr>
<td></td>
<td>Disteldorp and Vogeldorp</td>
<td>Improvement Area in Pendrecht South</td>
</tr>
<tr>
<td></td>
<td>2300</td>
<td>Improvement area: 1400, 1200 of which to be included in urban renewal Pendrecht: 6000</td>
</tr>
<tr>
<td>Local authority</td>
<td>Amsterdam</td>
<td>Amsterdam</td>
</tr>
<tr>
<td>District council</td>
<td>Amsterdam North</td>
<td>Ijsselmonde</td>
</tr>
<tr>
<td>Housing association</td>
<td>WBA</td>
<td>Vestia Group</td>
</tr>
<tr>
<td>Project organization</td>
<td>Garden Villages Negotiation Team, 1997; the period studied begins in the mid-1990s</td>
<td>De Nieuwe Unie</td>
</tr>
<tr>
<td>Types of dwellings</td>
<td>Mostly social rented, low rents, small terraced houses originally for the working class</td>
<td>Mostly social rented, low rents, low-rise and high-rise</td>
</tr>
</tbody>
</table>
We used the characteristics of complex networks (Haffner & Elsinga, 2006) to analyse the cooperation in the network. We also measured satisfaction with the agreement on performance targets using the three-step-model.

In the Rotterdam cases, in addition to the ‘complex networks’ and ‘learning in networks’ perspectives, we examined how the local area agreement tool worked (Haffner, Oei & Elsinga, 2007, forthcoming). Three actors sign the local area agreement, the local authority, the housing association and the district council. The system of local area agreements has been imposed by Dutch central government to set performance targets for restructuring so that the local authority can be eligible for grant aid for the project. These agreements set out how the project is to be funded and what responsibilities the actors have. Before a local area agreement can be made, a local government-approved master plan must set out how the neighbourhood is to be tackled.

The Rotterdam South study looked at two cases, Pendrecht (only the so-called Improvement Area in Pendrecht South) and Hordijkerveld, two districts that form part of Rotterdam’s Southern Garden Cities. In both neighbourhoods the housing associations involved, which owned almost all the housing there, were part of the respective networks (De Nieuwe Unie in Pendrecht and the Vestia Group in Hordijkerveld). For the configuration of the network see Table 1. In both districts the aim of the restructuring was to create a better mix of dwellings and income levels. Before the improvement took place most of the dwellings were in the low-rent sector of the housing market. The cases differed as regards the period examined: in Hordijkerveld this started following residents’ protests leading to the abortion of the second master plan (summer 2001) and ended with the signing of the local area agreement in early 2005 (the master plan had already been agreed upon). In the Pendrecht South Improvement Area the study covered the period from the development of the master plan and the local area agreement, starting in 2003, until the end of 2004 and the breakdown of the local area agreement in 2005.

As in the garden villages in Amsterdam North, the social cohesion in the Hordijkerveld garden city in Rotterdam was strong. Plans of the Vestia housing association and the district council to demolish popular terraced houses because they had been written off, while keeping the high-rise buildings which had not, led to protests from the tenants, who argued that these dwellings should just be renovated. In the end, with some give and take of both the tenants and Vestia, these dwellings were saved, and even enlarged by allowing the occupiers to choose voluntarily from a range of possible extensions.

The renovation process in the garden city of Pendrecht started with areas in the Pendrecht North in the 1990s. By the time it reached the Improvement Area in the Pendrecht South the tenants were regularly informed and their representative sat on the master plan working group. As Pendrecht had by that time become a transient neighbourhood, the tenants’ involvement in and influence on the improvement process was not as strong as in the other cases.

**Urban restructuring in complex networks**

This section examines how the characteristics of complex networks contributed to deadlocks, and what types of learning caused breakthroughs and how the characteristics of the networks changed as a result. It goes on to describe the targets (already achieved or otherwise) – the joint image-building – and the governance aspects or concepts involved, such as cognitive learning (on content) and goal intertwinement. Last but not least we indicate how the actors
viewed the joint image-building achieved, whether the decision-making was seen as having been effective.

**Impasses due to characteristics of complex networks**

A similar event that took place in various cases was deadlock owing to failure to create enough support for the plans among residents. They rose in protest in the garden villages in Amsterdam North and against the second master plan for Hordijkerveld in Rotterdam.

In Hordijkerveld, in Rotterdam South, the actors effectively presented closed fronts regarding the second master plan drawn up by the district council and the housing association Vestia. The residents protested and the result was an impasse, for one thing because the district council refused to issue a demolition permit to Vestia given the lack of support for the plans. Both relationships can be considered examples of interdependency between actors.

The lack of support that caused the stalemate in the improvement process, which led to the setting-up of the Garden Villages Negotiation Team in Amsterdam North, was specifically due to the multiplicity of opinions on how the garden villages should be tackled. Another critical factor was the closedness of the actors: the housing association WBA and the residents were not prepared to compromise. The solutions put forward by the WBA were funding-driven and had to be financially self-supporting, as there was no grant aid available for the operation. The primary concern of the residents, on the other hand, was the social cohesion of the neighbourhood, the possibility of returning to their villages and remaining in affordable housing.

Yet another factor in the stalemate was an important interdependency between the WBA and the district council. After some initial doubts, once it was convinced of the new function of the garden villages on the housing market (dynamics), the district council supported the residents and decided that it would not issue a demolition permit.

The impasse was aggravated by the dynamics of policy: at the time of the Negotiation Team there were no home improvement grants available as there had been in the past, substantial unprofitable investments by housing associations were not yet commonplace, and it was thought impossible to sell more homes than the 10% agreed after tough negotiations.

In the case of the Pendrecht South Improvement Area the collaboration was affected in an unusual way. No impasse arose due to opposition by residents; the opposition had been overcome with the renovation of Pendrecht North. For the southern part a general agreement across actors had grown that improvement of the area was necessary and that it should be achieved through the demolition of most dwellings.

Continual delays in the cooperation however arose owing to lack of support from both the City of Rotterdam and the housing association De Nieuwe Unie for the modernization of the garden city concept as originally developed by Lotte Stam-Bese in collaboration with CIAM. The arguments on applying urban planning criteria and modernizing the garden city concept had to be revisited each time, owing to a certain degree of closedness on the part of the actors, the non-acceptance of the standpoint of the other actor. Discussions were postponed and as a result, for example, the master plan did not set out the land division for part of the Improvement Area. As the actors were dependent on one another, however, the deferred issues kept reappearing on the agenda in the end.

In the cases studied mainly the interdependencies between the actors in the network, often combined with closedness on the part of actors, caused deadlock or delay in the collaboration process. Changed circumstances also contributed, however. As already noted, actors in the field, not only in Amsterdam North, had to accept that housing associations would have to
make unprofitable investments if investment in social housing were to get off the ground without any bricks-and-mortar subsidies as they existed in the past.

Confusion about how the refurbishment of the outdoor space was to be funded, for instance, caused delays in three cases. The confusion was due in part to a shift in the roles of local government and the housing associations as a result of the latter gaining independence (dynamics). The shift meant that the associations, because of their responsibility for their portfolios, attached growing importance to having outdoor space that was in order and keeping it that way. The associations and the local authorities argued about how that space should be managed: in Rotterdam South in particular new-build owner-occupied homes had not been selling well, which meant that the proceeds from sales were not adequate to fund improvement schemes.

Thus the debate on the refurbishment of the outdoor space increasingly affected the debate on how to tackle a particular neighbourhood in urban renewal. In the garden villages in Amsterdam North the agreement that was reached did not properly regulate who would fund the work on the outdoor space, and the issue dragged on (interdependency), partly as a result of changes in the political complexion of the district council (dynamics). In Rotterdam it was eventually decided, after a lot of to-ing and fro-ing, that both Hordijkerveld and the Pendrecht South Improvement Area would be developed as a whole by the housing association.

Breakthroughs

In the breakthroughs that were achieved in the cases, cognitive, strategic and/or institutional learning took place. As a result the characteristics of the complex networks changed.

Cognitive learning took place in three cases. It was the result of cognitive reflection, an expansion of the exchange of ideas so as to resolve the deadlock by temporarily adding actors to the network (increasing its multifacetedness). Fresh ideas were given a chance (dynamics). In the case of the garden villages in Amsterdam North, for instance, it was important to reach a compromise on solving the damp problems in the dwellings. The actors temporarily added to the network for the Improvement Area (Pendrecht South) were experts who had created designs for it in competition with each other. Cognitive reflection was also facilitated in Hordijkerveld by making it possible to bring in a new official to support the residents and a new, independent project leader.

Strategic learning took place in the cases where opposition by residents was a major factor. In the case of the garden villages in Amsterdam North the independent chairs of the Negotiation Team were added to the network. They ensured that the interdependencies between the actors were rearranged by setting preconditions for the negotiations: the parties had to be willing to compromise and to take one another’s interests and perspectives into account. Mediators – the project leaders, the independent chairs of the Negotiation Team, also the officials supporting the residents – worked hard to build bridges so as to generate understanding for the multiplicity of actors’ standpoints. In Hordijkerveld and the garden villages in Amsterdam North, for instance, a good deal of attention was devoted to breaking down language barriers in order to be able include the tenants as relevant actor in the network: there was a good deal of consultation, a lot of information was provided and the importance of fulfilling agreements was stressed.

Last but not least, the institutional design, the rules of the game inside and outside the network changed (dynamics). In Hordijkerveld, for example, the housing association, Vestia, was involved in a merger process, so there were no staff on the spot who knew the neighborhood, and Vestia was completely taken aback when the tenants opposed the second
master plan. As Vestia was initially more inward than outward-looking and wanted first of all to restore order following the merger, it was quickly decided to adopt the peaceful course of a third master plan. The rise of a particular political party in Hordijkerveld also shook the political power structure to its foundations, and this is said to have been a factor in the district council’s volte-face in deciding to start work on the new master plan.

Changes in the policy frameworks created opportunities for the Amsterdam housing associations. The sale of social rented homes turned from taboo to generally accepted policy, enabling associations to sell more homes so as to reduce or eliminate the deficits resulting from improvement schemes.

When the possibility of selling homes was considered in the Rotterdam South cases, the situation on the owner-occupied housing market was problematic: projected sales were (and still are) difficult to achieve. Homes stand empty in Hordijkerveld, and in Pendrecht North some have been converted to letting, as the prices are not low enough to attract purchasers into the neighbourhood. Not having the proceeds from these sales makes funding the plans a lot more difficult.

The government grants proved an incentive to provide a new policy framework, a fresh opportunity, for the urban renewal in the Pendrecht South Improvement Area. The local authority and De Nieuwe Unie were encouraged to leave the past – their experience in Pendrecht North – behind them and talk seriously about sharing the risks and responsibilities in the urban renewal project in the Improvement Area. They eventually signed the local area agreement (but subsequently abandoned it).

The various types of learning explain that it was eventually decided to tackle urban restructuring in the neighbourhoods studied here after the network had initially reached (or almost reached) an impasse. The learning resulted in a change of the network characteristics.

Performance agreements: joint image-building

Joint image-building was ultimately achieved in all the cases except Pendrecht South, where it is not yet definitive. This was eventually enshrined in multilateral agreements in all the cases, in the agreement that the Garden Villages Negotiation Team reached in Amsterdam North and the local area agreements in Rotterdam South. The local area agreements in Hordijkerveld and for the Improvement Area in Pendrecht South were preceded by a master plan that the network partners had committed to.

Joint image-building was made operational in 1) that interaction has led to a better understanding of the problems and possible solutions on all sides and consequently 2) that the actors have reached agreement on the formulation of the problem and the solution. They have been able to intertwine their goals, creating win-win outcomes with added value (new goals) or enhanced solutions. The ability to negotiate successfully and thus create a win-win situation was important in all the cases. This should come as no surprise, since even if the actors are dependent on one another, an actor will not agree to a deal that has no advantages for him.

A win-win deal was achieved in the agreement on the garden villages in Amsterdam North by adopting a flexible solution, not tackling all the villages in the same way (see above). Another important factor in achieving a compromise was overcoming the reservations that the WBA housing association had about the future value of the villages, in particular the low-level renovation that was agreed upon: Disteldorp and Vogeldorp would be sold to another housing association, which turned out to be the housing association De Key, in return for being allowed to build new social rented homes.
A win-win agreement was reached for Hordijkerveld partly because the actors involved underwent cognitive learning. Vestia and the district council accepted that restructuring did not have to mean demolition, and the residents moved in the opposite direction. It is generally agreed that the ultimate plans represented an enhanced solution compared with the previous plans that had led the residents to protest.

It was only in Pendrecht South that no definitive joint image-building took place, in spite of the continual communication between the local authority and the housing association De Nieuwe Unie on how to tackle the Improvement Area, which eventually enabled them to sign a master plan and the local area agreement. This was subject to stipulations, however, or decisions were postponed (see above). In the end the joint image turned out not to be entirely tenable, and local area agreement broke down on the issue of land development. Arguments again broke out on the urban development plans. Meanwhile work has begun on implementing a project, but fresh negotiations on local area agreement have still not been completed.

It may be that in about ten years’ time we can draw the same conclusion on the Improvement Area in Pendrecht South as in the other cases studied here, that the actors were able to formulate joint images. At present the conclusion has to be that, while the housing association and the City of Rotterdam appear to have committed to urban renewal in the Improvement Area and appear to be open to each others’ wishes, time after time they still have different ideas about the urban planning principles that should be applied to the neighbourhood. Thus the local area agreement has been abandoned owing to lack of support, decisions are still being taken ad hoc, and the collaboration process is still bogged down, placing the 2010 deadline for obtaining grant aid in jeopardy. There seems to be a lack of trust between the two partners at organizational level.

**Evaluation of performance in networks**

Setting performance targets in networks is evidently no simple matter. Partners with many different aims need to be reconciled (multifaceted networks): Is portfolio policy as important as social cohesion between the tenants? In Amsterdam a housing association sold off two garden villages because it believed that urban renewal involved changing the housing stock. The association that bought them saw things differently, as did the one in Hordijkerveld (Rotterdam), which modified its opinion: urban renewal does not have to mean demolition, it can also be achieved through renovation.

As indicated in the section on joint image-building, in Hordijkerveld in Rotterdam and in the garden villages in Amsterdam North this was achieved and subsequently enshrined in an agreement, and implementation began. In effect, laying down these common goals, how they are to be funded and what responsibilities the various actors have means laying down the performance targets that the actors in a complex network have been able to agree upon. The targets are thus determined by the ‘game’ in the network. In the case of the Improvement Area in Rotterdam it is still too early to reach any conclusions, as the local area agreement reached in principle has broken down. In the other cases, where goal intertwining was achieved the solutions put forward were regarded as enhanced solutions, even though they were inevitably the result of negotiating in a network, a compromise. The case of Hordijkerveld shows that plans may be improved, if there is a critical sounding board. We conclude from this that a compromise is not necessarily inferior to some other solution, e.g. one initially preferred by one or more of the partners in the network. The original goals have been revised and a common interest has been formulated. The decision-making can be regarded as having been effective in terms of the three-step model.
In Amsterdam North the district council, the residents and De Key are positive about the outcome: an enhanced solution has been achieved; affordable housing in the rented and owner-occupied sector is available for Amsterdam, residents were able to return, differentiation has been achieved, housing quality has improved, a piece of cultural heritage has been preserved, and social cohesion in the garden villages has largely been maintained.

Each actor has had to revise his initial goals to enable a common interest to be formulated (effective decision-making). Those residents who have returned are now paying more than twice the amount of rent (even with housing benefit) and have problems with the large numbers of homes that are being sold. The housing association, De Key, is concerned about the future management of the homes in Vogeldorp and Disteldorp. As far as the WBA housing association is concerned been no urban renewal has not been achieved.

**Performance targets in urban restructuring: a tall order**

In this study we have used different network approaches commonly used in the Netherlands to describe a number of local urban renewal networks in Amsterdam and Rotterdam. We analysed how the actors in a network deal with one another: how they behave, how they respond to signals and what tools they use to steer or influence others. We used the network approach to examine how agreements are reached on performance targets for housing associations in local urban renewal networks.

We found that the network approach does not provide a recipe for how to work together, but it does provide a toolbox containing tools that help to explain what goes on in complex networks. The characteristics of complex networks can be used to explain how networks become bogged down and deadlocked. Cognitive, strategic and institutional learning provide explanations of how impasses are overcome and network characteristics are changed. The three-step model enables the measurement of satisfaction with the agreements and outcomes. Four cases in Amsterdam North and Rotterdam South were taken as specimens.

It is clear that networks are now the reality of urban renewal in social rented housing in the Netherlands, since the housing associations gained their independence. Operating in a network involves organizing yourselves in a setting where other steering tools of a more hierarchical nature are not present or do not work. Actors are dependent on one another for formulating performance targets, taking decisions and financing and implementing them. All this has to take place in a network: actors will try to steer or ‘seduce’ other actors. It is also important to gain support for not only the solution, but also especially the problem analysis.

The hallmark of an urban renewal network is that the renewal task cannot be put aside, as can sometimes be the case with other complex decisions. In that sense the partners are locked into the network: they can create delays and postpone decisions and even ‘sell off their position in the network’, but the task remains, and sooner or later something has to be done by some network that is in place. The actors therefore remain dependent on one another, they are forced to buy one another’s goods, as it were. If they cannot reach agreement at a particular time it makes sense for them to wait for a more favourable climate, remain vigilant to what is going on around them and be ready to avail themselves of fresh opportunities when they arise.

Each actor has to weigh up developments against the ideal outcome he has in the back of his mind in good time. He must not be prepared to switch from that ideal outcome to a poor-quality product merely so as to overcome the deadlock and reach a compromise. He must keep his options open: if a joint decision is not possible now, it may be later on.
Anyone operating in a network needs to take the other actors in the network into consideration. Performance targets need to be negotiated in these local networks. Operating in a network means that the agreed or negotiated targets can differ from one network to another. The network approach shows that there is no a priori definition of good performance; this has to be the outcome of negotiation in the network. Thus doing nothing may represent good performance on the part of the actors of a network.

To sum up, the art of urban renewal involves taking account of the governance processes in the network of partners that will be carrying it out. These processes take place anyway. Not forgetting this – better still, participating in the network when formulating joint performance targets – increases the likelihood of the collaboration in an urban renewal network being successful.

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References


