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Balancing Regional Developments in order to Improve the Overall Quality in Urban Regions: the case of the North Wing Tragedy of the Offices

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Abstract
Metropolitan regions embody arrays of spatial externalities operating on multiple spatial scales. Actions of all players have some inescapable consequences for others in the region and intra-regional competition might harm the extra-regional competitive performance of a region as a result of these externalities problems. The failure to provide adequate incentives to generate positive externalities or mitigate negative ones decreases the overall quality of the urban region. In order to improve the competitive performance this quality should be improved. Here some measured form of collective response is thus called for although within urban regions the relevant collectivity may not be easily mobilized or even identified. What kind of regional coordination models might be used to overcome the collective action problem? In this paper will be dealt with four coordination models to arrive at more balanced and less competitive regional development with respect to the ‘office problem’ in the North Wing of the Randstad in the Netherlands. In the Amsterdam Metropolitan Area the rate of office oversupply is quite unhealthy at the moment, due to intraregional competition. To what extent would it be possible to organize a collective response for this problem, taking into account the difficulty of integrating actions with the divers players in a region as the interests are very different, which hardens fine-tuning?

1. Introduction
Both the enlargement of scale and scope of cities urge the resulting new urban regions to develop multiple and flexible action strategies to improve their networks (Salet, 2006) as these regions are often considered to be the economic engines of the new global economy. Following Swyngedouw’s ‘globalisation’ hypothesis (1997), in which is meant that local and global integration are mutually intertwined and that competition between nation states is shifting to competition between these regions, because the emergence of the European Union and international competition reduces the influence of national boundaries as economical lines of defence, each urban region should become internationally competitive. The region however is highly fragmented, where as a result a multitude of different interests and resulting conflicts coexists. An increased comprehensive and high-qualitative development in a region requires more effectiveness from the different governments (local, regional and (supra-) national) in their collaborations (Calthorpe & Fulton, 2001; Porter & Wallis, 2002) and operational strategies of collective action between and within the relevant scales (Hooghe & Marks, 2001). Three ideal-
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Typical of modes of coordination, based on bureaucracies, markets and co-evolution are commonly used to shed more light on governance systems (Savitch & Kantor, 2002). Governance tends to involve cutting across those modes, an idea that suggests the concept is flexible and agnostic, with no core model of its own to offer and the belief that inherited divisions of labour and patterns of accommodation fall short of what is now required as a result of the new era of accelerated change and growing complexity requires radically more dynamic kinds of governance system (Gordon: 2006: 136-137; Gordon & Buck, 2005).

Although some authors argue this regionalization processes result in the ‘hollowing out’ of the state and see governance as a ‘result of interactive social-political forms of governing’ (Rhodes, 1996: 658), others develop a more nuanced picture of ‘shifting roles’ in governance, rather than a loss of power. They argue both government as governance share their goal of creating the conditions of “ordered rule and collective action” (Stoker, 1998: 17) and focus on the changing context for governing as a result of changes in society, in relations between actors and ideas about decision making, without losing sight on issues like offloading of responsibilities, transparency, accountability, and inclusion and exclusion in governance processes (Healey et al. 2002; Salet, Thornley & Kreukels 2003). Rather than losing power, governments are changing their routines and search for the creation of these new collective action conditions across the conventional organizational divides between agencies, sectors, areas and hierarchical levels (Stoker, 1998: 17; Gordon, 2006). The metaphor of ‘filling in’ in the rescaling process seems more appropriate (Goodwin et al: 424). The ultimate partnership in an interactive governance process is the formation of a self-governing network, including the establishment of a level of mutual understanding and embeddedness in order to develop a shared vision and joint-working capacity (Stoker, 1998: 22-23) with interdependencies between actors and with losing the hierarchical levels. As Gualini (2002: 33, emphasis in original) argues “the challenge for governing and managing action becomes that of co-production, of the pursuit of joint results from the activity and initiative of multiple social actors”.

Metropolitan regions are important sites for discussion about co-productive governing and managing action and defining the conditions for this collective action, because of the extreme complexity of their present and potential policy issues and the widespread failures in establishing effective forms of bureaucratic governance that have been seen at this scale until now, with possible negative effects for the city-region’s economic competitiveness (Gordon, 2006: 137). As activities of formal government are never “hermetically sealed off from the outside world” (Healey et al. 2002, pp. 14-15), actions of all players have some inescapable consequences for others in the region and intra-regional competition might harm the extra-regional competitive performance of a region as a result of these externalities problems. All solutions to externality problems are redistributive according to Coase (Webster & Lai, 2003: 149) but how rights and liabilities over shared resources are actually allocated within urban neighbourhoods and how they might be allocated to maximize the wealth of the community is always an interesting issue.

Urban regions constantly face situations of competitive co-production or ‘coopetition’ (Porter, 1998). For example, as all municipal players in a region focus on high quality office development in order to increase their local competitiveness, the competitiveness of the metropolitan region as a whole decreases as a result of the oversupply. In a metropolitan perspective a so-called tragedy of the commons exits as there is a conflict over resources between individual interests and the common good involved (Hardin, 1968). Not only the demand for office space by market actors is involved as a resource, but also the open space that might be used for office zoning in a region. And although the open space, at least in the Netherlands, is not freely accessible as it is always one of the municipalities who has to decide whether or not to use the open space for another development, the total necessary space for offices in a metropolitan region is quite a finite resource. The same is more or less true for the maximum available demand for offices in a region. The demand for offices can in regional perspective be seen as a kind of common or shared resource.

In the North Wing, the metropolitan area of Amsterdam (see figure 1), over-exploitation of the office demand exits because of the benefits of exploitation accrue to individual municipalities, investors and project developers,

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1 Harrison (forthcoming) shows the constantly occurring processes of both metaphors across and between all scales.

2 In a phase of business upturn and development available space is absorbed quickly and new development is attractive for investors because of lower interests rates and higher rents, but the moment the new development comes on the market, real interests rise in response to the boom and the business circle turns downward. As vacancy rates rise, rents faller and new development is postponed, although for some time new development comes on the market as result of the pipeline effect. After this business downturn and overbuilding phase, the market should adjust with falling rents, which – eventually – eases filling of vacancies when an upswing of the business cycle occurs (Ploeger, 2004: 35-36).

3 The metropolitan area of Amsterdam is also called North Wing in the Netherlands. The policy network of the North Wing covers the area of 28 municipalities (within two provinces) around Amsterdam; roughly the area between Schiphol, Amsterdam and Almere. Other argue Utrecht is also part of the North Wing urban network. The South Wing consists of the metropolitan areas of Rotterdam and The Hague. Together the North and South Wing form the Randstad.
each of which is motivated to maximize the own use of the resource, while the costs of exploitation are distributed between all those to whom the resource is available, in this case not only other municipalities who decide not to build more offices, but also existing office owners (who face devaluation of their properties) and the inhabitants of the region who lack possible other land use amenities, and, in the case of ‘death offices’ have to face the site problems. A classic collective action problem can be distinguished (Ostrom, 1990; Olson, 1965). Such a collective action problem is about rational actors, acting independently and instrumentally cannot be counted on to commit resources to a common cause (Gordon, 2006: 140).

**Fig. 1: Overview of the North Wing in the Netherlands**

In many cases a coordination-dilemma in which actors share collective interests without acknowledging it exits (Scharpf, 1997). Due to the unevenly divided costs and benefits generated from regional developments coordination and cooperation between parties is complicated and spontaneous collaboration is not for granted. The present forms of hierarchic steering are not sufficient to create way of optimizing benefits for the whole region and a fair cost (or lack of benefits) division. Gordon (2006: 139) concludes “notoriously, externalities are associated with shortcomings in performance, since unregulated markets ‘fail’ to provide adequate incentives to generate positive externalities or mitigate negative ones. Some measured form of collective response is thus called for. However, the particular challenge for governance in complex regions is to find appropriate means of both differentiating and integrating these actions in situations where the relevant collectivity may not be easily mobilized (or even identified)”. All existing and emerging urban networks face the need to search for interconnectivity strategies, which focus on embedding economic aspirations in balanced, but integrating and differentiating concepts of social and spatial developments in a context of multi-level and multi-actor governance.

In this paper effective governance strategies for balancing office developments the North Wing region, from a public cooperation perspective, will be explored. The metropolitan area of Amsterdam faces an intra-regional competition problem, overlooking the oversupply of offices. According to the data on supply and demand by the end of 2005 the municipality showed enough office meters were planned for the next 83 years. For the region this market disruption is undesirable, but only very recently some of the involved players felt obliged to search for a solution. It is difficult to integrate these actions in a collective response with the divers players in the region as the interests are very different, which hardens fine-tuning. Further, no defined problem owner exits and the possibilities for a hierarchical solution to this collective action problem are small, due to missing coordination and leadership on the regional level. What coordination strategies might solve the North Wing Tragedy of the Offices?
2. The North Wing Tragedy of the Offices

Capital accumulation through investments in the built environment is important for metropolitan regions (Scott, 1988; Ploeger, 2004). In particular investments in offices are important, as offices are where a large percentage of job growth occurs (Lang, 2000: 2). The spatial-economic development of metropolitan areas has been influenced not only by the existing built environment, but also the institutional structure of the local real-estate market, as real estate has become an increasingly significant asset in investment portfolios (Keivani et al, 2001; Van der Krabben, 1995; Ploeger, 2004: 29). Ploeger (2004: 5) argues, the office “as an element of temporarily fixed urban environment, is both the medium through which the capital accumulation process can proceed (the office as a means of production), the milk cow for capital’s accumulation (the office as a financial asset), and the material manifestation of a particular round of capital accumulation (the office as an object in space)”.

These three definitions, in different institutional realms cause diverging interests in office development.

The location of office space is critical to a number of public policy questions as new office space can help determine the extent to which there is a jobs/housing mismatch in a region. Further, office location might also impact urban sprawl. If most new office space is constructed at the regional edge, it may extend commuter sheds (Lang, 2000: 2). Because of its societal impact, office provision is subject to urban planning cq local spatial regulation. However, in general regulation on a regional level hardly exists, although relations between business, labour and banking and finance (major consumers of offices) are rescaling to regional and even international levels (Ploeger, 2004: 149).

In the North Wing region this lack of regional office regulation resulted in an oversupply of offices exists. In the Amsterdam region, the central city of Amsterdam used to have the autonomous power in guiding office development for decades. Recently, surrounding municipalities challenged this power by building competing office locations (Ploeger, 2004: 142), but all local spatial economic development perspectives remain focused on the urban level. In 2006 about two million square meter of office space are left without a user. In the plans until 2030 eight million new square meters are foreseen. Although a part of the existing offices is obsolete (so called ‘dead offices’), the supply of new offices exceeds the demand enormously (Van der Plas, 2006). According to calculations based on the economic growth scenarios the demand will maximally be 3.5 million m$^2$ (minimum demand is 1 million m$^2$). On average about 20% of the Amsterdam Area office buildings is vacant. The Amsterdam overbuilding case is a classic textbook example: all new developments simultaneously came to the market, vacancy rates rose, rents faltered and new development was postponed, except for pipeline developments (Ploeger, 2004: 148). According to Ploeger (2004: 150), the absence of any kind of regional or metropolitan development strategy implied scattered flagship developments across the region, frictions on the local and regional housing markets and competition of land by social and economic agents.

For the region this market disruption is undesirable, but until recently none of the involved players felt obliged to search for a solution. The owners of the offices, often foreign (German, but increasingly also Irish) investors, work with office portfolios. As long as their investments in total are profitable enough, they do not see vacancy as a problem, whereas. Until recently most politicians did regard the oversupply as a market failure. They argued the oversupply as a stage in the pig cycle (the phase of business downturn) and did not question it as a public problem. In their opinion empty offices were only a problem for their owners, the investors and developers, but also for the municipalities, moreover, if they are the landowner, which is quite often the case in the North Wing region. Land issuance gave Dutch municipal governments a strong position in urban developments in the Netherlands (Ploeger, 2004: 125). Selling building land is the main milk cow for municipal governments, and, for example the Municipality of Amsterdam purposely encouraged risky developments in the late 1990s, by remove pre-lease clauses to indulge developers to build (ibid: 148). Further, after realization of the real estate, municipalities yearly earn property taxes. Due to the Amsterdam land lease...
system, the municipality of Amsterdam also continues to earn on empty offices and thus does not really feel a need to change its function. Changing the function of offices in, for example houses, costs money, because the municipal land rent will be lower.

All municipalities in the North Wing require new development to finance municipal services, including for example the restructuring of social housing areas. The restructuring of Amsterdam South-East for example has been financed the creation of new office building on the other side or the metro line. With this, Amsterdam has heavily mortgaged its developments. One can say the restructuring, how successful as it was, has not been sustainable. The eighth million planned office square meters are all coupled to less profitable developments in ground exploitations (PLABEKA, 2005).

Recently the North Wing governors acknowledged society as a whole also suffers from an overload of empty offices via third party costs; the ineffective use of space and the no-go areas that result from too much empty office spaces that - if these problems accompany them – are called ‘city cancers’. Further, they realized financial constructions wherewith restructuring needs office development will no longer work in the future. In addition, the municipality of Amsterdam increasingly perceived the oversupply as a threat to realize the imagined top location of the Amsterdam South Axis (Municipality of Amsterdam, 2004). As a result most North Wing municipalities (re-)introduced a pre-lease regulation4. The owners of the offices are still not very interested in taking action.

Nevertheless, the region needs new approaches, for its self-created problem. However, solutions can only be made in regional perspective with at least all public players involved and eager to reach regional fine-tuning on this issue. Further, the role of non public players should not be ignored, as in the office development sphere, a wide range of actors outside the municipal influence spheres decisively influence spatial developments. As a result not only public intervention is needed for securing collective action, but also voluntary market agreements are possible (Coase, 1960). However, in this paper the public cooperation perspective is emphasized. In the next section four possible coordination strategies are introduced that might solve the North Wing Office Tragedy.

### 3. Coordination approaches for collective responses

As shown in section two, the Amsterdam region suffers an enormous oversupply of office space as a result of market failure, but also as result of an interregional competition problem. Actually, the region faces two challenges at this moment. Firstly, reusing the existing vacant offices and secondly, avoiding new office vacancy in the future. The first ‘dead offices’ problem asks primarily for a local solution, the second one should be solved in regional perspective, as a collection action response. However, a combination might also an option as replacing5 old office buildings as a condition for the creating of new office space in order to arrive at a more sustainable office market in Amsterdam seems to be an interesting idea (Janssen-Janssen & Van der Veen, 2006)6. The idea contributes to both the goal of demolishing obsolete offices or changing them in other functions as well as the goal of preventing too much oversupply in the future. However, this kind of regulation will only be possible if all regional partners agree on it.

How might such collective response be achieved? Gordon (2006: 140) distinguishes three ways of thinking around this issue: territorially based, hierarchical and collaborative. The first is a systematic application of subsidiarity as a principle of external design, assigning responsibility for particular issues to territorial units of the appropriate spatial scale (the lowest level at which the relevant spatial externalities can be internalized, for example a functionally defined metropolitan economic area as a whole. However as scales vary with the particular issues (i.e. scale differentiation), it will be very difficult to create effective units and get the geography of the formal regional structures ‘right’ in relation to the economic reality.

Over the last decades it has been tried to change the government structure in Greater Amsterdam. The idea was to create a city province that would also take over some of the provincial tasks. Although all players were allowed to discuss over and negotiate on specific details of their city province, the effort to reorganize the

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4 A pre-lease regulation implies building permits will only be given for new office development if (60% of the) the future user is known in advance.

5 ‘Dead offices’ might get a new life as housing, although transforming old offices into apartment is a costly and difficult task, as most office locations are not suitable for housing.

6 This idea is an example of the growing Dutch interest in ways to re-coupe ‘surplus value’ of planning decisions. The additional value of giving permission to built offices can be recaptured for the society via solving a part of the dead office problem. There are no public resources to finance this office cleaning.
government failed (Salet, 2003: 181). Although the city province has never been established, 16 of the Greater Amsterdam municipalities established a partnership arrangement: the Regional Authority of Amsterdam (ROA), now renamed as City Region of Amsterdam (Stadsregio Amsterdam) (ibid. 182). The Stadsregio has a number of statutory tasks such as implementing the Vinex housing policy, acting as a commissioning authority for public transport, subsidizing regional infrastructure and organizing youth care. The Stadsregio directly receives finances for these tasks. One of the main office supplying municipalities (Almere) however is not a member of this inter-municipal regional association, whereas the office development in this municipality is a part of the problem. In the office dilemma, the option of unitary metropolitan government, with one land bank, has not seriously been raised.

A second, quite hard approach and opposite to subsidiarity, involves the use of external political authority, in the form of some central government member charged with promotion of effective collaboration within the metropolitan region. This hierarchical authority can for example introduce a ‘sticks and carrots’ system and remove the most obvious incentive for them to behave in insular, ‘neighbour beggaring’ or NIMBYite ways internally. Further, externally oriented this authority can take responsibility for providing authoritative and timely answers on behalf of national government in relation to projects, resources and policy issues which are key to the plans of authorities in the region, but also have an inescapable national significance and/or political resonance (Gordon, 2006: 141). Such reform of relations with central government by merging national responsibilities for the region and creating a regional authority on national level (hierarchical coordination) is essentially a top-down model. In the Netherlands local authorities are not in favour of controlling higher level governments.

The Dutch statutory planning system knows three tiers of (elected) governments with spatial relevancy and includes the central government, the 12 provinces and the municipalities. As the North Wing, as policy network and urban network, crosses the boundaries of the provinces, the only hierarchical level would be the national government. Further, the Randstad level enjoys a growing attention as a promising geographical scale for systematic coordination of spatial developments (Committee Kok, 2007; Storm, 2006; RPB, 2006) although it lacks definite borders as well as an official status (Janssen-Jansen et al, 2007). However the present national government is not in favour of administrative reforms and spatial-economic policies in the Randstad. However, the national government did decide on a national North Wing program, in order to coordinate eight large scale projects in the Northern part of the Randstad, including the metropolitan area of Utrecht that is not included in the North Wing policy network, but functions as part of the North Wing urban network. The national North Wing program adds coherence to the decision making of the national government for the urban network on housing, infrastructure, jobs and nature (Ministry of LNV et al, 2006). An incentive of 8 billion euros for the realization of these projects obliges all players in the urban network of the North Wing to cooperate. It is to early to conclude about the success of this incentives, but it is unlikely this hierarchical carrot will solve the office tragedy, as office development allocation is not seen a large scale project that needs governmental interference. Further, local governments are very sensitive to national interference with there land policies.

As bureaucratic reorganizations have proved to be difficult and sensitive to failures and hierarchical coordination has very low support, other coordination forms might be more beneficial for the region. In these situations, Gordon (2006: 156) three possible collaborative ways forward, or maybe, rather possible elements of a single way forward (ibid.: 157) for London, that might also be applicable for the North Wing. These coordination forms belong to the third, collaborative approach. This softest approach “involves the development of ‘networked institutions’ on a variable-geometry basis, to facilitate co-operation, cost sharing and common action, across functionally-relevant territories of particular projects and types of issue” (Gordon, 2006: 140). Within a region usually externally-oriented action is necessary as the interests are spread across a set of administrative areas. According to Gordon (2006: 140) agreement is more likely if there is some credible lead agency able to underwrite a significant proportion of the costs, conditional on other joining in, and/or with the promise of some private benefits

As first alternative, Gordon (2006: 157) presents a ‘soft’ approach where emphasis is on building a stronger consensus across the different regions and members within the overall regions, together with the development of stronger bases for cooperation. Here, a better understanding concerning the interrelations between the objectives of broad participation of the varied palette of regional players, of their decisive actions leading to strategic engagements and of the collective progress and effectiveness of their coordination attempts, is needed.

Since the 1970s the local governments in the Amsterdam metropolitan area acknowledge the regional challenges and have tried to build a regional consensus via diverse informal regional associations, starting with the Informal Talks Amsterdam Agglomeration. In 1985 this informal structure was formalized to the Regional Talks Amsterdam (ROA - Regionaal Overleg Amsterdam), that evolved in the Regional Body of Amsterdam (ROA – Regionaal Orgaan Amsterdam). Later this became the precursor of the Amsterdam City Region (1995) that
formally became responsible for legal regional tasks. Furthermore an informal regional cooperation body exists, the Regional Cooperation of the Amsterdam Area (RSA - Regionale Samenwerking regio Amsterdam)\(^7\).

By the end of the nineties, a couple of governors for the metropolitan area of Amsterdam often met at network meetings. They met regularly and on speaking terms. After the national government gave the region a challenge to look for space for 150.000 new homes, the regional governors had a shared goal. In 2000, their frequent meetings resulted in the North Wing Talks (Noordvleugeloverleg), a consultative association of municipalities and the provinces. This informal but influential policy network started as cooperation network in fields of spatial planning, economics and infrastructure, without committing players. In the beginning, this worked out, but as the time to make agreements, for example about the allocation of homes and offices the cooperation unit should become less open-ended (Van der Plas, 2006).

Although the North Wing players seem to have succeed in achieving consensus about some important issues on a strategic level, it still is quite difficult to translate these strategic ideas into operational agreements. In this case, Gordon (2006: 157) would suggest – as second alternative in the collaborative approach – to focus on enhanced joint working across regional boundaries at an operational level. Although for balancing office developments such collaboration exists around the Amsterdam Airport Area, the Schiphol Area Development Company (SADC)\(^8\), there is a lot of resistance against creating a land bank for the whole region. However, as all players felt something had to be done about the enormous planned office capacity, the North Wing players decided on having a platform to establish a new balance between the demand and the supply during the fifth North Wing conference (February 2005). This platform Bedrijven en Kantore (Businesses and Offices - PLABEKA) has been established in 2005. Within this platform the intermunicipal competition has to be more channelled and more focused on the quality of locations instead of quantity. On the sixth North Wing Conference in February 2007, it was decided the municipality of the city of Amsterdam would delete 1,5 million m\(^2\), the municipality of Haarlemmermeer (which also includes the airport Schiphol) 1 million m\(^2\) and the municipality of Almere 0,5 million m\(^2\). The other municipalities have to cancel the remainder (0,5 million m\(^2\)). After this was decided on the conference each municipality had to negotiate which meters would be abandoned; meters on land in municipal ownership, meters on privately owned land... As mentioned before all developments already have been linked with other developments which make these decisions very complicated. Although the North Wing players decided on a regional implementation strategy, it remains to be seen whether all players will stick to their intentions. The PLABEKA continues to be informal in nature, with a pragmatic agenda, but without forcible regulations that would prevent a future tragedy of the offices.

Gordon’s last collaborative approach (2006: 158) reverts to “the issue of formal institutions, but now in the context of how processes […] might be encouraged and supported in their development, rather than of expecting a simple reconstruction of regional agencies to solve the problem of integration”. For the North Wing this would imply a formalization of the North Wing talks, including an reinforcement of their capacity, with a more dominant roles in scrutiny pan-regional investment plans, provision of an urban region-wide spatial context for regional planning, regular interaction with regional planning bodies in other parts of the country and continuing the organization of annual planning conferences. Further, Gordon (ibid.) suggest a possible way forward in reforming the relations with national governments and reinforce these relations into a Office for the Region, with “possibilities to devise incentive structures to encourage further regional collaboration and create a level fiscal playing field for decisions about the sharing out of housing provision” and office development. Further Gordon (ibid.) concludes it would be crucial that the political head of such a regional office “was an authoritative figure able to provide decisive responses to regional bids for power and resources, rather than being by-passed” by other lower-level players.

The situation in the North Wing is still a long way from developing such a capacity, although could evolve from the present North Wing Talks. As is shown above, the players have decided to take some collective action in order to solve the tragedy of the offices, although lack of sharing out agreements might harm the results in the end. None of the major players can order the other municipalities to implement the intentions and a lack of leadership weakens the region. An authority requires power and active assistance, and as Gordon (2006: 159) argues, some encouragement from above. Maybe the solution could be more instrumental in nature, with contracts following en secure the intentions on strategic level. Agreements on the spatial programming should be secured, with – perhaps in the future, to prevent new office tragedies – a common land bank or, as Georges (2006) shows a possible office development rights system. This system is about imposing quotas for office

\(^7\) All these formal and informal bodies have overlapping and different members.

\(^8\) In 1987 the Schiphol Area Development Company N.V. (SADC) was set up by the Schiphol Management Forum (Bestuursforum Schiphol). The Management Forum consists of administrators from the Municipality of Amsterdam, the Municipality of Haarlemmermeer and the Province of Noord-Holland. This forum aims to oversee the spatial and economic development of the Schiphol region, for which a development strategy has been set up.
development; each municipality acquires so-called office rights that it can use for own developments or sell to neighbouring municipalities. Non development, which might be preferable for the region, will in such a system be compensated. Such property rights for the commons are also suggested in literature (Ostrom, 1990). It would be difficult however to decided how much developments rights will be allocated to each municipality. Further, such trading system will not solve the ‘dead office’ problem. At this moment it is looked closer at the consequences of a new regulation that only allows new office development in the Amsterdam region, if a solution is found for an equal amount of ‘dead office square meters’. This idea is an example of the growing interest in the Netherlands in ways to re-couple ‘surplus value’ of planning decisions. The additional value of giving permission to built offices can be recaptured for the society via solving a part of the dead office problem.

4. Concluding remarks

Local decisions have regional impacts. It is a challenge to negotiate on mutually acceptable solutions that preserve the local character while also promoting the efficient use of regional infrastructure and investments. Regional planning implies that regions move away from a plan that is a compilation of locally desired projects with an unfounded cost, to a regional development plan that focuses on delivering specific results (outcomes) that citizens value (priorities) at a price they are willing to pay. However, arriving at a regional plan is rather difficult. Before a plan can be drawn up, some kind of regional coordination should be established. And with a more a less loose cooperation in a region, the regional players may draw a regional, strategic regional plan together, but they will face huge problems when the plan should be implemented as local authorities will still have difficulties to favor the region over their own necessities. NIMBY-type issues and PIMBY-type developments suffer from the intraregional competition. To a certain extent competition cannot been abandoned as it is one of the main pillars of the functioning of society, but when it comes to common tragedy-like problems, some form of coordination is necessary. In this situation a social norm of coordination will imply surplus value for all individuals but they will not come to coordination themselves (Ullmann-Margalit, 1977).

The Amsterdam case has shown regional contacts date from long ago and the step to some kind of regional network as new form of governance has been taken by now. Over the last decade more substantial cooperation was developed, although a territorial solution for the regional fine-tuning problems seems to be abandoned definitely. Within public-public co-productions it seems that the hierarchical steering levels could have much more an enabling role in the development process. However, this is not favoured by the local jurisdictions on issues like office allocation. For NIMBYite issues higher levels like the provinces, the central government and the EU might have a role, but not for PIMBYite issues like offices. For the North Wing Tragedy of the Offices the most plausible way forward seems to be to organize a collective response for this problem via a more collaborative approach. With such an approach the different interests of the diverse players might be best taken into account. However, as shown in the former section, even if organizing regional talks and a more operational enhance joint working are established it still not easy to build or create a regional capacity which also could include cost-sharing etc from bottom up only. Some encouragement from above can be helpful, for example via incentives. Furthermore, more instrumental solutions – in the form of property rights for the commons – might be used for solving the problem, although the allocation of such property rights would be very problematic as in all voluntary collaborations the exit option still exists. It has to be seen whether for example the PLABEKA will turn out to be a sustainable cooperation body, wherein players do not escape the regional agreements as they feel part of region seeing the the substantial benefits of mutual cooperation (Axelrod, 1981). Leadership is needed to translate the basically facilitative role of networks into a more ‘directed’ structure capable of overcoming inherent uncertainty and engendering coherent action (Gordon, 2006: 138). These regional stewards might be able to invite and encourage others to take ownership of a shared vision and values and they work hard to bridge differences and nourish networks of relationships (Parr et al, 2002; Hambleton et al., 2002). This implies we will need to know how to organize active leadership on the regional level that might find means to solve the problem of the North Wing tragedy of the Offices. Again, this might not evolve spontaneous from bottom up where politicians have a horizon of four years but it will require active assistance from above to harden the cooperation cement in the North Wing in order to not only deal with the regional issues and allocation itself but also with the distribution of the consequences and externalities.

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### Additional Information

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