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# Driving factors for attracting creative knowledge workers in the Amsterdam metropolitan area

The views of high-skilled employees, managers and transnational migrants

ACRE report 8.1



Heike Pethe  
Marco Bontje  
Peter Pelzer

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## **ACRE report 8.1**

Heike Pethe  
Marco Bontje  
Peter Pelzer



Accommodating Creative Knowledge – Competitiveness of European Metropolitan Regions within the Enlarged Union

Amsterdam 2009  
AMIDSt, University of Amsterdam



## ACRE

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## EXECUTIVE SUMMARY

The ACRE project aims to analyse the attracting factors for the Amsterdam Metropolitan Area (AMA) in comparison with 12 other European cities. Using the proposal of Richard Florida that the location choice of the emerging 'creative class' and the location choice of the rising 'creative industries' are new compared to other service or industrial sectors, the projects want to investigate whether the traditional 'hard' location factors remain important for international competitiveness. Or are the new 'soft' location factors which are mainly related to attracting the required 'talent pool' receiving more attention. Due to the prominence of some results which showed that the personal trajectories and social networks of the investigated group is pivotal for the explanation of the attraction and retaining factors, we included this issue as a third item in our analyses.

This report is a synthesis of three previous studies which analysed the attractiveness of the AMA for three groups: creative knowledge workers and graduates, managers in selected creative knowledge industries and transnational migrants in the creative knowledge industry who are working in the creative knowledge sectors. The studies were conducted between July 2007 and December 2008.

One of the main aims of all three studies was to tease out of the proposed growing importance of the creative knowledge workers goes in hand with a change of the evaluation of the location factors in metropolitan regions. Florida proposed in his books a presentation that Amsterdam can be seen as a model for the future development. It is a compact city which oriented towards cycling. It has one of the highest shares of foreign population. Looking at the path development of Amsterdam, we also expected that the AMA would score high on soft factors like tolerance and diversity.

The results, however, bring other points to the fore. Still, the labour market is reported to be the most important factor. This is followed by other hard factors such as the availability of educational institutions and the situation of the housing market. The latter, however, works as a push factor. Since not all creative knowledge workers can be conceived as affluent and especially starters, creative workers and also some groups of transnational migrants (PhD-students) receive about average income, some groups of the creative knowledge workers are sensitive in this respect. The housing market in Amsterdam in particular is divided between a large, inexpensive social housing segment which is not accessible for most of the average earning creative knowledge workers and a small segment of expensive private sectors housing.

The evaluation of the soft factors showed that soft factors alone hardly motivate creative knowledge workers to accommodate in Amsterdam. Also the named soft factors often vary between the groups.

Unexpectedly, the importance of personal trajectories and personal networks was often reported as one of the most important reasons to live, work and stay in the AMA. Florida appears to construct our temporary society as fluent and he portrays the individuals as socially and spatially independent. The results of the studies however show that the embeddedness of persons in a local and regional life world with strong personal ties is a more accurate portrayal of the contemporary society in the AMA.

# 1 INTRODUCTION

In his book “The rise of the creative class”, Richard Florida introduced his concept in 2002. “Regional economic growth is powered by creative people, who prefer places that are diverse, tolerant and open to new ideas” (Florida 2002, p. 249). He rejected old approaches of regional developers who used to focus on attracting large companies by improving the local hard location factors such as a favourable tax climate, good network of transport infrastructure and the availability of affordable office space. Amsterdam appears as a creative winner. It received much attention in his book and in his activities.

According to *The Flight of the Creative Class* (2007, p.170-172) Amsterdam is a ‘global talent magnet’, which ranks internationally high in both the percentage of foreign born and the mosaic index (which comprises the diversity of the city’s immigrant population). Florida was amazed, when he visited the Netherlands in 2003 and 2005: *‘I was in the Netherlands in June and was in extreme awe. One can definitely see creativity in every corner. Went to The Hague, Scheveningen, Delft, and Amsterdam. Every single street had something related to creativity.’*

In the meantime, the national government in the Netherlands developed a programme to support the creative industry (*‘Ons creatief vermogen’*) and opened a call to motivate municipalities to apply for funding (“Creative challenge call”). Many municipalities in the Netherlands passed programmes to support the creative knowledge economy. The Netherlands is not the only country in which Florida’s ideas were enthusiastically picked up. Evans recently counted 80 cities in Europe which developed a specific programme for the creative knowledge economy (Evans 2009). The current development of the creative industry, in Amsterdam in particular, seems to underline the success of those policies. According to the most recent Monitor on the Creative Industry the number of jobs in the creative industry in Amsterdam has constantly risen since 2005 with a higher rate than the total number of jobs. Between 2007 and 2008 the number of jobs in the creative sector has risen with 6.3%. For 2009 the expected rise, despite the economic crisis, is even higher: 9.4%. The creative industry outperforms the rest of the economy (Cohen et al. 2009). On the other hand, there are also some signs that the creative knowledge economy has lost attention and is no longer considered as one of the most important policy questions at the moment. The renewal of the two national programmes has been continuously postponed since March 2009. Although town hall in Amsterdam renewed its local strategy in June this year, politicians agreed neither to change the structure of the existing programme nor to allocate a separate budget for the programme (Gemeente Amsterdam, 2009).

In the scientific realm, however, an opposite development can be identified. Whereas there were only a few responses on Richard Florida in the beginning (for example: Gibson and Kong, 2005; Peck, 2005) which were widely cited, recently many empirical study are published which test Florida’s thesis in detail (for example: Asheim, 2009; Catungal et al.,

2009; Evans, 2009; Ho, 2009; Pratt, 2009; Sacco and Blessi, 2009; Waitt and Gibson, 2009). Also the ACRE-research project ('Accommodating Creative Knowledge – Competitiveness of European Metropolitan Regions within the Enlarged Union') aims to illuminate the factors which underlie a successful creative knowledge region. The Amsterdam Metropolitan Area (AMA) is one of the 13 metropolitan regions under investigation. In the previous three ACRE-reports the opinions of different target groups of creative professionals were illuminated; employees and graduates (Bontje et al. 2008a), managers and employers (Bontje et al., 2008b), and transnational migrants in the creative knowledge industry (Bontje et al., 2009). The respondents reported about hard, soft and personal factors which are important for them or their company. Furthermore, they judged how the AMA scored on these factors. Different data sources have been applied; the target group of employees was investigated through a quantitative survey, whereas the managers and transnational migrants in the creative knowledge industry have been interviewed in a semi-structured, qualitative manner.

Given the presence of these research results and the fact that policy strategies for the creative economy can be developed in a calmer environment, we think that it is now a suitable moment to present one of three synthesis reports which aim to develop a new policy strategy for the long term.

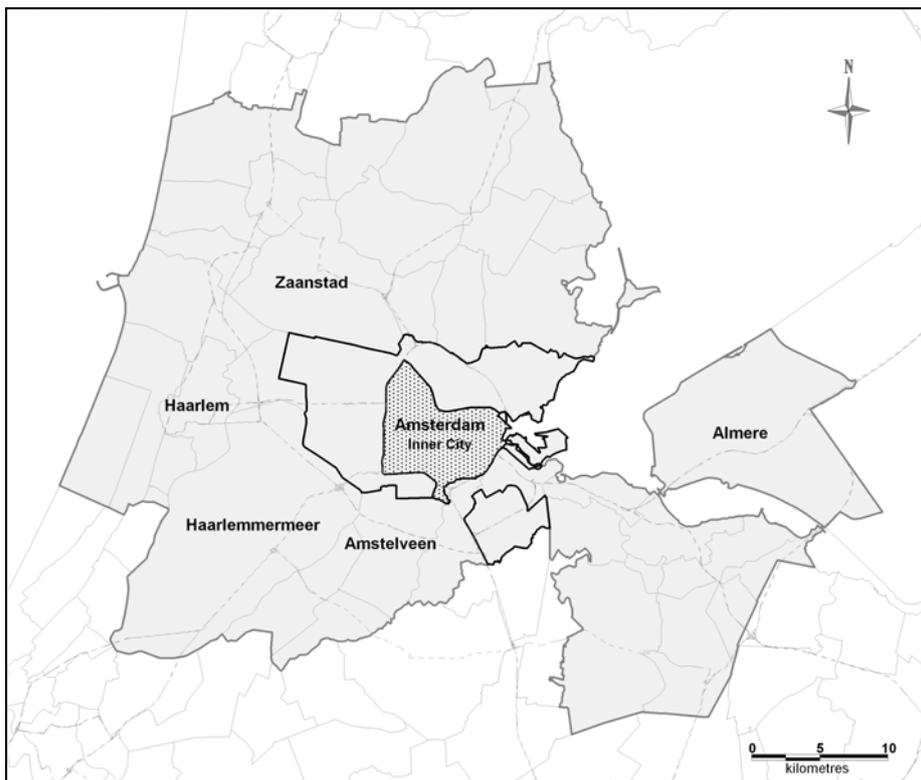
This report aims to synthesise the results of the previous ACRE Working Packages 5.1-7.1 on Amsterdam. The research has two interrelated aims: Firstly, it wants to understand and compare the different (spatial) orientations of the target groups were distinguished before (workers, managers and migrants) and identify differences between them in terms of the relative weight they give to the various factors that are regarded to be relevant to them. Secondly, the integration of the results aims to understand the strong and weak points of the region regarding their capacity to accommodate creative knowledge.

The report is divided into three parts. In the first part, the importance of the different factors will be evaluated for each target group. In the second part, the AMA will be judged by looking at the local conditions and the existing policies. In the final part, we present our conclusions and policy recommendations.

## 2 METHODOLOGY

Before we describe the methodology for this study, we want to give a quick review how approached our research in the last studies. Our definition of AMA can be seen in Figure 2.1. The objective of the first study (June 2007- December 2007) was to understand the drivers behind the decisions of higher educated graduates and workers in creative and knowledge-intensive industries to find a job at a specific location in the region. A second and interrelated objective was to explore the role that both hard and soft factors play in workers' and graduates' decision to live in a particular location in the region. 71 recent graduates from the two higher education institutes (46 of the University of Amsterdam, 25 of Rietveld Academy) participated in an online survey as well as 164 workers in the selected creative and knowledge-intensive industries. The research focus was to explore their evaluation of the satisfaction with the city, the job and work environment, the neighbourhood/area and dwelling and collect some information about the background socio-economic data.

**Figure 2.1: Definition of the Amsterdam region**



*Source: Own map, cartography: K. Pfeffer.*

The second study investigated the view of the managers and was conducted in spring 2008. It addressed the extent to which employees, self-employed and freelancers in the creative knowledge industries felt comfortable in their city-region. We selected 25 managers in four

sectors for our qualitative interviews: business and management consultancy activities, motion picture, video, radio and television activities, web design and games. We asked questions about their residential satisfaction, their job satisfaction, and their satisfaction with the city-region in general.

The third study reports on the results of 27 semi structured interviews with high-skilled transnational migrants in selected creative and knowledge-intensive sectors (August 2008 until December 2008). Next to these interviews, we also interviewed 6 experts involved in recruiting and/or facilitating transnational highly-skilled migrants in the Amsterdam Metropolitan Area. The transnational highly-skilled migrants we interviewed came from Europe (15 respondents), Asia (7, from Japan, China and India), Latin America (4) and the US (1). The questions were: How do high-skilled migrants in creative and knowledge-intensive industries experience the Amsterdam Metropolitan Area? Do they feel comfortable with their living and working circumstances? For which reasons did they select Amsterdam or the city-region as their destination? How long are they planning to stay, and which factors are influencing the decision to stay or to go?

This report provides a synthesis of three previous studies of different actors of the creative knowledge industry in the Amsterdam Metropolitan Area (AMA). We will analyse the different orientations of the target groups (workers, managers and migrants) and integrate the results to understand the strong and weak points of the AMA regarding its capacity to accommodate creative knowledge.

The aim of this study is to combine different perspectives on the city region Amsterdam which have been extracted from different target groups (graduates, employees, managers, transnational migrants in the creative knowledge industry) through differing research methods (qualitative and quantitative). Furthermore the generalisation of central findings helps to compare different findings in the ACRE cities in the upcoming synthesis report of all ACRE cities more easily.

Different methods exist for triangulation – for this study one method seems most useful: The triangulation of different research methods (between-method-triangulation) was used for this report. Triangulation in this study is a result of the combination of different methods of data ascertainment and analysis. In the previous studies standardised surveys and a quantitative analysis were used as well as qualitative semi-structured interviews which were more oriented towards the summary of the content of the interviews in terms of the grounded theory.

The implementation of triangulation in this study starts on the level of the sets of data. There is a combination of different levels of analysis like aggregated quantitative data, quantitative individual data and qualitative micro data. A qualification of the positioning of different results to one another follows the theories which were introduced in the previous studies

The interpretation of the different data sets means that all three data sets have to be analysed separately, which has already happened for each work package. The results are put in relation to each other. At this stage it was important for our research to keep the different research methods and questions in focus. When there was divergence between the results, it was tried to reach complementary results.

## **3 EVALUATION OF THE CITY REGION FROM THE PERSPECTIVE OF DIFFERENT TARGET GROUPS**

In the following part, we discuss the evaluation of different hard and soft factors and the influence of the personal networks in the AMA by the different target groups. We aim to achieve good comparability for all three groups: creative knowledge workers and graduates, managers and transnational migrants in the creative knowledge industry. Therefore, we discuss the importance of each factor separately. In the first part, we start off with hard factors, then we go on and focus on the soft factors. Finally the influence of the personal networks and personal trajectories of the interviewed persons in the AMA are taken into account. The chapter ends with a matrix which maps out the importance of each factor.

### **3.1 Hard factors**

#### *3.1.1 Employment, working conditions and location factors for firms*

##### Creative knowledge workers and graduates

The labour market is the most important location factor for moving to the AMA. One third of the creative knowledge workers stated this as their first motivation. Also graduates who in general stated that they moved to Amsterdam to study also underlined the good employment opportunities in Amsterdam (Bontje et al. 2008, 39). The importance of the labour market for creative knowledge workers is also highlighted by the fact that nearly one third (30%) of the Dutch born creative knowledge workers (non-Amsterdammers) and all of the foreign born creative knowledge workers originate from places outside of the AMA and moved to the AMA after they have finished their degree elsewhere (Bontje et al. 2008, 26). Testing Florida's thesis whether 'company follows talent' or 'labour follows companies', the interviewees mostly explained that the job search was the most important motivation and not the decision for a certain place of residence (Bontje et al. 2008, 73). The job satisfaction is also higher than the overall satisfaction in Amsterdam. Creative knowledge workers are more satisfied with the situation than graduates, and knowledge workers more than creative workers (Bontje et al. 2008, 32). Interestingly, the job satisfaction also has some impact on future mobility plans of creative knowledge workers, but this is less the case for graduates (Bontje et al. 2008, 76)

The study in Amsterdam is the most important motivation for graduates to move or stay in Amsterdam (Bontje et al. 2008, 39). 30 % of the Dutch creative knowledge workers who were born outside of the AMA have studied in Amsterdam. More than 40 % of the graduates who were interviewed came also from other regions of the Netherlands (Bontje et al. 2008, 26).

Asked about their motivation to move to the AMA, 27 % of the graduates stated that studying in the AMA was there most important motivation to come to the AMA (Bontje et al. 2008, 39). Therefore, the universities are the most important attraction of the AMA for graduates and also an important factor for attracting creative knowledge workers to the AMA.

### Employers and managers in the creative knowledge industry

The managers' view on working conditions refers mainly to the labour market conditions in Amsterdam, and not so much to their judgment on personal working conditions. However, personal circumstances play, especially for small size companies, a pivotal role in location decisions. Labour market conditions consist of two pillars: working conditions and employment conditions. First the working conditions will be emphasised, subsequently the employment conditions will be outlined.

Managers were generally content with the working conditions in the AMA. Price and location of office space were not mentioned as a burden to locate in Amsterdam. Some companies, on the other hand, reported that they located in other parts of AMA (i.e. Almere) because office space is cheaper (Bontje et al. 2008b, 41). The good internal accessibility of AMA was frequently mentioned because it leads to low commuting times. Important differences exist between the opinion of self-employed managers and managers of larger companies. For the latter, office space is an important location factor, whereas single-person companies are more flexible and do not necessarily need office space. In some cases they work from their residential location and use cafes or restaurants for meetings with customers or partners. Looking at the different aspects of which the working conditions consist, they described the following aspects. For all four sectors, travel time was mentioned as an important factor. Spatial proximity is beneficial for working conditions, since companies can meet their partners and customers easily. Even more important is the commuting time between residence and work (Bontje et al. 2008b, 52). The convenience to live close to the office location or even the co-location of home and office was often mentioned. It was emphasised in the interviews that the long working hours in knowledge intensive industries are hard to combine with long travel times. Closeness to the city centre of Amsterdam is considered an advantage because it is easier for companies to stay in contact with their network. This argument is less relevant for companies in the consultancy sector, who have more international social and professional contacts. For companies in the web-design sector and the games industry, employers also stressed the importance of internet in maintaining their network (Bontje et al. 2008b, 41). Another aspect that was emphasised by the managers is the availability and price of office space. Large and appropriate office space for an adequate price was considered an important location factor. Although the respondents were generally positive about office space in AMA, it was pointed out that in Almere the office space is significantly cheaper (Bontje et al. 2008b, 41; 53). For web-designers in particular this is a reason to locate here. The way the labour market was perceived depends on the branch of the company and its size. Managers in the games industry and the consultancy sector pointed out that it is very hard to find experienced personnel, while this is pivotal for their company (Bontje et al. 2008b, 51; 61; 74). Managers in the film sector were positive about AMA because most of the rightly skilled workers are located here. Small companies are more tied to AMA in their search of personnel. Since the work more often with freelancers, the proximity to a labour pool in AMA

is seen as an advantage. Larger companies with employees reported educational institutions as an important source of new labour. However, the skills learned at school do not always fit the demands of the companies. Moreover, these institutions do not necessarily need to be located in the AMA. More about the recruitment of employees through networks can be found in the part on social networks.

In short, managers were content about the working conditions. Given the diversity of sectors, the AMA is able to offer a variety of locations which are suitable for the needs of different sectors. A pivotal point, however, is the availability of working space.

### Transnational migrants in the creative knowledge industry

Employment is an important pull factor, but migrants who came to the Netherlands for other reasons also mention the favourable conditions on the labour market. For migrants settling in Amsterdam, the specific job offer was mentioned as one of the most important factors to come to Amsterdam. This is particularly interesting, because there were different groups of transnational migrants identified: self-motivated migrants, seconded migrants and family migrants. In our sample, half of the migrants have moved to the AMA because of job related or education related reasons, whereas the other half came to the AMA due to family relations. For self-motivated migrants the labour market in the AMA was a particular attraction. The choice of seconded migrants, however, is limited, since their companies determine their destination of their international move. This also implies that the ability of migrants to determine their place of choice is limited. Apart from the seconded migrants, many other migrants underlined the importance of the labour market, which motivated them to come to the AMA. Surprisingly, migrants who stated that they came to Amsterdam because of family reasons and who are often confronted with problems to access the labour market in other countries, explained that it was easy for them to find a job in the AMA (Bontje et al. 2009, p.53-54). Remarkably, none of these respondents was unemployed for a longer period.

Interviewees were generally positive about working conditions in the AMA. Technical facilities and working facilities are appreciated. In some cases flexible and stimulating working practices were explicitly highlighted positively and contributed to the self-actualisation at the workplace. A negative aspect is the salary, which is considered not in line with the price-level in the AMA. Several migrants indicated that their relative wage has decreased compared with the situation in their home country (Bontje et al. 2009, 61). The high prices of goods and services were seen as an important cause.

Interviewees were generally positive about AMA in terms of labour market conditions. However, it is hard to make strong statements about this aspect because the background of respondents clearly influences their opinion. Specifically migrants from South-America, for example, consider the wages in AMA low, especially when related to costs of living. In conclusion, the labour market and employment conditions in the AMA are the most important pull-factor.

### 3.1.2 Education

#### Creative knowledge workers and graduates

The study in Amsterdam is the most important motivation for graduates to move or stay in Amsterdam (Bontje et al. 2008, 39). 30 % of the Dutch creative knowledge workers who were born outside of the AMA have studied in Amsterdam. More than 40 % of the graduates who were interviewed came also from other regions of the Netherlands (Bontje et al. 2008, 26). Asked about their motivation to move to the AMA, 27 % of the graduates stated that studying in the AMA was their most important motivation to come to the AMA (Bontje et al. 2008, 39). Therefore, universities are the most important attraction of the AMA for graduates and also an important factor for attracting creative knowledge workers to the AMA.

#### Employers and managers in the creative knowledge industry

Since most of the managers grew up in the AMA, they did not very often move to region because of the quality of the education offered. However, a significant part of the managers indicated that they stayed in the AMA after they graduated. Their initial motivation to come to Amsterdam was education. The managers' perception on the importance of education is mixed. Some managers in the film and consultancy sector highlighted that their education institutes are an important source of interns and labour. In other sectors, on the other hand, autodidacts are more common. Employers in the games industry and web-design sector underlined that their profession is hard to learn at schools or educational institutes do not provide the proper skills for their employees (Bontje et al. 2008b, 40; 42; 52). The technological innovations in their field are very quick, which makes it hard for formal educational institutions to keep up to date. Higher educational bodies play an important role, both in attracting future managers (see employees and graduates) as in providing labour force. For the latter, the AMA does not serve all branches properly.

#### Transnational migrants in the creative knowledge industry

Just like employment, education is an important pull factor for transnational migrants in the creative knowledge industry. Students can both be self-motivated or seconded. Cooperation between universities provides institutional linkages which students can deploy. Education is an important reason to move to the AMA, however only in a few cases it was the sole reason. Several migrants came initially to the Netherlands to study. This does not necessarily mean that they directly came to AMA. Other education institutes in the Netherlands, for instance in Utrecht or Nijmegen, were also mentioned as a reason to migrate. The reasons to study in the Netherlands are heterogeneous. The reputation of the Netherlands in architecture and design is mentioned, but also personal relations and financial factors (e.g. scholarship or funding) were mentioned. Regarding education, important linkages exist with institutes in other regions in the Netherlands. In some instances these places are stepping stones to AMA (Bontje et al. 2009, p.54). Some respondents selected AMA specifically for the programme offered by the universities:

The decision to migrate to AMA can be based on the choice for a specific study or based on other factors. Generally the Dutch programmes and universities are rated well by the respondents. Nonetheless, only in a few instances, education was the single motivation for migration.

### *3.1.3 Social infrastructure*

#### Creative knowledge workers and graduates

The ACRE-survey analysed the importance of day care, play grounds and the health system for the creative knowledge workers and graduates (universities see education). The only factor which came to the fore was the quality of the health system, apart from the obvious importance of higher education. Graduates and foreign creative knowledge workers were much less satisfied with the health system than the average of creative knowledge workers. The concern, however, is the least pronounced of all factors which are discussed here (Bontje et al. 2008, 44f).

#### Employers and managers in the creative knowledge industry

According to the managers, social infrastructure is not a decisive factor to locate in AMA. Facilities such as hospitals, kindergartens, and international schools were hardly mentioned in the interviews. This is not surprisingly, since the children of Dutch respondents are not in need of international schools and the welfare state of the Netherlands prevents huge spatial differences in quality of hospitals or schools. Only managers of non-commercial film companies point out that it is crucial to locate near public social infrastructure. Here, they refer to the Dutch film funds, which finance the bulk of their movies. Proximity to these funds, which are mainly located in the city centre of Amsterdam, is a big advantage (Bontje et al. 2008b, 30). Respondents in all the other branches (including the commercial film industry) hardly mentioned social infrastructures in the interviews.

#### Transnational migrants in the creative knowledge industry

The availability of public social infrastructure is not mentioned as an important motivation to come to AMA. However, earlier reports (Boston Consultancy Group, 2008) on the negative status of kindergartens and international schools were not confirmed. Only Japanese expats had a very explicit preference for ethnically organised public social infrastructure. This is spatially represented in the suburban areas of Buitenveldert and Amstelveen, where Japanese migrants have their own schools, personal services, and shops (Bontje et al. 2009, 44; 47). A few large Japanese companies are located in AMA, by means of schools and kindergartens their seconded migrants are facilitated. However, apart from this specific group public social infrastructure does not play a very significant role in attracting migrants. An important explanatory factor in this regard is the absence of children for many migrants. The availability of amenities such as schools and kindergartens are not relevant at all in this regard.

### 3.1.4 *Technical infrastructure and international accessibility*

#### Creative knowledge workers and graduates

The transport system is mentioned as a factor of concern, although on a very low level. One out of four creative knowledge workers indicate discontent with the public transport system by which they mean the quality and the connectivity of the public transport system. The graduates are slightly more content in this respect, but higher income earners, long term residents and suburban dwellers tend to be more dissatisfied about those aspects of metropolitan living (Bontje et al. 2008, 44ff). The maintenance of the street, in particular the bicycle paths, are seen as positive. It should be mentioned here that cycling in Amsterdam is less an expression of a lifestyle than a daily means of transport, since it is popular for all classes and ages. The graduates however were slightly more positive about the availability of bicycle lanes than the creative knowledge workers. Inner city dwellers were more sceptical about the quality than suburban inhabitants. The pavement conditions and cleanliness of city streets and side walks receive less appreciation. Here, creative knowledge workers were the most discontent (Bontje et al. 2008, 45ff).

#### Employers and managers in the creative knowledge industry

Technical infrastructure from the managers' point of view refers mainly to three aspects: regional accessibility, international accessibility and communication infrastructure (i.e. internet connections). Accessibility was considered important regarding both commuting and travel time between companies and their clients or customers. The use of internet vis-à-vis face to face contact is not evenly distributed across the branches. Web-designers make relatively more use of communication across the internet, for the games and film sector personal contact plays a more important role, whereas for consultants linkages –both through internet and the airport of Schiphol - with international companies are important. The opinions on public transport are mostly positive. Both public transport and accessibility by car were stressed as important location factors. Almost all managers emphasised the car as a crucial means of transport. The accessibility and parking facilities within AMA was appreciated, but traffic jams were pointed out as a problem for the region and the city centre in particular. Suburban companies stressed the importance of the car more frequently vis-à-vis an appreciation of the bicycle by inner-city companies. In some cases transport by car is a matter of reputation, it is 'not done' to visit customers by public transport. Public transport was also mentioned as an important factor of the location decision. Companies mentioned that they settled proximate to a station because their labour force is recruited nationally and depends on good commuter connection because of their young age. The airport of Schiphol was repeatedly outlined as a big advantage to settle in AMA. Especially companies operating at an international level emphasised the importance of this international hub (Bontje et al. 2008b, 52). Companies in the city centre also underlined the importance of the bicycle as a mean of transport.

*“I live in the centre of Amsterdam where most of the publishers are located. I take the bike and within five minutes, I'm where I want to be and can fetch something. Five minutes later, I'm home again” (self employed, inner city).*

All the managers in the sample emphasised that technical infrastructure is pivotal in their location decision. Positive aspects are the good accessibility by bike and train. Furthermore, countries operating at an international scale report Schiphol as an important part of the infrastructure. Some critical notes were made on the accessibility of AMA by car. Traffic jams are a problem the region, especially in the inner-city, faces.

### Transnational migrants in the creative knowledge industry

The migrants' opinion on technical infrastructure restricts itself to public transport and international accessibility. Almost all respondents were very enthusiastic about biking in AMA (Bontje et al. 2009, 63). Especially respondents from South-America saw these means of transport as an improvement of the quality of life:

*“The bicycles. I love it. That is something that I really, really love about Amsterdam, that you can get anywhere with your bike and you don't need to go in a taxi or you don't need to own a car. I am addicted to my bicycle. That is the thing I'm gonna miss the most I think, the bicycle. Really, really, so much liberty and no traffic. It is really cool, I mean for me is really good.” (Peruvian male manager)*

Although biking is most often related to an authentic Amsterdam lifestyle, public transport and the international airport are considered to be more important, because some migrants are hesitant to use bicycles and have experienced less well organised public transport networks in their home country (with the notable exception of Taiwan and Japan).

At the other extreme of the continuum, the centrally located airport of Schiphol was frequently mentioned as an important asset of AMA (Bontje et al. 2009, 63). In sum, the respondents valued the combination of bikes, a good public transport network, and international accessibility by air positively. The public transport network is also used for weekend trips and business and holiday travel.

### 3.1.5 *Housing conditions/Office Space*

#### Creative knowledge workers and graduates

Creative knowledge workers and graduates conceive the housing conditions as the largest push factor in the Amsterdam metropolitan area. 80 % of the creative knowledge workers and even 94 % of the graduates express their concern about the difficult market. Persons who recently moved to the AMA and also persons who live in social housing judge the situation more negative than other participants. Also the demographic background of the interviewed creative knowledge workers has a large impact on their assessment. Persons living in Amsterdam or receiving lower than average income, younger persons, and creative workers struggle the hardest with the housing situation in Amsterdam. Surprisingly the evaluation of the housing situation does hardly have any impact on their stated overall satisfaction of the AMA (Bontje et al. 2008, 48). The discontent is stronger expressed by creative knowledge workers with lower income who mention the high housing costs. The families of creative knowledge workers, however, express the concern about the difficult availability of housing

(Bontje et al. 2008, 67). The discontent with the housing situation is less related to the residential environment and the location of the dwelling, but more to the quality of the accommodation and to a smaller extent the security (see soft factors). (Bontje et al. 2008, 66ff).

### Employers and managers in the creative knowledge industry

For employers housing conditions and the availability of office space is partly overlapping. Self-employed managers often live and work in the same place. For larger companies both aspects matter as well. Office space is part of the location choice of the company itself, whereas housing conditions refer to the availability of dwellings for (future) personnel.

The managers' view on office space is to an important extent dependent on their branch. Managers in the consultancy sector and film industry state that their employees do not have a problem with the rent level in AMA, or more specifically Amsterdam (Bontje et al. 2008b, 64). Managers in web-design and games industry point out that the high rent levels in Amsterdam are a burden or state that they prefer other places in AMA because the rent levels are lower (Bontje et al. 2008b, 41; 53). Web-designers from Almere explicitly state that they choose this location, because they are able to rent bigger residential and office spaces here. Their counterparts from Amsterdam, on the other hand, do not see the rent levels as a burden. Only managers in the games industry are unambiguously negative about the housing conditions for their employees in Amsterdam, furthermore they also point at the spatial differences within AMA:

*“Housing is an issue here in Amsterdam, it’s one of the, maybe, the biggest problems I think [...] it’s so expensive to buy a house so if you want to buy a house for a good price you have to go to Almere, that’s about it. [...] so it’s very hard to get cheap housing.”*  
(large company, PC and console game developer, inner-city).

The managers in our sample showed rather heterogeneous attitudes toward housing conditions. Some of them did not perceive it as a problem, whereas others saw it as a real burden to locate in AMA and more specifically Amsterdam. Almere is often mentioned as a good alternative for Amsterdam, because office space and housing is cheaper, but this location is rejected by parts of the creative knowledge workers. For some industries, the rent level for office space is a sensitive issue. In general companies have fewer problems to cope with the real estate market than their employees. In the games industry the housing conditions were seen as a burden for the recruitment of personnel. Nonetheless, an office space close to home is the most important factor which shapes the quality of life. This secures low commuting times and the ability to have easy access to (sub)urban amenities.

### Transnational migrants in the creative knowledge industry

Housing was seen as one of the most severe problems transnational migrants in the creative knowledge industry face. Although the housing market in Amsterdam is already under pressure, it is important to note that transnational migrants in the creative knowledge industry suffer from an extra problem. The social housing market (which comprises 52% of the

housing stock in Amsterdam) is hardly accessible to transnational migrants in the creative knowledge industry (Bontje et al. 2009, 65-66). In addition, the city regulated short term contracts which limited the number of available short term (1 week to 6 months) accommodation. Amsterdam is the only city in the Netherlands which limited the access to the housing market in such a way that many migrants move to Amstelveen, where the short-stay regulation does not exist, although preferring an inner-city lifestyle. Consequently, they are forced to buy or rent on the private market. It should be emphasised that transnational migrants in the creative knowledge industry are more focused on the city of Amsterdam and the adjacent city of Amstelveen than respondents from other target groups. Consequently, the problems on the housing market are felt more severe by them. In some cases the bad availability of medium priced accommodation was conceived as a reason to leave Amsterdam. Almost all respondents in our sample stressed the struggles on the housing market in AMA (Bontje et al. 2009, 58). Unfortunately, the migrants that left AMA because of the poor housing conditions are not represented in the sample. Nonetheless, although the majority the migrants emphasised the problematic situation on the housing market, none of the respondents had immediate plans to leave AMA because of this reason. Housing is a problematic issue in AMA. The economic prosperity of Amsterdam has put a severe pressure on housing market. Especially in the city of Amsterdam housing is hard to find and expensive. In suburban locations (such as Almere) dwellings are cheaper and easier to find. Migrants endure even more severe problems than Dutch residents, because they are more orientated to the city centre of Amsterdam –where apartments are extremely scarce and expensive- and do not have access to the social housing market. Furthermore, the strict housing rules in The Netherlands prevent a flexible adaption to the scarcity on the housing market. Short term contracts, for example, are not common in AMA.

### *3.1.6 Cost of living, tax regimes and regulations*

#### Employers and managers in the creative knowledge industry

In general, managers did not reflect very extensively on living conditions. This is not very surprisingly, since much of the aspects of which living conditions consist (tax system, subsidies) do not differ significantly within the Netherlands. In the instances they did reflect on this aspect, it referred mainly to the economic environment of their company and not so much to their personal financial situation or judgments of this issue by their personnel. Only for non-commercial film companies is the subsidisation system a *conditio sine qua non*. Without the generous Dutch film funding, the simply would not exist. Some small self-employed entrepreneurs point at the beneficial aspects of national tax regulations for small businesses. However, in general tax and subsidy issues were not perceived as an important issue.

#### Transnational migrants in the creative knowledge industry

In 2001 the Dutch government introduced the 30 percent tax reduction for international migrants. Migrants with certain skills such as scientists, managers and worker with specialised knowledge do not have to pay any tax on 30 percent of their income. The employer needs to be aware of this though, after the first 4 months of work it is not possible

anymore to apply for the reduction. The respondents did not perceive this regulation as a relevant incentive to migrate to AMA (Bontje et al. 2009, 55). On the other hand, many migrants considered the price of living in AMA extremely high. The price level of both housing and other expenses is considered fairly high compared to their salary (Bontje et al. 2009, 65). Several respondents indicated that their relative wages have decreased since they arrived in Amsterdam:

*“I just think I am paying too much [...] it is crazy here, the prices anyway. In relation to what you earn in money, I think you spend too much in food and living and everything (...)”.* (Mexican male consultant)

*“In terms of prices [the income] is much less, so it would be a little bit more than half of my salary in Bogotá, so I had to restrain myself here in many things.”* (Colombian male researcher)

*“(...) when I started working, in the beginning I didn't have this 30 % rule so I had to pay 52 % of taxes so I had nothing and I was really like fighting for the 30% rule to stay in this country [otherwise] I would have left(...)”* (Mexican male consultant)

As before, the background of the respondent influences the opinion on living conditions. Respondents from countries with high prices or big governments did not perceive living conditions as an issue. In general, migrants from Western countries (i.e. Western-Europe and North America) had much less problems with the living conditions than migrants from South-America and Asia.

The largest problem the migrants from countries outside the European Union face are the immigration procedures. In the opinion of the interviewed expert, an immigration lawyer, the Netherlands have still the more difficult immigration procedures for third country nationals than all neighbouring countries. Also one Indian resident confirmed that. Although he likes the living and working environment in Amsterdam, he stated:

*“Honestly if you were to think of somebody coming in here, if I told, if somebody asked me again, I would say: “Don't come”. Because if you had a choice, why do you want to take the stress. Unless, it's a nice city, but it's too painful to get in here. It just is too painful.”* (Indian male scientist).

## 3.2 Soft factors

### 3.2.1 Tolerance, acceptance of diversity, openness

#### Creative knowledge workers and graduates

Richard Florida addresses tolerance, acceptance of homosexuals and openness as one of the pivotal points which attract creative talent to cities (Florida 2002). The ACRE-survey of creative knowledge migrants however was able to show that homosexuality is hardly conceived as an issue of concern in the AMA anymore. These results are hardly surprising, since public institutions support diversity and equal opportunities in the Netherlands and ministers and mayors are present at the gay parade in Amsterdam. Although crimes against homosexuals are also an issue in the Netherlands, creative knowledge workers hardly conceive tolerance as an attracting nor a retaining factor (Bontje et al. 2008, 38ff and 54ff). The ACRE-survey in Amsterdam shows that the use of amenities, security and the environmental quality are larger concerns for creative knowledge workers.

#### Employers and managers in the creative knowledge industry

The appreciation of soft factors differs significantly among the sectors, in which the sample of managers is subdivided. This suggests that there is a relation between the specific type of job (e.g. web-designer) and the orientation on soft factors (e.g. appreciation of quality of life). Managers judged the diversity of Amsterdam positively (Bontje et al. 2008b, 31-32; 53). Especially the diverse and multicultural climate of the inner-city was appreciated. Employers in the games industry and film sector emphasise the importance of diversity most strongly. For the most important part the personal benefits of living in a tolerant and diverse environment were stressed. Asked about tolerance a responded answered:

*“For the company it does not matter, but I think that’s gorgeous.” (small advertising film company, suburbia).*

Although the tolerance and acceptance of diversity of Amsterdam is valued, none of the managers stated that it were crucial arguments to locate in AMA. Moreover, it was more seen as a bonus for employers and employees than a critical factor. Managers clearly separated their personal appreciation of diversity and tolerance from the company’s needs. Only non-commercial film-makers indicated that a diverse and tolerant environment is crucial for their work:

*“The best about movie making is the fact that you can dive into a subject, meet other people, get to know other worlds. Well, we do that often. Also we get the joy of new discoveries. We would like to give these encounters to other people, apart from the films” (large film company, inner city).*

Some managers underlined the importance of a tolerant climate for their foreign employees and the ability to do business abroad (Bontje et al. 2008b, 64). The first refers to the comfort of the expats, whereas the second is important for trade with –mainly- Islamic countries. The

recent increase of anti-Islam sentiments was perceived as negative for their companies by some managers.

### Transnational migrants in the creative knowledge industry

The most ambiguous statements regarding tolerance and diversity were made by the transnational migrants in the creative knowledge industry. Amsterdam's status as a haven of tolerance and diversity was neither discarded nor confirmed (Bontje et al. 2009, 65). For migrants which came to Amsterdam to work, in the choice for the city tolerance and diversity were subordinated to the specific job offer. However, Amsterdam's reputation as an open-minded city also had an influence on their decision. Furthermore, migrants emphasise the widespread use of English, the low degree of xenophobia, and the cosmopolitan attitude of its residents. However, negative remarks were also made on the Dutch, which are conceived as being closed and cold (Bontje et al. 2009, 62). It should be emphasised that the integration of migrants is a two-sided process between the host society and migrants. The interviews were not able to confirm that the Dutch society is more tolerant towards immigrants than other Western societies. Only homosexual migrants who grew up in societies that oppress homosexuality and enforce 'hetero-normativity' mentioned Amsterdam as a tolerant, open place. Other identified the Dutch self-description as tolerant as hypocritical, since the attitudes towards newcomers were not more or less tolerant than in their home countries. This also confirms Favell's observations (Favell 2003, 2008): "*Eurocities remain distinctive, variable environments at the international level, and one has to compete with all the in-built advantages of the local bourgeoisie. Only in rare cases is there a critical mass of foreign residents, such that the structure of the city itself is changed*" (Favell 2003, p. 422). Florida developed his ideas in the US which has a long tradition as immigration country and which economic unity is also presented as a national unity. Migration between the different states does not request migrants to adapt to different cultural, economic and social environment. Although European countries attempt to create a unified economic and political space, the territory of the different nation states is still a mosaic of different national societies with different, often contradictory cultural, economic and social values.

The strategies of migrants are different to cope with their integration. Some refine themselves to the international community, because their network of friends and contacts consists mainly of other migrants. Other emphasise cultural differences between their home country and the Netherlands. Some describe the strict organisation of the Dutch society which might also be representative for other Northern European nations. Migrants need to get used to the formalised way in which the work process is arranged. Other immigrants spend their private time mainly with their family, so that they are less dependent on contacts to Dutch nationals. Tolerance and diversity seem to play a subordinate role, since it is not pivotal for the working life. The much lauded tolerance and diversity of Amsterdam was for the respondents never among the pivotal reasons to migrate.

### 3.2.2 *Quality of life*

#### Creative knowledge workers and graduates

Richard Florida underlines the importance of cultural amenities for the attractiveness of creative city regions. The ACRE-survey confirms that walking through the city centre, eating out, going to the park and going out to pubs or bars are weekly activities of creative knowledge workers. The level of satisfaction with the offered amenities is very high (55% to 88% depending on the item). The diversity of leisure and entertainment was also seen as the 5<sup>th</sup> important reason to move to the AMA (creative knowledge workers, 8<sup>th</sup> rank graduates) (Bontje et al. 2008, 39). A difference between the judgment of graduates and creative knowledge workers hardly exists, but the place of residence – inner city or suburban area – has a large impact on the rate of the activities. Inner city habitants make more often use of these facilities and they are also more content with them (Bontje et al. 2008, 38f and 41ff). To sum it up, amenities are the most important soft factor in the AMA.

Security issues are seen as a major concern in the survey of creative knowledge workers and graduates. Aggressive and anti-social behaviour is often mentioned by inhabitants of the inner city of Amsterdam. Surprisingly graduates express their concern more often than creative knowledge workers and also newcomers are more concerned about this point than long residents (Bontje et al. 2008, 49ff). The concern about security is by far less important, but also one of the soft factors which are brought to the fore. Interestingly, often residents of the suburban areas expressed this concern, although the highest share of crimes are committed in inner city areas. Male, higher income and older respondents mentioned this point the most.

The environmental quality of the residential environment is seen as a second factor of concern. Nearly 50 % of the creative knowledge workers and graduates complain about the level of pollution and the level of traffic noise. The differences between creative knowledge workers and graduates are not large, but the residential location does influence their assessment. Amsterdammers who live outside the historical inner city expressed their displeasure more often.

#### Employers and managers in the creative knowledge industry

Especially the target groups of web-designers and consultants pointed out the quality of life as an important factor. Cultural amenities and a pleasant urban environment contribute to their urban lifestyle. The most important factor which increases the quality of life is a working location close to the managers' home. This is a pivotal element in the location choice of a company. Small entrepreneurs pointed out that a vibrant city and cultural scenes are important for their life and work. Another aspect that was underlined is the livability of the city. The relatively small scale of the city and the ability to bike around is stressed:

*“Amsterdam is not so dense as other big cities. Amsterdam also feels a little bit local: I can do everything on my bike. [...] It is not very big scale so it's very intimate [...]. It is more relaxed. That is the big advantage of Amsterdam for me.” (self-employed, inner-city).*

Remarkably, sometimes the quality of living in a suburban area is also emphasised. Although this location lacks several amenities, this web-designer appreciates suburbia:

*“This is a neighbourhood with detached houses. You don’t find anything in terms of shops or schools. We have a post box, but then there is nothing where you can go to. It is more a vacation feeling. You can cycle everywhere. We needed to adapt to that, but it is gorgeous. Everybody goes with his or her slippers to the outside. And many walk their dogs.” (self-employed, suburbia)*

Amsterdam scores relatively well on quality of life because of its compact and liveable size and the cultural and recreational amenities (Bontje et al. 2008b, 54). Quality of life was broadly perceived by the respondents; both cultural amenities and quality of the environment make up this factor. However, from a comparative international perspective the latter two are not evaluated very positively. It can be doubted whether this is a truly experienced problem or part of a perceived disadvantage in comparison to other world cities.

### Transnational migrants in the creative knowledge industry

The judgement of the quality of life in Amsterdam is to an important extent determined by the situation in their home country. Therefore, statements about the quality of life for the sample as a whole are not coherent. The general impression about the cultural and leisure amenities in the city was judged with little exception as positive (Bontje et al. 2009, 64). The combination of a wide range of amenities and a relatively small scale is appreciated by the respondents:

*“So I would rate it [Amsterdam] pretty high, in fact, I would even rate it even higher than London, because I think it has all the charms of a big city but still is not as hectic as a big city.” (Indian male researcher) “(...) say if I want to go to a cinema to a theatre, whatever I want to do, I’ll have it, but it’s very easy to reach. You don’t have to travel hours in the metro and everything is very handy (...)” (Italian female external relations coordinator)*

*“(...) it’s a capital, so there is everything you can find in a capital, every kind of sport you want to do, every kind of concert, everything that is happening in Europe is passing by Amsterdam. On the other side, it is not like Milan or Rome or Berlin, that is a huge city when you have to move from one side to the other (...)” (Italian female manager)*

A specific element of living in AMA, which was positively valued is the use of the bicycle. This means of transportation –which is often absent in their home country- contributes to the quality of life of some respondents:

However, the quality of life in AMA also got intense critique of the respondents. The quality price-ratio, opening hours and the behaviour of personnel were negatively valued (Bontje et al. 2009, 64). Again, the respondents’ perception is significantly coloured by their country or city of origin:

*“But in terms of quality of life (...) I can’t find clothes, because of the size (...) you know when you go out to eat something can be, it’s really expensive at times where in Japan, you know, you can eat the same quality for much cheaper (...) Tokyo is better.”*  
(Japanese female media manager)

The quality of life in AMA (i.e. Amsterdam) scores generally well. Points of improvement are the opening hours of bars and restaurants, the price-quality ratio of goods and services, and the behaviour of personnel.

### 3.2.3 *Quality of urban architecture*

#### Creative knowledge workers and graduates

The interviewed creative knowledge workers and graduates hardly pay any attention towards the historical architecture and cityscape. The diversity of the build environment was not mentioned by anybody as a motivation to move to the AMA (Bontje et al. 2008, 39). The satisfaction with the architecture and tourist attraction was stated, but the importance of these factors for creative knowledge workers is low compared to other factors.

#### Employers and managers in the creative knowledge industry

For managers, an attractive architecture was usually not the crucial point in their location decision. Nonetheless, in it was pointed out often that the particular architecture of the inner-city of Amsterdam provides them and their employees inspiration and that it can be applied to gain reputation or as a marketing tool (Bontje et al. 2008b, 53). A difference exists between companies located in the inner city and suburban firms. For the first an attractive architecture contributes to the quality of life of them and their firm, whereas for suburban managers architecture is not very important in their location decision.

Attractive architecture was often mentioned in combination with other factors such as quality of life and working environment. An attractive architecture does not just consist of aesthetics; it also refers to the compact size of the city and the contrast with suburban locations (i.e. Almere or Hilversum). The quality of place of inner-city locations provides important benefits. It is an important marketing tool towards both partners and customers:

*“If you are located in Amsterdam, at one of the canals, people say ‘Wow, that’s cool’. If you are located in Amstelveen in the industrial area and looking out of the window is just a brick wall, they say ‘Hm!’.”* (self-employed, suburbia).

Architecture is relevant for the spatial behaviour of companies within AMA. Managers who perceived an attractive urban form –among other factors- as important are willing to pay for an inner-city office. In the interviews, other less enthusiastic views were expressed as well. Managers which are not located within the urban core did not perceive architecture as a very important factor or simply could not afford an office with views on the canals.

### Transnational migrants in the creative knowledge industry

Architecture is very taste-dependent. Not surprisingly the opinions on the architecture of Amsterdam vary. Migrants had mainly an opinion on the city of Amsterdam and not so much AMA as a whole. In general Amsterdam's buildings and historic infrastructure are highly appreciated (Bontje et al. 2009, 63-64). Or as a Slovenian designer puts it prosaically:

*"I think everyone who lives in Amsterdam now and then feels like: wow, I'm in like a postcard."*

This statement is specifically aimed at the historic core of Amsterdam, a part of the city which is unambiguously seen as beautiful. Some respondents mentioned sub-cultural scene and squatted places, these are mostly found in the 19<sup>th</sup> century extension areas.

The city was considered as well-maintained. Points of critique are aimed at the construction of the North-South subway line, which has changed much of the city into an enduring construction site.

#### 3.2.4 *Summary soft factors*

In sum, soft factors were perceived as being less important than hard factors and personal trajectories. Moreover, within the target groups there was a large differentiation what soft factors should be considered as important and which specific amenities should be present in the AMA. For example, the view of the managers very much depended on the sectors. Web-designers emphasised the quality of life, whereas employers in the games industry and film sector highlighted the diversity of the city. Managers in the consultancy sector, on the other hand, stressed the importance of reputation as an important soft factor.

The conception of different representatives of the creative class on soft factors is less easy to summarise as the view on hard factors. In our interviews, there was much more agreement firstly on the importance of hard factors and secondly on the ranking of hard factors. The agreement on soft factors is not so evident. The evaluation of soft factors might be related to personal choice, and different life styles which vary more intensely between the different members of the creative knowledge workers. The agreement on hard factors might be more related to economic rationales which appear to similar in all branches of the economy.

### **3.3 Personal trajectories**

Richard Florida often stresses the emancipation of the creative class. This new cohort of workers is claimed to be less restricted by their social and ethnic origin and they are also selecting the optimum place of residence. He writes (2002, 7): *"Our fundamental social forms are shifting [...], driven by forces traceable to the creative ethos. In virtually every aspect of life, weak ties have replaces the stronger bonds that once gave structure to society. Rather than live in one town for decades, we now move about"*. How do so called old bonds

influence the judgment of creative knowledge workers and how independent are creative knowledge workers from those old social forces?

Furthermore, the old demarcation between life at work and the private life is expected to evaporate for creative knowledge workers, according to Florida (2002). Working hours get more flexible and private and business networks get intertwined. In our research this thesis is only partially confirmed. Personal contacts are in some instances crucial for a business network. A significant part of the small self-employed entrepreneurs, gain their partners and clients through personal contacts. For large companies, on the other hand, the demarcation between work sphere and private sphere is more strongly pronounced. Initially, our expectation was that business networks would matter most. On the contrary, the results reveal that personal trajectories are more important than business linkages. In several aspects the distinction between the business network and the personal network is still intact. This leads to methodologically problematic aspects. Because the personal trajectories were not part of the assumptions on forehand, they were not part of the questions asked in the surveys and interviews. Consequently, it is problematic to reveal personal trajectories more thoroughly. Although it was strongly emphasised that the personal ties to the AMA matters, it was not illuminated in detail.

Finally, the survey also revealed that the expected emancipation of creative knowledge workers which was claimed by Florida above does not effectively determine the behaviour of creative knowledge workers yet. The socio-economic situation and the demographic characteristics are still more prominent. Therefore, we want to start our discussion with them:

### *3.3.1 Socio-demographic background*

The judgment of location factors depends often on socio-demographic variables such as age, income and gender as well the residential location. The use of amenities, the judgement of the housing and labour market were strongly related to demographic variables. Creative workers used amenities more often, they tend to live in the inner city, they struggle with the difficult housing market and also describe the labour market as more challenging as knowledge workers. Gender still has an enormous impact on live chances. The income for female creative knowledge workers is significant lower than for male employees and female workers live more often in inner city locations than male workers. Although Florida and other sociologists (Beck 1986) propose that social behaviour is increasingly determined by different life styles, demographic variables determine the situation of creative knowledge workers strongly. Since this has a strong influence on the labour market position and the chances to access housing which were identified as the most important factors in the ACRE survey to determine the attractiveness of the AMA, these factors deserve more attention (Bontje et al. 2008, 51 and 63ff).

### 3.3.2 *Family Reasons/personal ties to AMA*

#### Creative knowledge workers and graduates

Richard Florida often portrays the creative class as hyper-mobile nomads (Florida 2007). In the case of Amsterdam, the survey shows that this is clearly not the case. Two out of three creative knowledge workers have lived in Amsterdam longer than 5 years. For the graduates the share is even higher (79%). The universities in Amsterdam also have a strong regional orientation, because ca. 50 % of the graduates have lived in Amsterdam prior to their studies. The international students, however, are relatively well represented, since 20 % of the graduates come from other countries. The most foreign creative knowledge workers, however, studied in other places before they start working in Amsterdam. The integration of foreign graduates in the Amsterdam labour market seems to be relatively unstable. One window of opportunity to attract persons from outside the AMA is through the labour market. The ACRE-survey in Amsterdam confirmed that this is the strongest motivation to move to the AMA. This avenue is most typical for Dutch creative knowledge workers who studied at other Dutch universities. It appears that people then stay in the AMA and so the long duration of residence can be explained. 25% of the interviewed creative knowledge workers have lived in Amsterdam their whole life (Bontje et al. 2008, 26). Also a relatively high share of graduates state that proximity to friends and not the universities were their most important motivation to live in the AMA (Bontje et al. 2008, 39). The persistence of the AMA might not only be related to the strong social bonds, but might also be an effect of the overregulated housing market and the high share of home-ownership of creative knowledge workers. The prospect that creative knowledge workers will leave Amsterdam is rather low. In general, the interviewees were content with their situation and also only little more than 10 % stated that they plan to move outside of the region. Foreign persons emphasised this stronger which confirms the observations above. Also age plays an important role to reduce mobility. Persons above 35 years of age more often stated that they want to stay in the region and that they would rather move to the suburban area than outside the region. Furthermore, the level of income and job satisfaction had also an impact on future mobility. This, however, was not true for foreign workers. Although they stated a high income and job satisfaction, they planned more often to move away than native population (Bontje et al. 2008, 27ff; 65ff and 71ff).

#### Employers and managers in the creative knowledge industry

Pivotal in the location decision of managers are family reasons and personal ties to the region. These arguments can be very practical, such as the birth of children, or more abstract such as affiliation with the region. We will start with the latter. A strongly emphasised motivation was personal relation and the social embeddedness of the managers to the AMA regarding the location choice of the company. Managers, which were born, grew up or studied in AMA saw an extended stay in the region as a logical consequence. Another important family reason is the birth of children, which is an important determinant of location behaviour within AMA. Unfortunately, managers did not reflect very extensively on their personal circumstances. In the context of the interviews, they felt they should speak in the name of their company and not so much about personal motivations. Nonetheless, although personal ties were not

explained in detail, their importance was underlined very strongly in our sample of respondents.

The ties with the AMA can have various forms. Firstly, being born or having been grown up in the region provides an important explanation (Bontje et al. 2008b, 40; 52; 62). The managers' statements are underlined by the fact that most of the managers have actually lived their whole life in AMA. In the consultancy sector family reasons are pronounced less strongly, this branch is orientated more internationally. A second, related, personal tie is a period of study or work spent in the region. Managers which initially came to the AMA to study started or joined a company in the region out of affiliation with the region or mere convenience. In these instances the region managed to retain its creative knowledge workers after they graduated. An important reason to maintain their residence within the AMA is the birth of children (Bontje et al. 2008b, 30), although managers often followed the traditional pattern of suburbanisation then. Employers in suburban locations mentioned that their suburban location is family related.

Family can be a very practical reason to move out of the inner-city. Suburban locations are simply better suited for families with children. The personal ties to the AMA are more diffuse. The linkage with the region can be either family related or due to an educational or professional career within the region. Amsterdam has a relatively high ranking within the Netherlands. It is therefore hard to distil the 'real' personal ties to the region. On the other hand, it can safely be stated that a history in a region (study, work, childhood) increases the chance to remain there.

### 3.3.3 Followed Partner & Family Reasons

#### Transnational migrants in the creative knowledge industry

For self-motivated migrants following their partner was one of the most strongly articulated reasons to come to AMA in the first place. This reason was often combined with work related issues, in which the favourable labour market in the AMA played a positive role:

*"It was also a bit of coincidence because it was one of the places that we were considering. Amsterdam is a very nice city. The coincidence was my husband sent one CV and he found a really, really good job here (...)" (Italian female manager)*

Partners are mainly relevant in this first phase of the migration process. Hard and soft factors (except employment and education) come into play after the migration has occurred. For transnational migrants in the creative knowledge industry, family reasons were articulated very strongly. Remarkably, many migrants left their home country despite family ties. Only one particular situation was mentioned which directly involves family reasons; the birth of children is a strong incentive to re-migrate to the home country. The possibility to be proximate to friends, family, and relatives becomes more important after the birth of a child (Bontje et al., 2009, 66).

### 3.3.4 *Social networks (private and professional)*

#### Employers and managers in the creative knowledge industry

Social networks are less important than personal trajectories. The managers' view on social networks was subdivided in three types of networks: clients, partners, and recruitment of personnel. The distinction between personal contact and virtual contact is of relevance in this regard, since a high degree of face-to-face contact is an important indicator of the rootedness to the AMA. The network is spatially bounded in this regard. Networks can be both professional and personal; the demarcation between the two is fuzzy. Especially for small companies, the border between the private sphere and the work sphere seems to be evaporated. Especially self-employed entrepreneurs give much weight to their network in the AMA. Amsterdam also functions as a node in international business networks. Diverse authors (e.g. Sassen 1991; Taylor 2000) have emphasised the important role of cities in international business networks. Therefore, location within the AMA can also be motivated by access to an international network. Especially managers in the consultancy sector emphasised this aspect. Some companies make much use of the internet as a communication device and are to an important extent footloose. This is especially the case for some web-design companies. For them spatially bounded social networks are not relevant. Regarding spatially bounded networks, the partner and labour recruitment networks seems the more important than client networks. Especially for freelancers (which can be considered both a partner and an employee) the personal network in the AMA is pivotal.

#### - Clients

For smaller companies, the client network is to an important extent spatially bounded to the AMA. For these companies personal contact plays an important role. Even employers in branches which are very internet minded, such as web-design and the games-industry, report the importance of personal contact (Bontje et al. 2008b, 25-26; 36) These contacts can be arranged in a formal way, such as through professional organisation or through more informal meetings. Some branches have rather peculiar characteristics. Non-commercial film companies are not in need of customer relations since they are mainly funded through subsidies. For commercial film companies, on the other hand, the importance of customers is emphasised, but does not necessarily restrict itself to the city of Amsterdam:

*I know that I could better be in Amsterdam... But it is the project context which plays a very important role... It is not the client relationship alone. I think that is a secondary reason." (large video company, suburban area).*

Advertisers comprise the majority of the clients of the games industry. A spatially bounded network between these two branches exists in AMA. Although personal contacts are pivotal for the client networks of most self-employed respondents, some of them found other ways to reach their customers:

*“I can be found via Google. I had a period in which it was a little quieter. Then I used Google ads. Those are ad banners which you can see on the right side at the top. You can compare them with a water tap. You open the tap and then you get orders in and then you close it again, if you have enough. That works so perfectly, but I do not know, if this is still the case. I did not use it for quite a while, because the orders come in so fast.” (self-employed, suburbia).*

Larger companies tend to have networks on higher scale levels. This can consist of the Netherlands or even on an international level. The latter was found reported most frequently for the consultancy sector. Nonetheless, even large companies underline Amsterdam’s importance as the hub in the network:

*„But if there is something important, then it happens in Amsterdam. All our large clients have their headquarters here. So this is the place to be. You can also recognise this, if you look at our competitors which were situated somewhere in the country and now open branches in our neighbourhood to maintain the contact to the market.” (large web-design company, inner city)*

#### - Working with Partners & Labour force

In several aspects the partner network resembles the client network. For smaller companies collaboration through personal contacts is more important. Self-employed hook up with freelancers through the internet of their personal network. Larger companies are less dependent on partners in their work; they have knowledge and employees in-house.

Small companies are more orientated toward the AMA region than large companies (Bontje et al. 2008b, 49). For the latter, partners on the national and international scale are of equal importance. Remarkably, several small companies stated that they deliberately choose to remain small in terms of employees. An extensive pool of fixed workers is seen as a risk and deviates the managers from the real content of their work:

*“We had this experience that we had several dozen people in permanent positions. Then the market changed. First we tried really hard to improve the situation. Finally you need to pay the leaving employees something, although there is nothing in the cash box. So I decided that I never do it again in this way. Now everybody works on his or her own account” (small web company, inner city).*

*“Once we had twenty persons in our company. They had all permanent contracts. At this time, we were busy with the management of people. That itself is not so bad... But I think it is also nice to be busy with the tasks themselves.” (large consultancy company, inner city).*

However, bigger companies do have the necessity to recruit employees. A location in Amsterdam is seen as an advantage because a lot of specialised live here or wish to live here:

*“That [residence proximate to company location in Amsterdam] is true for all persons who work here. They are selected on the grounds of their performance. In spite of that criterion, they all live here.” (small film producer, inner city).*

All the industries besides the consultancy sector report educational networks. Graduates are an important inflow of employees. Students take internships and subsequently can get a job offer. The AMA scores relatively well in the Dutch context, because of several educational institutions and the attractive residential environment of Amsterdam. However, the education is not always considered as a guarantee for a good employee:

*“But for the production of commercials, there are no real courses. There are, for example, courses for the production of movies, and so on..., but those students know a little about the production of commercials. That is a specific sort of sport. That I would say” (small producer, suburban area).*

In sum, social networks play a role for both self-employed companies, as larger companies. For the first they are pivotal to hook up with partners, whereas for the second they are an important tool of labour recruitment. Most of these networks are spatially bounded to the AMA, since they require face-to-face contact or depend on fixed institutions.

### Transnational migrants in the creative knowledge industry

The social network of transnational migrants in the creative knowledge industry is only loosely attached to the AMA. Social ties played a role in coming to the AMA. After arrival, it did become significant. Personal contacts with the Dutch are scarce. Migrants' friend networks mainly consist of co-expats (Bontje et al., 2009, 63). It depends whether migrants intend to stay in the AMA temporarily or permanently. For the latter there is more reason to build up a network consisting of Dutch inhabitants. It seems very difficult to integrate in the Dutch society. Besides the language, the cold attitude of the Dutch was mentioned as a barrier. On the other hand, not all migrants showed themselves very willing to get in contact with autochthones. Nevertheless, Dutch contacts are frequently mentioned as an advantage. A Dutch partner, for example, has a positive influence on entering the Dutch society. A specific aspect that was mentioned in this regard is the housing market. Migrants which followed their partners also had an easier time in Amsterdam. Since the partner had already settled, entrance to the AMA became simpler (Bontje et al. 2009, 55; 58). Japanese migrants have a particular kind of social network, which only consists of people of their country of residence. The 'expat sort of dilemma' was also highlighted. Since the friends of migrants are mainly from abroad as well, it becomes even harder to integrate. Although most migrants did not perceive this as a problem, it does reflect the somewhat separate status of transnational migrants in the creative knowledge industry. Their social network is not attached to AMA very strongly. Professional networks were not highlighted in the interviews as important. Social networks only become relevant after the migrant has arrived in Amsterdam. The friend network of migrants consists mainly of 'people like them'.

### 3.3.5 Conclusion

Social networks are very important for the target group in the AMA. However, the sample shows huge variation in terms of usage of a network and the extent to which the network is spatially bounded to the AMA. Differences exist between sectors, within branches, and between small and large companies. In web-design and the games industry, the use of internet is part and parcel of their working process. Consequentially, communication occurs more easily through digital contact. Face-to-face contact does not necessarily exclude an international network. The consultancy sector is the most internationally orientated branch. In this sector trust and reputation plays an important role. Personal meetings are preferred above a digital maintenance of the network. Within branches companies differ as well in the way they manage their network. Small and self-employed companies tend to be more in need of personal contacts. They are often more bounded to the AMA. Qualitative differences within sectors also play a role. Commercial and non-commercial film companies, for example, have a very different way in organising their network. Client networks are the most important type, since not all companies collaborate with partners or access information through personal networks. In almost every branch this types of networks are mentioned. Information and access to the labour market is especially relevant for the non-commercial film industry, whereas the commercial branch is deeply intertwined with the advertising sector. Although for the consultancy sector both clients and partner network consists to an important part of face-to-face contact, the relations are not bounded to the AMA.

In addition that, our studies showed that some factors which were expected to be important for the attractiveness of the AMA were hardly mentioned by the interviewees. This is cultural milieu, and the quality of the residential environment. Both soft factors did not gain the attention we expected in the interview with manager and transnational migrants. One reason might be that the quality of the residential environment was indeed less important. It could also be that both factors were taken for granted and therefore hardly mentioned in the interviews. The quantitative survey also showed that the satisfaction with the residential environment was high, but it does not have a significant impact on the overall satisfaction with the region.

**Table 3.1: Summary matrix 1 –Most important location factors in the AMA**

|                                                 | <b>Hard factors</b>                                                                                                     | <b>Soft factors</b>                                                                                     | <b>Personal trajectory</b>                                                        |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| <b>Creative knowledge workers and graduates</b> | Attracting factors<br>Employment (++++)<br>Education<br>Push factors<br>Housing market                                  | Attracting factor:<br>Urban Amenities<br>Push factor:<br>Anti-social behaviour and Security             | Retaining factor<br>Socio-demographic background<br>Social bonds with the region  |
| <b>Managers</b>                                 | Attracting factor<br>Labour market<br>Social infrastructure (education and film funds)<br>Push factor<br>Housing market | Attracting factor:<br>Quality of life<br>Diversity                                                      | Attracting factor<br>Social bonds<br>Network to clients<br>Institutional networks |
| <b>Transnational migrants</b>                   | Attracting factor<br>Employment<br>Education<br>Push factor<br>Housing market                                           | Attracting factor<br>English Language<br>Historical architecture<br>Retaining factor<br>Quality of life | Attracting factor<br>Social/family bonds                                          |
| <b>Overall</b>                                  | Attracting factors<br>Employment<br>Education<br>Push factors<br>Housing market<br>Immigration procedure                | Amenities, but different evaluation between the groups                                                  | Retaining factor<br>Social bonds                                                  |

*Source: Own results*

### 3.4 Basic drivers in the Amsterdam metropolitan region

Richard Florida put the importance of soft factors to the fore. His view, however, is not confirmed in the results of the ACRE-research in Amsterdam. The hard factors and personal trajectories are much more pronounced in the AMA than the soft conditions

#### 3.4.1 Hard factors

The most important factor is employment in the AMA. This is stated by all interviewed groups. Although groups of interviewees whose motivation to move to the AMA was not related to economic reasons underline this point. For example, graduates who came to Amsterdam to study emphasize the excellent employment opportunities and family migrants who followed their partner to Amsterdam describe a favourable situation in the labour market.

At the second position, higher education institutions are mentioned as important attracting factor in the AMA. 50 % of the graduates came from other parts of the Netherlands to the AMA and 30 % of the creative knowledge workers have studied in the AMA before they found a job there. Also transnational migrants in the creative knowledge industry point out that the enrolment in Dutch higher education institutions was one important motivation to

come to the Netherlands. It is important to note that the mobility between Dutch universities and different regional labour market is quite remarkable. Therefore, it will not be sufficient to support higher education institutions in one region of the Netherlands, but it will be more effective to support the attractiveness of Dutch higher education institutions in general, because graduates often move from the city of study to another city where they begin their first job.

The most important retaining factor for all groups is the housing market in the AMA. The most difficulties are reported in Amsterdam. In particular transnational migrants in the creative knowledge industry have problems here. They stay too short to invest in the private, self owned accommodation. Furthermore, short term accommodation is licensed and limited to 1350 object in the city. Thus, they are confined to the private rental sector which comprises only some 10 % # of the available housing units. Other newcomers face similar problems, but might be more inclined to swerve to private property market and buy own property. Participants with middle income level who are neither applicable to apply for social housing, but earn less to request a mortgage are the most vulnerable in this respect.

Another retaining factor is the strict immigration regulation in the Netherlands. Third country nationals with married partners face difficulties to get a visa and residential and working permit. Although this factor only applies for one particular groups, it limits the inflow of non-European creative workers from third world countries very effectively.

### *3.4.2 Soft factors*

In contrast to the hard factors, the different interviewed groups named different soft factors. The creative knowledge workers put the importance of cultural amenities to the fore. The managers pointed out that the quality of life in the AMA and the diversity of city is a high motivation to assess the AMA positively. The quality of life was often seen sceptically by the transnational migrants in the creative knowledge industry who were often used to larger retail facilities, better services and amenities. Transnational migrants, however, underlined the importance of English as a communal language in the Netherlands between foreign and home population. Furthermore, they pointed out that the historical cityscape is attractive in their opinion. Openness and tolerance which were put to the fore by Richard Florida as the new location factors were hardly mentioned as pull factors for Amsterdam. Neither was the Dutch society seen as more open or tolerant than their home societies no were these points a motivation to move or stay in the city by all interviewed groups. It is not surprising that they mentioned the excellent English language proficiency of the Dutch population as a separate point. In conclusion, the evaluation of soft factors shows how problematic the imagination is that there might be one premium soft factor which scores for all groups of a metropolitan population. In reality, the judgment of soft factors is strongly related to the personal background. In addition, their importance is considered as rather low compared to the hard factors.

### 3.4.3 *Personal trajectories*

Often creative knowledge workers are seen as the apex of mobility and modernisation. They appear to be hardly rooted in the local societies, less susceptible to class, gender and ethnic barriers and very self-determined. It is text book knowledge that highly skilled professionals are more mobile than less educated strata. In spite of that, the ACRE-surveys show that personal bonds and professionals and social networks are still important and that creative knowledge workers are also embedded socially and spatially. Many creative knowledge workers grew up and were educated in the region (25%). 63% of the interviewed creative knowledge workers have lived in the region for more than 5 years and they do not plan to move to another region. Instead of putting economic reasons to the fore, managers of creative knowledge companies state that they opened their business in the AMA because of private reasons. Like other population groups, the life cycle and in particular the birth of children reduced the preparedness of managers to take other regions into account to allocate their business activities there. In addition to that, the professional and personal networks are often seen as important pillar for their business career and personal comfort by all groups. For example, a strong motivation to move to the AMA by transnational migrants in the creative knowledge industry was a family relation to a Dutch partner. Managers mentioned the importance of a strong network to clients of particular sectors. For example, advertising film productions depend on linkages to the advertising industry in the AMA and consultants often had intensive business relations with the banking sector. So policy recommendation should take the needs for the local population into account without neglecting the importance of transnational migrants in the creative knowledge industry. Although the creative knowledge workers are strongly embedded in the regional context, it should also be noted that the presence of international migrants forms a second groups which is more mobile than the locals.

## **4 EVALUATION OF THE CITY REGION FROM THE PERSPECTIVE OF LOCAL CONDITIONS AND POLICIES**

### **4.1 Strong and weak points of the city region regarding their capacity to accommodate creative knowledge**

Summary matrix 2 includes the factors or aggregate factors to map out the differences between the different metropolitan regions in the ACRE-project. The assessment whether the city-region scores strong, medium or weak on these factors is based mostly on the respondents' assessment. Firstly the table represents information on the importance of each factor, and secondly, it shows how the target groups evaluate each factor. To give an example, how the table is interpreted, we can use the housing market. The housing market in Amsterdam is seen as an important factor for the creative knowledge workers and therefore, it is classified in the category "very important". At the same time, however, many persons are discontent with the situation and therefore, the smiley-symbols are used to express their negative judgment.

We also have to add, of course, that opinions were sometimes quite divided between or even within the three target groups we interviewed. Since personal and network-related factors were so prominent among the attraction and retention factors our respondents mentioned, we also added two categories of these factors in our assessment. Since the factors comprise different sub-aspects and are often differently interpreted by different sub-groups, table 4.1 will often describe an average value. We do acknowledge though that trying to score such factors in terms of 'strong', 'medium' or 'weak' is tricky and leaves considerable room for discussion. After all, whether a respondent easily develops social bonds and professional networks in the city-regions depends at least as much to a respondent's personal characteristics as to his social and business environment in the city-region.

In the first part of the chapter, we describe the most important factors for the AMA, before we give a short summary of the evaluation of the other remaining factors. First, we start with the evaluation of the three most important hard factors, before we describe the importance and evaluation of the rest of the hard factors:

**Table 4.1 - Summary matrix 2 - Evaluation of the Amsterdam region according to different location factors**

|                                                                | Importance of the factor for the respective target group: |                   |                 |
|----------------------------------------------------------------|-----------------------------------------------------------|-------------------|-----------------|
|                                                                | Strong importance                                         | Medium importance | Weak importance |
| <b>Hard factors</b>                                            |                                                           |                   |                 |
| Factor 1 (availability of highly qualified labour)             | 2 A ☺ 2 b ☹                                               |                   |                 |
| Factor 2 (costs of labour, level of salaries)                  |                                                           | 1 ☹               | 2 ☹, 3 ☹        |
| Factor 3 (taxation/subsidies/immigration regulation)           | 2A ☺ (film)<br>3 ☹☹ (immigr.)                             |                   | 1, 2 B, 3 ☺     |
| Factor 4 (office availability and rents)                       |                                                           | 2A ☹, 2B ☺        |                 |
| Factor 5 (proximity to customers, strong economic setting)     | 2☺☺                                                       | 3☺☺               |                 |
| Factor 6 (universities, research and educational institutions) | 3 ☺                                                       | 2 ☺               |                 |
| Factor 7 (availability of jobs)                                | 1, 2, 3: ☺☺                                               |                   |                 |
| Factor 8 (international accessibility)                         |                                                           | 1, 2, 3: ☺☺       |                 |
| Factor 9a (public transport)                                   |                                                           | 1, ☹ 2 ☹ 3 ☺      |                 |
| Factor 9b (bicycle lanes)                                      |                                                           | 2, 3: ☺☺          | 1 ☺             |
| Factor 10 (availability of housing and prices)                 | 1, 2, 3 ☹☹                                                |                   |                 |
| Factor 11 (costs of living)                                    | 1 2, 3 ☹                                                  |                   | 3 ☺             |
| Factor 12 (availability childcare / internat. schools)         |                                                           | 1, 2 ☺            | 3 ☺             |
| <b>Soft factors</b>                                            |                                                           |                   |                 |
| Factor 1 (quality of life)                                     | 2A ☺, 2B, 3C: ☺☺                                          | 1☺☺               | 3 ☹             |
| Factor 2 (surrounding countryside)                             |                                                           |                   | 1 ☺, 2☺, 3 ☹    |
| Factor 3 (cultural and recreational offers)                    | 1, 2, 3: ☺☺                                               |                   |                 |
| Factor 4 (professional networks)                               | 2A ☺                                                      | 2B☺               |                 |
| Factor 5 (safety)                                              |                                                           | 1 ☹               |                 |
| Factor 6 (attractive premises)                                 | 2A☺                                                       | 2B ☺              | 1, 3 ☺☺         |
| Factor 7 (tolerance, openness, diversity)                      |                                                           | 2 A☺              | 1 ☺, 2B ☹☺☹     |
| Factor 8 (image of the city)                                   | 2☺                                                        | 3 ☺               |                 |
| Factor 9 (attractive neighbourhoods)                           | 1, 2, 3: ☺                                                |                   |                 |
| <b>Personal trajectories</b>                                   |                                                           |                   |                 |
| Factor 1 (born here)                                           | 1☺☺                                                       |                   |                 |
| Factor 2 (family lives here)                                   | 1, 2, 3 ☺                                                 |                   |                 |
| Factor 3 (relatives, friends live here)                        | 1 2 ☺                                                     | 3                 |                 |
| Factor 4 (studied here)                                        | 1 ☺☺, 2 3 ☺                                               |                   |                 |
| Factor 5 (followed partner)                                    | 1, 3 ☺                                                    |                   |                 |

**Key**

| Evaluation of the factor by the respective target group | Target groups            | Codes |
|---------------------------------------------------------|--------------------------|-------|
| ☺☺ very positive                                        | 1 Employees              | 1     |
| ☺ positive                                              | 2 Employers/managers     | 2     |
| ☹ neither positive nor negative                         | 3 International migrants | 3     |
| ☹ negative                                              |                          |       |
| ☹☹ very negative                                        |                          |       |

#### 4.1.1 *Hard factors*

##### Employment

Creative knowledge workers, recent graduates and transnational migrants consider the AMA an attractive place to search for appropriate jobs. They generally had no problems finding a good job, were very satisfied about their working circumstances and working environment, and were confident about their future employment perspectives in the city-region (though transnational migrants unsurprisingly often consider working back in their home country or elsewhere abroad in the near future too). Indeed, until 2008 the regional economic development trends and prospects looked promising. In an earlier ACRE report (Bontje & Sleutjes, 2007) we have characterised the AMA regional economy as broad and diverse, with specialisations in sectors typical of the early 21<sup>st</sup> century economy: logistics, communication, finance, gastronomy, legal services and creative industries. Economic indicators at the time of writing that report looked sound: low unemployment, growing numbers of jobs and companies, increases in export and the number of tourists. However, like many city-regions around the world, 2008 marked a turning point in AMA's economic fortunes.

The credit crunch and the deep economic crisis following it has no doubt had a negative impact on regional labour market, certainly in sectors like finance, advertising, architecture and consultancy. Finance is eventually likely to be the hardest hit sector. The future of Amsterdam's prestigious new CBD, the South Axis, has become doubtful since the two large banks at the heart of this area, ABN AMRO and ING, ran into serious problems in late 2008. ABN Amro, after a failed takeover by Fortis, even had to be 'nationalised' and is now temporarily owned by the Dutch government. ING received generous loans from the Dutch government after huge losses in the US and at the stock exchange. Another important player in Amsterdam's financial landscape is the Amsterdam stock exchange. In 2000, the Amsterdam stock exchange merged with those of Brussels and Paris (Euronext) and the future of stock trade and financial services related to it in Amsterdam is uncertain since then. These events and the fact that many smaller finance and law firms have ABN Amro, ING and/or stock traders among their biggest clients raise serious doubts about the future of Amsterdam as a financial centre of international importance (Engelen, 2007). Meanwhile, the crisis impact on creative industries may be more indirect, but first signs of advertising and architecture firms running into serious trouble already became apparent in the course of 2009. Rather surprisingly, the number of jobs and companies in the creative industries in both the city of Amsterdam and the AMA as a whole still grew in 2008 (O+S, 2008b), but what will happen in 2009 and after? It is still too early to see the full impact of the crisis in city-regional economic and labour statistics. Just like in the international debate and academia, media and politics, also in the AMA opinions are mixed about whether the end of the crisis is already in sight, or if it has only just begun. What is certain is that the AMA still offers the best employment opportunities in most of the creative and knowledge-intensive sectors in the Netherlands, and it will probably remain the prime concentration of the creative knowledge economy in the country. Uncertainties are rather related to the general prospects of creative and knowledge-intensive sectors across the globe on the one hand, and the international competitiveness of the AMA on the other.

Before those insecurities appeared after the credit crunch, the shortages in many sectors of the labour market were common. Manager in consulting and the games sectors explained that it was often difficult to access suitable professionals. Those difficulties might be reduced now.

### Housing conditions

Housing was perceived as a problem by all three target groups we studied. Instead of being an attraction factor or a factor that binds people to the AMA, it rather seems to work negatively. The problematic housing market of AMA's core city Amsterdam in particular may eventually even cause a significant part of our respondents to leave the city and sometimes the entire city-region earlier towards other places where affordable housing that meets their demands is easier to find. The problems mainly seem to lie in getting access to the housing market on the one hand, and finding affordable housing on the other. These two dimensions are clearly interrelated. Amsterdam, and to a lesser extent the rest of the city-region, does possess a significant share of affordable housing, especially in the social rental sector. However, it is very hard to get access to that stock when you are new in the city-region. It generally takes a lot of patience and surviving a fierce competition: in Amsterdam it is not rare to have hundreds of people reacting to advertisements of one social rental dwelling. Housing associations, which after a series of mergers operate at the city-regional level, have a number of criteria to select the winner of this 'lottery', depending on which type of dwelling is offered. Elderly and handicapped, for example, are prioritised for dwellings at street level; larger dwellings are usually reserved for couples with children, etc.

Social rental dwellings in the lowest price category are furthermore only available for households with an income below a level which is adapted yearly: in 2009, this income threshold applied to dwellings with a rent of 414 Euro or less; for this category the gross household income threshold was 37,020 Euro (<http://www.wonen.amsterdam.nl/wisz>). For all social rental dwellings in the city-region, candidates have to register with a distribution intermediary (WoningNet) where they can react to advertised dwellings. However, the major stumbling block for newcomers is that you only have a fair chance if you have registered a long time ago or have lived and/or worked in the city for a long time. For the most popular parts of the city, waiting times can be up to 10 years or more!

These extraordinary waiting times for social rental dwellings are largely related to the long time that many people choose to stay in their social rental dwelling. Once someone manages to get hold of a social rental dwelling, he or she will not easily give it up. This in turn is related to a lack of affordable alternatives to social rental housing in Amsterdam (Musterd, 2002). Both private rental and owner-occupied housing is generally very expensive; both sectors, moreover, are still a relatively small sector in Amsterdam, despite its rather fast growth in the owner-occupied sector in recent years. In 2008, 25.9% of dwellings in Amsterdam were owner-occupied; 23.9% were private rental; and 50.2% were in the social rental sector (O+S, 2008a). The owner-occupied sector has grown from 17.2% of the housing stock in 2003 to 25.9% in 2008, due to measures like increasing the share of owner-occupied housing in new housing projects and the sale of part of the social rental stock; but still, it is very small compared to most other European cities. The scarcity of this sector has pushed prices up to levels beyond the reach of not only lower income but also many middle income

households. Therefore, even if their income has increased so much that they could afford more than a social rental dwelling, many will stay put, certainly those that have managed to get a dwelling in the most preferred part of the city: within the A10 ring road. While this problematic situation applies to most respondents from our three target groups, transnational migrants added comments about the price-quality ratio of the Amsterdam housing stock in particular, and to a lesser extent also the housing stock elsewhere in the AMA. Many transnational migrants thought housing in the AMA was much too small considering the price they had to pay for it.

We have to add, though, that the housing market in the city of Amsterdam is most problematic and that the rest of the city-region does offer more affordable and more spacious alternatives. The price level is relatively high in the entire city-region, due to the high demand for living in or close to Amsterdam. Still, buying or renting a house in a municipality adjacent to Amsterdam or more to the city-region edges can already make quite a difference compared to buying or renting it in the core city; and also within Amsterdam there are considerable price differences. For those that do not necessarily need to live in or close to the inner city, or prefer suburban or smaller-city environments, the AMA has enough interesting locations to offer. Looking at the forecasts for population distribution and growth across the Netherlands, a growing pressure on the city-regional housing market of the AMA can be expected. Several surveys indicate the popularity of the AMA is a residential area. In the latest edition (2009) of the yearly survey of the weekly magazine *Elsevier*, 16 municipalities located in the AMA reached the top 50 of most appreciated municipalities to live in within the Netherlands. Eight of these even reached the top 10 and the complete top 3 was located in the AMA. The most appreciated municipalities were either small cities or suburban areas, but the city of Amsterdam was appreciated too: it was nr. 12 in the top 50 (<http://www.elsevier.nl/web/10237875/Nieuws/Nederland/Elsevier-Naarden-beste-plek-van-Nederland.htm?rss=true>). In another influential yearly publication, the Dutch Atlas of Municipalities (*Atlas voor Gemeenten*), Amsterdam and Amstelveen are generally in the top 5 of most attractive cities, in some years even at position 1 and 2.

While an increasing number of regions in the Netherlands will face population stagnation or decline in the next decades, the AMA is one of the few regions that is expected to keep growing. Finding good locations for the additional housing demand caused by this expected population growth will be one of the main challenges of city-regional governance in the near future.

### Education

Many of the creative knowledge workers and managers we interviewed had studied in the city of Amsterdam or elsewhere in the AMA and remained in the city-region afterwards. Also quite some of our transnational migrants had initially come to the AMA to study and decided to stay to start their labour career afterwards, or studied in another Dutch region and then found a job in the AMA. The city of Amsterdam has a rich offer of higher education. The city is home to two universities, a polytechnic, two art academies and an urban design academy. The polytechnics and art academies include programmes in several creative professions, like film, media, fashion and ICT. The universities are also increasingly setting up bachelor and

master programmes or specialisations in fields like multimedia, gaming, and creative entrepreneurship. They also try to meet the changed demands of knowledge-intensive industries like finance and legal services with new programmes and institutes, like business schools and the recently established Duisenberg School of Finance. Elsewhere in the AMA, Haarlem and Diemen add two more polytechnics, also with several programmes aimed at creative and knowledge-intensive industries. The only thing missing in this higher education spectrum is a technical university. The Netherlands has three technical universities in Delft, Eindhoven and Twente, all of which are outside the AMA. This means that relevant specialists for the creative knowledge economy like architects, engineers, ICT programmers and technical designers are not educated at the highest level in the AMA and have to be attracted after their education from other regions or abroad. Still, the AMA does offer relevant higher education programmes in several other disciplines directly related to the creative knowledge economy like economics, finance, art, media, medical and social sciences; and apart from ICT production the region does not miss crucial elements in its regional economy, so apparently it manages sufficiently to attract the ‘missing knowledge and skills’ from outside.

Challenges for university education also exist in Amsterdam. In the interviews, the managers of creative knowledge companies pointed out that many sectors rapidly change and that the abilities of higher education institutions to reaction those changes w. limited. This was felt in the games and web-design felt in particular.

At the national level, like in many other countries, representatives from academia and business frequently voice concerns about the extent to which the Dutch government invests in knowledge infrastructure and the knowledge economy. Dutch investments in R&D, innovation and knowledge, both from the government and from the private sector, are below the average of OECD countries. While several OECD countries have increased the share of their gross national product spent on education, it has stagnated in the Netherlands in recent years (OECD, 2008). Comparative studies like those of OECD, as well as influential lobbying networks like the Innovation Platform fuel the on-going debate about whether or not the Netherlands is ‘future-proof’ enough to face the ever increasing demands of the (creative) knowledge economy. In the current crisis, an often raised question in this debate is: should we invest more in knowledge and innovation now to get out of the crisis sooner? However, the rapidly growing Dutch public debt and budget shortage will probably rather result in further budget cuts in education, research and R&D in the next few years.

### Other hard factors

Factor 3 is related to various factors which are related to the interaction between citizens and state institutions. That can be related to taxation, but also subsidies and the immigration procedure. In general taxation was not a topic of great concern, but for the film sector public support and for the transnational migrants from non-EU countries the immigration procedure were of pivotal interest.

Factor 2 comprises the salary level. Interestingly, transnational migrants were here the most negative. They pointed out that the effective purchasing power was in Amsterdam much

smaller than in their home countries. That also explains why they judged cost of living as very high. Most of the factors were judged to be of medium importance. The overall judgement was mostly positive.

#### *4.1.2 Soft factors*

##### Quality of life

Mixed appreciations between sub-groups of our respondents lead to a medium score on the dimension 'quality of life'. Most respondents were positive about the city-region's quality of life in terms of the availability of urban amenities. As mentioned before, this appreciation was particularly high for the diversity of leisure and entertainment in the AMA; but also other amenities generally reached high to very high satisfaction scores in our survey of creative knowledge workers and graduates. Most managers, especially those of smaller companies, were also positive about quality of life aspects like the 'human scale' of city and city-region and cultural infrastructure. Especially transnational migrants in addition appreciated the small distances between those amenities; some refer to an attractive combination of a compact, rather small city with all the amenities you would expect in a global city. These generally positive opinions about living in Amsterdam correspond with the high level of satisfaction of the city-regional population in general, as reflected in the surveys mentioned under the header 'housing market' earlier. Still, we also got some more negative comments from the transnational migrants and managers who were missing the top level of exclusive shops, bars and restaurants. Some managers were even a bit ashamed of what they could offer their foreign clients and business contacts when they wanted to dine or go out in Amsterdam. Some managers and transnational migrants also complain about 'anti-social behaviour' in public space and the lack of customer-friendliness of shop personnel. Moreover, in the survey of creative knowledge workers, security and the environmental quality of the city-region (especially noise and pollution) were points of concern expressed frequently.

##### Tolerance, diversity, openness

Creative knowledge workers and managers were generally positive about diversity and tolerance. According to our respondents, acceptance of differences in ethnic and cultural background and sexual orientation are hardly an issue of concern in the AMA. We have to keep in mind, though, that finding out the 'real answers' in survey questions like this is complicated, since respondents tend to answer them rather cautiously, and most respondents (belonging to the native Dutch majority of the population) have probably never been faced with discrimination directly. It is also likely that our sample included only few gay or lesbian respondents; would these groups have been represented more, the answers might have looked different, since incidents of intolerance towards these groups are reported in Amsterdam frequently recently. Moreover, our sample of higher-educated people working in creative and knowledge-intensive professions is likely to have different opinions than the Dutch population in general. The tendency of recent years to discuss immigration and integration of ethnic minority groups in an increasingly straightforward and harsh manner is not reflected at all in our survey results. The same is true for our interviews with managers; they generally

appreciate diversity and stress the importance of tolerance, even though in the current Dutch political and media debate these are increasingly unpopular points of view.

Transnational migrants had more mixed emotions. They appreciated the Dutch command of English and the international atmosphere of especially the city of Amsterdam, and to a lesser extent also other places in the city-region. However, they complained about 'getting in touch with the Dutch'. Apparently it is hard for non-Dutch to really get to know the Dutch and become friends or acquaintances with them. Feeling uncomfortable as a transnational migrant in the Netherlands sometimes already starts with the immigration procedure, which is very tough for non-Europeans in particular. On the other hand, to some extent transnational migrants create or maintain distance to native Dutch themselves by largely limiting their social networks to other transnational migrants. This is a natural tendency not only because of language or lifestyle reasons, but also because most transnational migrants may leave the Netherlands within the next few years.

### Attractive premises

These factors were only stressed by the transnational migrants; for the creative knowledge workers and managers (most of which were native Dutch) they were either not so important or maybe also more or less 'taken for granted'. The creative knowledge workers hardly mentioned it as a factor that influenced their decision whether or not to settle in the AMA. Some managers did mention architecture and urban design as an asset and an inspiration for their work, but not as a crucial factor in their location decisions. This was related to earlier mentioned factors like city and regional compactness and quality of life. Transnational migrants were not all positive about AMA's architecture and urban design, but they all had a quite strong opinion about it. Appreciation mostly applied to the city of Amsterdam, and within it mostly the inner city. However, some migrants also appreciated suburban milieus instead. While creative knowledge workers and managers did not explicitly mention this factor often, indirectly they clearly often hinted at the attractiveness of Amsterdam's inner city built environment. For example, in the survey, going for a walk in the (inner) city was often mentioned as a frequently undertaken and appreciated activity.

#### *4.1.3 Networks*

### Social bonds to the AMA

As mentioned before, it is hard to assess the contribution of social ties with family, friends and acquaintances to decisions why someone decides to move to or stay in a city-region. It is even harder, if it would make sense at all, to compare city-regions on this factor. Therefore, scoring the AMA as being 'strong' in this factor does not mean anything else than that our respondents considered this factor very important and apparently were sufficiently able to build up and/or maintain good social networks in the AMA. This factor may contribute significantly to one of our most remarkable findings: the generally long duration of stay of our respondents in the AMA, contrary to Florida's suggestion that the 'creative class' would be 'hyper-mobile'. To a lesser extent the same seems to apply to transnational migrants. Even

though they most often mainly have other transnational migrants as friends, which of course are a more mobile group than ‘the average Dutch’, they do appreciate building up long-lasting social networks with them. Moreover, several of our transnational migrant interviewees did not come to the AMA alone: they brought partners or families, who also play a significant role in ‘stay or go’ decisions.

Even though scoring this factor on a strong-weak scale is hardly possible, we cannot ignore the fact that creative knowledge workers, graduates and managers often mentioned ‘proximity to family and friends’ as one of the most important reasons, or even *the* most important reason, to live in the AMA. Despite continuous innovations in online communication, the ability to frequently meet friends and relatives face-to-face remains an important element of people’s quality of life.

### Business networks

This factor was most often mentioned by the managers, though the creative knowledge workers also frequently referred to it as part of their level of satisfaction with their working environment (‘ability to network’). The geographic scale of these networks and the extent to which they were linked to the company’s location in the AMA varied between economic branch groups and company size categories. Larger companies tended to have their business networks (far) beyond the AMA, while smaller companies often had most of their clients, business partners, information networks and personnel recruitment contacts within the AMA. Still, even most larger companies in the branch groups we selected refer to Amsterdam (sometimes meaning the city, sometimes the whole AMA) as ‘the place to be’ for the most important events, negotiations and decisions. Smaller companies and self-employed also appreciate being near to a pool of other self-employed and freelancers. Nearness to higher education institutes is another asset: many graduates from universities and higher vocational training institutes in the AMA have an internship at a creative or knowledge-intensive company in the region, which subsequently can lead to a follow-up assignment or contract. In the film sector, especially in the non-commercial segment, the presence of film funds in Amsterdam was stressed as an important reason to be in or close to Amsterdam. Apart from this very specific reason which only applies to the non-commercial part of one branch group, we should keep in mind that also a factor like ‘business networks’ is hard to score on a strong-weak scale. Like social bonds, we refer to it as ‘strong’ in our table because it is mentioned so frequently by the managers we interviewed as being an important location factor for their companies and since most managers were positive about their business networks in the AMA region.

## 4.2 Site specific or ubiquitous indicators

From the most important attraction and retention factors described above, only the factors related to urban design and architecture and the housing market could be called site-specific for the AMA. The compact scale of both the core city Amsterdam and the city-region AMA are clearly different from most other city-regions with comparable international economic importance. This compactness connects to other features of the AMA that make the city-region stand out internationally, like the prominent role of the bicycle in daily mobility, and the combination of ‘global city feel’ with ‘small city charm’. The housing market is site-specific in the sense that it is hard to hard imagine city-regions in other countries with such a prominent role for social rental housing. In the Netherlands Amsterdam and the AMA are less unique in that respect, but also nationally Amsterdam still has the largest share of social rental housing despite its decrease in recent years. This social rental housing prominence leads to problems with access to the regional housing market (long waiting times before having a fair chance at a social rental dwelling; high price level of scarce private rental and owner-occupied housing) and problems of making a housing career within the city-region. Musterd (2002) already pointed at Amsterdam’s biggest housing market problem: the huge gap in price level between social rental housing and owner-occupied housing. Somehow the ‘in-between’ price level is largely missing in Amsterdam. Despite several policy measures, this problem seems to persist in the city. In the rest of the city-region, the housing market situation is more balanced and less problematic; but still, the city-regional housing market as a whole does not sufficiently manage to meet the housing demands of the respondent groups we interviewed. While the housing stock composition in the AMA therefore seems rather unique internationally, the fact that the region has a problematic housing market is much less unique. Among our ACRE case studies, there are several other examples of city-regions where the core city in particular faces housing market problems of various kinds: too high price level, difficult access to housing for ‘newcomers’, a bad price-quality ratio, a bad state of maintenance, or a combination of those.

The other factors discussed could rather be called ‘ubiquitous’ as far as we limit this term to our sample of ACRE case study regions. In most of the ACRE case study regions, many of our respondents were drawn to the region because of study or employment opportunities; all our case studies are at least regional employment and education centres and most are even prominent centres at the national or even European level. The quality of life was generally assessed positively by our respondents in most ACRE cities, too; and tolerance and diversity were not often considered a problem by creative knowledge workers and managers. If tolerance and/or diversity were judged less positively, this was mainly expressed by the transnational migrants. Finally, the importance of social bonds and business networks was stressed in all ACRE case study regions. That said, we should of course acknowledge that our sample of case studies is not random and representing specific types of cities; maybe if we would compare with other cities outside our ACRE sample, some of these factors would become site-specific or city-type-specific instead of ubiquitous.

### 4.3 Path dependence

In the initial stage of the ACRE project, we have analysed the historic development trajectory of the AMA and the extent to which the current situation of the city-region could partly be explained from a perspective of path dependence (Bontje & Sleutjes, 2007). Later we have compared the development trajectories of Amsterdam and the AMA to those of Leipzig (Bontje & Musterd, 2008), Milan and Munich (Von Streit et al., forthcoming). At this stage of the project, having analysed the opinions of our respondents, it is a good occasion to return to this path dependence question and try to connect the respondent's view to the city-regional development with a specific focus on its development since the late 19th century, though frequently also going back to the early 17<sup>th</sup> century when Amsterdam became an economic and cultural centre of international fame. We will focus again on the factors mentioned as the most influential in the location decisions of creative knowledge workers, managers of companies in creative knowledge sectors, and transnational migrants working in these sectors.

#### 4.3.1 Employment

The AMA, as mentioned before, has a broad and diverse economy. The services sector dominates the scene, like meanwhile is true for most if not all larger European city-regions; however, in the AMA the share of service sector jobs is among the highest in Europe. In 2005, 85% of all jobs in the AMA were in services and even 92% in the city of Amsterdam (Bontje & Sleutjes, 2007). The most recent data (2008) for the city of Amsterdam even indicate a further growth towards 93% (O+S, 2008). This means that manufacturing is a rather marginal sector in the AMA and even virtually absent in its core city Amsterdam, which is contrasting with city-regions with significant high-tech industrial sectors like Munich and Milan (Von Streit et al., forthcoming). The AMA experience becomes even more special when we go back in history: while manufacturing was a much more important sector in the late 19<sup>th</sup> and early 20<sup>th</sup> century, Amsterdam has never been a manufacturing city and the AMA has never been a manufacturing region. The current extremely strong service orientation of the regional economy has its roots in the 17<sup>th</sup> century when Amsterdam became one of the world's leading centres of trade and commerce, supported by the Dutch exploitation of colonies in East-Asia and the Caribbean and an extensive network of trading posts worldwide. After serious stagnation from the late 17<sup>th</sup> until the mid-19<sup>th</sup> century, Amsterdam re-emerged as a trading and commercial centre in the second half of the 19<sup>th</sup> century. While many other city-regions attracted and created strong manufacturing sectors, Amsterdam and most of the AMA based their economy on finance, trade, retail, logistics, leisure and entertainment instead, as if already foreseeing what a post-industrial economy should look like. Some cities in the AMA like Haarlem, Zaandam and IJmuiden were, and partly still are, home to large manufacturing companies, but even there manufacturing has meanwhile become less important than service provision.

This historically rooted service profile, combined with the growing importance of Amsterdam as a centre of culture, science and education since the late 19<sup>th</sup> century, created a very attractive regional labour market for higher educated people and creative talents. Moreover, the strong international orientation Amsterdam has since the 17<sup>th</sup> century and the good

continental and intercontinental transport links the AMA has built up in the 20<sup>th</sup> century make the AMA a very attractive location for European, and partly also global, headquarters of multinationals. The only missing link in the regional economy is high-tech manufacturing and the R&D activities related to it. In the Netherlands, this economic segment has increasingly concentrated in the south of the country, with Eindhoven as the ‘epicentre’. Throughout the 20<sup>th</sup> century, a strong high-tech cluster has evolved in and around Eindhoven, driven by the electronics multinational Philips and to a lesser extent an automobile cluster. Further south, in Limburg, DSM has become an important international player in the chemical industry. While there are clear historic reasons why these sectors have emerged in the south of the Netherlands, the absence of these sectors in the AMA is harder to explain. It is probably related to the lack of higher education institutes in technical professions as well as a lack of qualified personnel for these sectors; but this may be a ‘chicken and egg’ question. While historical accounts of urban and regional development of Amsterdam and the AMA can convincingly explain why city and city-region are so strong in finance, commerce, services and culture, they lack an explanation why high-tech production was never added to this economic profile.

#### 4.3.2 Higher education

As mentioned before, Amsterdam is home to two universities and several higher professional education institutions. This includes a polytechnic, but contrary to what that term suggests, it offers only little technical specialisations: the *Hogeschool van Amsterdam* is rather specialised in commercial, economic, health, educational and cultural studies. The University of Amsterdam and the Free University (*Vrije Universiteit*) are both universities with a broad palette of specialisations in alpha, beta and gamma sciences. The University of Amsterdam has its roots in the 17<sup>th</sup> century when its predecessor, the *Academia Illustre*, was founded. Legal acknowledgement as an institute of higher education, however, was only granted in 1815, and it lasted until 1877 before this institute could call itself a university with all rights connected to that status. It is no coincidence that the city’s second university, the Free University, was also founded in the late 19<sup>th</sup> century (1880), and that art schools emerged more or less at the same time. The Rietveld Academy, the region’s most prominent art school, is the result of a merger of two art schools which were founded in the late 19<sup>th</sup> century. This does not mean, of course, that there was no art education in Amsterdam before. In the city’s first ‘Golden Age’ in the 17<sup>th</sup> century, starting painters were taught in the ateliers of famous artists like Rembrandt, but not yet in a school as we know it today. The late 19<sup>th</sup> century, as mentioned before, was the time of Amsterdam’s re-emergence as a centre of trade and commerce of international importance. It was also a time in which the Dutch national government was not as powerful and influential on local and regional affairs as it is today; municipalities and especially large cities had a lot of influence on their own affairs. In contrast to today’s representational democracy, local citizen elites ruled the city, and these elites took many initiatives to enhance science, education and art in Amsterdam.

### 4.3.3 *Urban design, architecture and housing market*

While our respondents, especially the transnational migrants, were generally positive about design and architecture in the AMA (most of all the city of Amsterdam), they were almost unanimously negative about the regional housing market in general and that of Amsterdam in particular. The respondents' opinion about urban design and architecture is influenced mostly by the inner city of Amsterdam and the older extension areas (19<sup>th</sup> and early 20<sup>th</sup> century). Here we find those attractions that also appeal to international tourists: the canals and canal houses, busy mixed-use areas, shops, bars and restaurants, terraces, markets etc. The inner city has largely kept its spatial structure of the Golden Age, which clearly has its charm. The neighbouring older extension areas mainly resulted from speculative private housing projects in the 1880s and 1890s. Both the inner city Golden Age roots and these older extension areas have one thing in common: rather small dwellings in a densely built area. With the exception of the wealthiest merchants, the standards of reasonable living space were much lower in the Golden Age than today. The oldest extensions on the other hand were initially built with the intention of maximising profit, which mainly happened by realising as high a dwelling density as possible. Therefore many smaller dwellings were preferred instead of low-density larger dwellings. Both the inner city and the older extension areas could have fallen victim to large-scale demolition and the construction of high-rises and highways in the late 1960s and early 1970s. Citizen protest movements have prevented this and contributed to a policy turn towards a more incremental form of urban renewal. Large parts of the inner city housing stock have been renovated and demolition and new construction only happened at a modest scale in the existing neighbourhoods. In addition, starting in the mid-1980s, former harbour and industrial areas have been transformed into attractive new residential environments. Similar initiatives were taken in the smaller cities around Amsterdam.

The newer city extensions since the early 20<sup>th</sup> century, both in Amsterdam and the surrounding smaller cities, have long been dominated by social rental housing, again generally in densely built areas with rather small dwellings. The newest extensions, like the IJburg district, are dominated by owner-occupied dwellings instead. Despite the gradually increasing share of owner-occupied housing, and the gradually increased size of social rental dwellings, more spacious dwellings in Amsterdam are either only a realistic options for the higher and higher middle income groups (the largest canal houses, wealthy areas at the southern and eastern city edges, and the newest extensions), or have once been built for families with children at the city outskirts, again dominated by social rental housing (the post-war city extensions in the west, north and south-east). Outside of Amsterdam, there is a larger choice of larger dwellings for all income categories, but these are mostly interesting for those creative knowledge workers who appreciate or do not mind a more suburban residential setting. Those creative knowledge workers that prefer to live in a highly urban environment have to deal with the shortcomings of the housing market within the A10 ring road in inner-city Amsterdam.

Not long ago, in the early 1980s, the share of owner-occupied housing in Amsterdam was even less than 10%. The share in the AMA was significantly higher, but also there, social rental housing was the largest and fastest growing sector. Especially in 'new towns' like Almere and Purmerend, the construction of new houses around 1980 was almost 100% social housing. This happened in a time when city living was very unpopular and the national

government made attempts to channel suburbanisation into selected new towns. Suburbanisation, it was then argued, had to be possible for all income classes, so social housing should be provided. Another important reason was the deep crisis on the owner-occupied housing market, after a sharp price drop in the late 1970s connected to the oil crisis and international economic downturn. For some years owner-occupied housing was hardly profitable and social rental housing was the only way to keep housing production at a reasonable level. Since the mid-1980s, several factors changed this picture: local and national planning policy shifted from a deconcentration policy towards a compact city policy; the urban renewal started in the 1970s revitalised the cities; (inner) city living became more popular; the price level at the owner-occupied market rose again; the share of owner-occupied housing in new extension areas was raised. In the late 1990s, the sale of parts of the social rental stock encouraged the rising share of owner-occupation even further. One would expect this would contribute to a more balanced housing market, but so far, this only happens to a very limited extent. The pressure at the Amsterdam and (to a lesser extent) the AMA housing market has remained: many people want to live in the city-region, preferably in or close to Amsterdam, but there is still a serious mismatch between supply and demand; access to affordable housing for newcomers is limited; the market gets congested because relatively few people move; and the middle price segment is weakly represented in Amsterdam. The current economic crisis has had a clear impact on the regional housing market: prices of owner-occupied housing have dropped, but still, buying an owner-occupied dwelling in the AMA is expensive. Another effect of the crisis is that several housing projects have been delayed or postponed. It remains to be seen if these crisis impacts are only short-lived, or lead to more structural changes in the region's housing market situation.

#### 4.3.4 *Quality of life*

This dimension is quite interrelated with the appreciation for architecture and urban design in the AMA, and particularly in its core city Amsterdam, described above. As mentioned, many of our respondents appreciated the inner city to go for a walk, to shop or to go out. Amsterdam's unique inner city built environment is largely the heritage of its abundant wealth in the 'Golden Age' of the early 17<sup>th</sup> century. The stagnation of Amsterdam's growth until the late 19<sup>th</sup> century left this inner city as a kind of open air museum; and even after growth re-emerged, it was largely left untouched until the 1960s. As described above, and in more detail in an earlier ACRE report (Bontje & Sleutjes, 2007), citizen protest prevented large-scale modernisation and CBD formation in the historic inner city. Thanks to urban renewal being focused more on renovation and restoration than demolition and modernisation, this inner city milieu now appears attractive as a living, working and leisure environment. Flip sides of successful citizen movements like the squatters of the 1980s and neighbourhood groups since the 1970s mainly seem to lie in the accessibility of the inner city. The subway network, against which there was heavy protest in the 1970s, is still incomplete, and will not become complete once the North-South metro line is completed. The central railway station has become overcrowded with commuters, tourists and day visitors, but is currently being renovated and modernised. Car traffic is complicated towards and from the inner city because of its narrow and congested streets, high and continuously increasing parking fees, and several local policy initiatives to discourage inner city car traffic. Bikes seem to compensate

for this missing link in Amsterdam's public transport, since they are arguably the fastest and most flexible means of transport to travel across the city, winning from trams, buses and taxis and definitely also from the private car.

Amsterdam has been the cultural centre of the Netherlands since the late 16<sup>th</sup> century and still has the richest offer of cultural venues in the country. Some even have a strong international reputation (Concertgebouw, Rijksmuseum, and Van Gogh Museum). Again, the late 19<sup>th</sup> century has been an important time for Amsterdam's development: many of the most successful and most popular cultural institutions and stages of today were founded then. The surrounding cities like Amstelveen, Haarlem and Zaanstad have several cultural venues, too. 'New towns' like Almere and Purmerend have less to offer in this respect; they struggle against the stubborn image of dormitory towns. Retail is more evenly spread across the region, though the main concentration of specialised shops in exclusive and/or fashionable items is still to be found in the Amsterdam city centre. Since the late 1980s several city-edge and suburban shopping malls have emerged, but they have not become direct competitors of the inner cities of Amsterdam and Haarlem. Transnational migrants mentioned in our interviews they missed the absolute top segment in shopping compared to cities like London, Paris or New York. Similar remarks were made by some of the transnational migrants and managers about Amsterdam's nightlife. Still, generally most of our respondents were quite satisfied with these aspects of the AMA's quality of life. Finally, looking at the respondents' opinion, the AMA in their view is a well maintained city-region. Its public spaces are generally appreciated well, though the extent to which it is kept clean leaves room for improvement, while safety was also coined as an issue of concern. Amsterdam does have a rather messy reputation at least since the 1960s when it became a city where everything was possible' and it has had safety problems probably as long as it exists; however, such problems are common for almost every world city.

#### *4.3.5 Tolerance, diversity, openness*

The Netherlands until recently had a solid international reputation for being a tolerant country. This reputation was probably mostly linked to Amsterdam. Within the Netherlands, Amsterdam is still one of the most tolerant places regarding acceptance of different cultures, lifestyles, ethnicities and sexual orientations. The city probably also still stands out positively compared to many other places in the world. However, recent developments in the Netherlands as a whole, but certainly also in Amsterdam and the AMA, point at the limits of tolerance and at tensions between tolerance and (ethnic, cultural, lifestyle, sexual) diversity. In an earlier ACRE report (Bontje and Sleutjes, 2007) we argued that the tolerant reputation of the Netherlands and Amsterdam goes back at least until the Golden Age of the early 17<sup>th</sup> century. Amsterdam (and to a lesser extent the Netherlands) was already becoming a multicultural, multi-ethnic society then. The Netherlands as an emerging world power attracted many labour migrants from across Europe. Amsterdam was their most preferred destination, and the city (and cities in its vicinity like Haarlem) also attracted many artists and intellectuals from countries like Flanders, France, Germany and Italy. The Dutch traded across the globe with people from various ethnic and cultural backgrounds. An eternal

discussion among Dutch historians is whether we really could speak of tolerance here, or rather the pragmatic acceptance of difference in the interest of trade and profit.

In the late 1960s, tolerance and diversity became appreciated values in Dutch society as traditional boundaries between societal ‘pillars’ (catholic, protestant and atheist/socialist) were broken down and institutions like the church and the nuclear family lost influence. This process ran more or less parallel with the arrival of a new influx of ethnic minorities, initially as labour migrants, later forming families. The migrant groups from Southern Europe, Morocco and Turkey were initially welcomed as short-term migrants; later, when they appeared to stay longer or permanently, discussion about integration in Dutch society were largely avoided. Concepts like ‘the multicultural society’ tried to grant ethnic groups generous room to maintain their own norms, values and traditions. The serious integration problems this produced were acknowledged in the late 1990s and integration policies radically changed since the turn of the century. Migrants and their second and third generations are more and more encouraged to integrate in Dutch society and deviating cultural traditions are less accepted. Several politicians at the (extreme) right side of the political spectrum express hostile points of view towards migrants and ethnic minorities. Some of our transnational migrants referred to that tendency, but generally our respondents considered Dutch society in general and in the AMA in particular as having a high tolerance for diversity. Openness towards other cultures, however, is another matter. Several transnational migrants complained about problems of getting to know native Dutch and socialising with them. This may be reflecting a more general Northern European feature rather than a specific Dutch characteristic, though.

#### **4.4 The use of hard and soft factors and personal networks for a creative knowledge policy in the AMA**

The aim to attract highly skilled person has existed long before Richard Florida published his ideas on the creative class. After many middle class Dutch left Amsterdam to move to the suburbs in the 1960s and 1970s, the city was interested to reverse this flow in the other direction. In a first period, in the early 1990s, the city tried to improve its cultural amenities to interest the more affluent strata to move back to Amsterdam (van Aalst 1997). Also Dutch ministries were increasingly interested to influence the composition of the inhabitants of larger cities in the Netherlands and they aimed a better social mix (Hemel, 2002). When Richard Florida introduced his ideas in Amsterdam, the policy paper received a lot of scepticism in the local press (Wiegman, 2004a; Wiegman, 2004b). This scepticism slowly disappeared after a new city government was elected and the national government approved several initiatives in favour for the creative industry. They encouraged the development of the ‘spearheads’ and the creative knowledge industry was identified as one of them (*Pieken in de delta* (Ministerie EZ 2004). Municipalities were invited to apply for funding in the following “Creative Challenge Call”. The region was very successful in its response and received subsidies for several public and private initiatives as well as the Ministries of Economic Affairs and Education, Culture and Sciences (Ministeries EZ and OCW, 2005).

One of the most important results on the regional level is the founding of a regional office for the Creative Industries: Creative Cities Amsterdam Area (CCAA). The founding of CCAA (2007) was made possible through a successful application for funds out of the *Pieken in de Delta* programme. Seven cities participate in CCAA: 5 of them are in the Amsterdam Metropolitan Area (Amsterdam, Almere, Haarlem, Hilversum and Zaanstad); the other two participants are Amersfoort and Utrecht. CCAA has three main objectives: the bundling of already existing initiatives, knowledge, activities, and policies in the seven cities; support for professionalising the creative sector; and promotion of the creative sector in the participating cities with international trade missions, presence at international fairs, and by highlighting the Netherlands as an attractive location for foreign creative companies

At the local level several initiatives were taken earlier. One example with a broader scope is AIM (Amsterdam Innovation Motor). It encourages innovation in creative industries, ICT, sustainability, trade and logistics, and life sciences and funds the CCAA activities for Amsterdam. Other prominent local examples of entrepreneurial initiatives are the yearly cross-media conference PICNIC and the networking initiative Amsterdam Creativity Exchange. Another important milestone was the establishment of a programme for the creative industry in 2007. The programme of the municipality Amsterdam has 6 program lines: the relation between the creative industries and education, cultural diversity, stimulate creative entrepreneurs, link different sectors within the AMA, provide space for the growth of the creative economy, and promote the city internationally. Amsterdam sees cultural diversity as an important pillar of their creative strategy. It is argued that since the city is already among the most diverse in the world, the city should aim to make use of its talent. Furthermore, it is assumed that the city should provide platforms where entrepreneurs from different sectors can meet (e.g. PICNIC). The regional organisation of the creative industry is considered important. Finally, the city aims to position itself internationally to attract companies and talent. The brand Amsterdam consists of three fundamental aspects: Creativity, Innovation, and Mercantilism.

In conclusion, the policy in the Netherlands is oriented towards hard factors. The programmes support the creative knowledge economy and the linkage between the creative economy and other parts of the economy. The latter, however, is still less prominent than the first. The emphasis of the daily practices is the support the creative entrepreneurs through agencies like the CCAA and Broedplaatsen. The availability of space is a second and the improvement of education for creative abilities a third topic which is an element for political support.

The branding of Amsterdam is another prominent policy strategy which is more related towards promoting soft factors. The support for cultural diversity for the creative industry is another programme which is more oriented towards the soft location factors, but in fact the attention is confined to local initiatives which address young adults.

The attentions towards social networks and the improvement of local linkages between the actors of the creative industries is present in the AMA, since many organisations support or establish social platforms (Picnic, Amsterdam creativity exchange).

**Figure 4.1 - Policy for the creative industry in the Netherlands by scale**

| <b>Scale</b> | <b>Responsibility</b>                                                                                           | <b>Name of programme</b>                                                                                                                    |
|--------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| national     | National Government                                                                                             | National Innovation Platform<br>Our Creative Potential<br>Peaks in the Delta                                                                |
| regional     | Regional cooperation Amsterdam' (RSO)<br>City region Amsterdam<br>Chambers of Commerce<br>Randstad – North wing | Creative Challenge Call<br>Opera-Plan<br>Regional Innovation Strategy<br>Creative Cities Amsterdam Area                                     |
| municipal    | Municipality of Amsterdam                                                                                       | Topstad policy<br>Kenniskring<br>Amsterdam Innovation Motor                                                                                 |
| municipal    | Collaboration between departments<br>Support from municipality                                                  | Creative city policy<br>Creative industry – main points<br>Agencies<br>Amsterdam Creativity Exchange<br>Streetlab<br>.....<br>Broedplaatsen |

Source: Own design

## 5 CONCLUSIONS

In conclusion, we should start with stressing that the Amsterdam Metropolitan Area is generally judged positively by our respondents. Most workers, managers and transnational migrants in creative and knowledge-intensive sectors we interviewed consider it an attractive region to live and work. The regional labour market offers sufficient employment opportunities in the creative and knowledge-intensive sectors. The region has a good offer of amenities and the residential quality of neighbourhoods in the region is generally considered good or at least sufficient. Most aspects of the working environment, ranging from the company facilities and atmosphere to business networking opportunities, also receive a positive judgment. The reasons for moving to and/or staying in the AMA are a mix of hard, soft and personal factors. While a prominent role for soft factors was to be expected if Florida's creative class hypothesis would apply to the AMA, more important roles in fact are played by hard factors and especially personal factors. Being born or having studied in the AMA and/or having friends and relatives there were very often mentioned by creative knowledge workers and graduates as well as managers as important reasons to explain their presence in the region. Study was also frequently a reason for transnational migrants to move to the AMA, after which they often also build up a social network in a later stage that attaches them to the region for a longer time. Hard factors like employment and career opportunities, however, were equally important. While soft factors were mentioned less frequently, we have to add that in the AMA they were mentioned more often than in most other ACRE case study regions.

The AMA in the opinion of our respondents has clear strengths in its labour market, its offer of higher education and its quality of life, including the presence of urban amenities like shops, leisure and cultural venues. Transnational migrants and managers were slightly less positive about the regional quality of life; some of them made negative comments about missing top segments in shopping and gastronomy and the level of hospitality in Amsterdam retail and nightlife. Opinions were also divided on the issue of tolerance: while creative knowledge workers and managers generally were positive about the level of tolerance, transnational migrants were less convinced if Dutch society is really tolerant. Most negative comments across the entire range of respondents, though, were about housing. Creative knowledge workers and managers mainly commented on the difficult access to housing, especially the social rental sector, and the high price level, especially in the owner-occupied sector. Transnational migrants added complaints about the small size of most housing in the region and connected to that a problematic price-quality ratio. This does not come as a surprise as these are familiar comments from many other surveys too and regional policy-makers are already working hard to improve the housing market. Partly the problems are familiar to any successful creative knowledge centre, since attractive and successful regions lead to a high housing demand and often to supply shortages. Partly also however they are

specific problems of the AMA because of its high share of social rental housing and long waiting lists; problems that are only slowly beginning to be solved.

## 5.1 Possible recommendations

It is not easy to formulate concrete and workable policy recommendation from our research. Our most important and unexpected finding, the importance of personal attachment to the city-region, is hard if not impossible to translate into local or regional policies. The surprisingly long duration of residence of most of our respondents, even of the transnational migrants, could indicate that the AMA is, despite its shortcomings as mentioned above, a very attractive region for workers, managers and entrepreneurs in the creative knowledge economy. From our survey and interviews we are quite aware of what attracted these people to the region; but what becomes less clear from our research is why they stay. Of course, the importance of friendship and family ties were often mentioned, but are they stronger in the AMA than they could be elsewhere, and if so, why? This would be an interesting research question to explore further. It is unlikely, however, that factors like social ties to city or region could be directly influenced by policy measures.

Other results of our research more easily connect to policy consequences; most of all of course the housing market. Increasing the share of owner-occupied housing may alleviate part of the housing market problems. What the consequences of decreasing the social rental sector eventually will be is less clear. Is the not-yet-met demand really mainly in the owner-occupied sector, and if it is, is it mainly in the higher price segments or rather in the lower or medium price range? Several local and regional policy initiatives are already in progress in the AMA to tackle problems of access and low mobility rates in the regional housing market, and especially that of the core city Amsterdam. It is too early to judge their impact yet since most measures have been started quite recently, but it is clear that the housing market remains an issue of the highest political priority. The biggest challenge will be finding sufficient adequate locations for the about 100,000 additional dwellings the city-region is supposed to build in the next decades to cater for the expected growth of the population and the number of households.

A problematic dimension of regional development (though much less frequently mentioned) is tolerance for (cultural, ethnic, sexual) diversity and openness towards 'the other'. Particularly the city of Amsterdam is already working hard to restore the city's tradition of being very tolerant, but frequently incidents happen in the city or elsewhere in the AMA that put the success of those political and societal efforts into question. As several of our interviews with transnational migrants made clear, this can make them feel less welcome and at home in the Netherlands and the AMA region. Particularly the city of Amsterdam is already making efforts to safeguard and improve tolerance in the urban society, but additional municipal efforts may be needed, in partnership with creative and knowledge-intensive companies, NGOs and education institutes at all levels. Maybe a programme like *Wij Amsterdammers* ('We Amsterdammers') could be expanded to the city-regional level too, since problems with tolerance and openness are definitely not limited to Amsterdam's city

boundaries. That said, it also depends much on national political and societal trends in the Netherlands, where an anti-immigrant sentiment seems to be gaining influence.

The results of our studies underline the importance of the labour market in the AMA which improves the attractiveness for creative knowledge sectors. Therefore we recommend strengthening the labour market with innovative and successful measures. One interesting example is reported by Hesmondhalgh (2007). The Greater London Council (GLC) identified several sectors which expected to grow in the following decades. The cultural industries which were selected were analysed thoroughly not only by sector, but also by qualification level. At the moment, research on the creative industry often focuses on highly qualified occupations. In Amsterdam a few initiatives already exist which support autodidacts to enter the field and to extend their expertise by provided instruments and labs (Waag Society and Media Gilde). We recommend extending those activities and identifying future labour shortages of occupations with middle range qualifications.

Our study of the transnational migrants mainly addressed the situation of first generation immigrants that have recently migrated to the AMA. The second generation of immigrants is underrepresented in the creative and knowledge-intensive industries in many European cities such as London (Evans, 2009) and Amsterdam (Kibbelaar and Bijleveld, 2007). This second (and third) generation often has parents (the first generation immigrants) that came to Europe for low-skilled work and are often only partially integrated in the host society. The second and third generations of these groups are making progress in terms of education level and labour market position, but also face problems related to being 'lost' between two cultures and facing discrimination. Amsterdam stated in its programme for the creative industries that it will support diversity, but the scope of the projects is still small. So far it mainly addresses young adults mainly through social work. We recommend to extend it to all age groups and make a serious attempt to establish connections with the business world to point out the abilities of the second generation and their possible contributions towards the creative knowledge industries, to introduce this group as an underused labour pool. This relates back to the earlier argument about tolerance and openness towards 'the other', too. Furthermore, educational institutions could also be involved in this endeavour. That leads to the next recommendation

The results of our studies underline the importance of higher education institutions. The city of Amsterdam also recognised the importance of this point and identified the connection between education and creative industry as one of the main point of their programme. Recent OECD reports stated that companies in the Netherlands tend to invest less in the education of their staff than other OECD members (OECD 2008). Further education initiatives might be more difficult to realise for companies in the creative industries, since the average company size is very small. Therefore, we think that policy makers should take the initiative to identify possible initiatives which could provide further schooling and also to underline the importance of further education for the competitiveness for larger companies.

Looking at company spaces, we noticed that the availability and price level of company space was not among the most crucial location factors for the managers we interviewed. Still, it was considered important, especially by managers and self-employed of small creative companies. Affordable space for creative start-ups has already been an important policy priority in

Amsterdam for about a decade. The policy for *broedplaatsen* (incubation spaces) started in 2000 to offer an alternative for disappearing anarchistic ‘free places’ of artists and squatters. Meanwhile, it has evolved into a very successful programme with many locations spread across the entire city. Several other Dutch and foreign city governments have been inspired by this example and started their own versions in their cities. We can now find *broedplaatsen* elsewhere in the AMA too, in cities like Haarlem and Zaandam. While at first the policy was regulating the *broedplaatsen* quite strictly, meanwhile the creative sector seems better organised and several companies and foundations have been founded to start up *broedplaatsen* and manage them. The Bureau Broedplaatsen of the city of Amsterdam encourages such self-organisation and should continue to do so. Hopefully the *broedplaatsen* will remain an important element of Amsterdam’s creative city policy and of city-regional strategies for many years to come.

A related policy priority is transforming vacant office space. Amsterdam and many other locations in the AMA have a structural over-supply of office space. Already attempts are made to make these office spaces available and suited for other functions. This includes opportunities for new (creative or knowledge-intensive) start-up spaces, but also housing. Just like former factories and storage houses, offices should get new functions if there is no short-term perspective on office use. Initiatives like the ‘office pilot’ (*kantorenloods*), who is facilitating and encouraging new functions for offices in Amsterdam, should be maintained and encouraged. This requires support from the national policy level too, since currently still many rules and laws form obstacles to functional changes of buildings.

Finally, the importance of maintaining the unique design and architecture of Amsterdam’s inner city can hardly be overstated. Our transnational migrant respondents made clear they appreciated the urban design and architecture of Amsterdam, especially in the inner city, and the special atmosphere it creates. They connect this to the bicycle as a preferred means of transport too. Indirectly, the creative knowledge workers in our survey also hinted at the importance of the inner city design and atmosphere, when they indicated going for a walk in the (inner) city as one of their favourite leisure activities. Several managers we interviewed also pointed at the unique character of Amsterdam’s inner city and the adjacent extension areas of the 19<sup>th</sup> and early 20<sup>th</sup> century. In retrospect, the policy turn from CBD development towards renovation and restoration in the 1970s has proved to be a fortunate choice.

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