Regulating urban office provision: a study of the ebb and flow of regimes of urbanisation in Amsterdam and Frankfurt am Main, 1945-2000

Ploeger, R.A.

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10 CONCLUSIONS

Local socio-spatial regulation in a globalising world

10.1 Introduction

This dissertation has shown that the fate of a city is not predestined on a global chessboard, but that, in essence, cities are produced through locally-grounded social relations. Globalisation is not a distant, untraceable process that falls down on cities out of the ether. Importantly, cities are still able to chart their own futures. This final chapter gives flesh and blood to this statement by addressing the main research question in more detail, making use of the data gathered in the two historical case studies. First, in section 10.2 the guiding theoretical considerations of this dissertation are recapitulated. Then, section 10.3 summarizes the findings in the two case studies by giving an overview of the ebb and flow of regime formation in both Amsterdam and Frankfurt, describing the formative elements and events for each city and regime. Third, sections 10.4 and 10.5 report the theoretical debate on the anatomy of socio-spatial regulation and struggle, contrasting the two cases, analysing the empirical consequences of these findings, and setting the theoretical notions from the first three chapters against the findings in the case studies. Fourth, and finally, section 10.6 consists of an epilogue, in which the consequences of these findings for future regulation, urbanisation, and office provision are put forward as hypotheses. The question whether there is a future for socio-spatial regulation at the urban level is addressed, and some important issues for further investigation and debate are raised.

10.2 The social relations in locally dependent processes of urbanisation

This section recapitulates the theoretical assumptions that were introduced in the first three chapters. As we saw in chapter two, the line of reasoning amongst many observers of recent processes of urbanisation refers to the global transition from an industrial to a post-industrial society, in which the importance of knowledge-intensive service production gains importance. In line with this, the literature
summarized in chapter 2 characterized successful post-industrial cities in part as cities with proliferating office landscapes. However, there is no single best path that leads to an economic nirvana for cities or metropolitan regions. As we saw, that fact is obscured in most urban research, in which the fundamentally differing trajectories that successful cities follow are not expressed in terms of problems or goals, and the question why such different trajectories emerge is rarely asked. The theoretical contributions that do emphasize place specificity fall along a range of growth coalition, urban regime, and governance approaches. These approaches have shifted the agenda of urban research and urban politics towards local pro-growth politics by emphasising the opportunities for local socio-political intervention in the urban economic structure through public-private constellations that include locally dependent capital.

In this dissertation, I have attempted to give dynamism to the interpretation of such emerging local coalitions, starting from the premise that economic globalisation is neither a singular process that predetermines urban development trajectories, nor a process that can be directed locally to achieve development goals. Instead of developing ideal intervention types, or main coalition possibilities, the contingent emergence of regulatory complexes around urbanisation and office provision in Amsterdam and Frankfurt has been placed centre stage. It has become obvious that the parameters for successful, enduring regulation have changed during the post-war period, in particular because of the evolution of what is considered to be economic regulation into its current form characterized by the omnipresence of economic globalisation. However, it has also become clear that the provision of an economic landscape for global economic flows is locally embedded and that locally-grounded regimes of urbanisation decisively influence the regulation of urban economic change. Through complex regulatory processes, different urban development pathways emerge that could all be of benefit to a city’s economic evolution. This is the abstract and partial answer to the questions with which this dissertation commenced, which were the following:

*How can the co-evolution of the economic, political, and spatial systems be characterized in both Amsterdam and Frankfurt?*

*What was the influence of these patterns of socio-spatial regulation on the successive generations of office landscapes in Amsterdam and Frankfurt during the period from 1945 to the present time?*
This question was the foundation underlying the partly theoretical, partly empirical research of the locally-embedded regulation of spatial economic change. Making use of the concepts derived from the regulation approach, an analytical framework that was bound together through the concept of a *regime of urbanisation* was described in the theoretical chapters. This regime of urbanisation was defined as a period of prolonged stability in the configuration of social relations that condition urban development. The concrete provision of the built environment (the urbanisation of capital), it was argued, delicately interweaves processes in the economic and the state realms, because the provision of space represents not only a moment in the *accumulation of capital*, but also an intervention in the urban context with effects that surpass this accumulation process. Public conflicts can therefore occur over space provision. We have argued that these structural realms are intertwined in and through incremental deliberations that are selective in spatial and temporal terms.

So, in the provision of urban economic space, path-dependent place-specific complexes of regulation and accumulation emerge that condition the urban development pathway. This interpretation of place-specific urban development embraces the idea that local processes matter in the evolution of urban capital accumulation. This interpretation therefore moves away from those that reduce, for instance, growth coalitions, urban regimes, collaborative planning frameworks, and governance mechanisms to mere tools, instrumental for purposeful, goal-oriented, linear urban development. This research has built on the regulation approach, with its more open and dynamic interpretation of capital accumulation and regulation, focusing on the mutual co-evolution and mutual co-determination of processes at the level of the state and the economy. In the development of the analysis framework, the aim of this dissertation was to enrich the policy analysis stance that dominates most third generation regulationist work with a feeling for the essential importance of processes that occur outside the state realm. Moreover, in using the regulation approach, the research moved away from the idea that these local processes are determined in the last instance by economic processes. We made 'the economy' a tangible construct by connecting it to urbanisation and the provision of office space. This strategy has helped in the construction of an analytical framework suitable for the interpretation of urbanisation processes. So, the spatio-temporal ebb and flow of regime formation, adaptation, and destruction were investigated in the cases of Amsterdam and Frankfurt within this interpretative framework. These regimes of urbanisation, we argued, emerge and evolve over time, because of time- and place-specific and path-dependent changes in the social
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relations defining the *regime of accumulation* and the *mode of regulation*, which come together in the social processes guiding the urbanisation of capital. Throughout this dissertation, the specific network of relations associated with the provision of particular types of building at specific points in time — *the structure of provision* — is the less abstract vehicle of urbanisation: it is the concretisation of the regulatory fix as it is abstractly defined in the regime of urbanisation.

The following summary of the two case studies interprets the evolution of the regime of urbanisation along these lines. In contrast with the case studies themselves, this summary emphasizes *structural relations* and *policy* over *short term solutions* and *policy*.

10.3 Looking back at the post-war regimes of urbanisation in Amsterdam and Frankfurt am Main

Although contrasting the cities of Amsterdam and Frankfurt on the issue of office provision and practices of socio-spatial regulation was not the main challenge of this dissertation, the differences between the two cities, brought to the fore in the light of some striking similarities, can bring life to the following summary of both case studies.

The similarities begin with size and morphology, as summarized in the first chapter. Other similarities were presented in the six case-study chapters. In brief, Amsterdam and Frankfurt both prospered during the decades in which the transition was made from industrial to post-industrial social relations. Both cities became their country’s financial capital, which not only involved a crucial role in the post-industrial, service-oriented regime of accumulation, but also put considerable pressure on the inner cities of them both. In both cities, a commercial capital-led transition process took place from the 1950s onwards and, in both cities, the conflicts over space put pressure on the existing regime of urbanisation.

But here the similarities end. In Frankfurt, these conflicts were disputes in the margins of regime formation and, for several reasons explored in the remainder of this chapter, the process of urbanisation was one of unchanging boom. The result was a city that developed into a successful post-modern financial centre that entered the lists with such global cities as London, Paris, and New York, but remained at the same time plagued by poverty, socio-spatial segregation, and polarized centre-periphery relations. In Amsterdam, on the other hand, complicated socio-spatial conflicts that were interesting theoretically as well as
factually affected regime formation in a fundamental way: they led to a reorientation of priorities and a reversal of the regime of urbanisation. Despite the reorientation of motives away from economic development and towards social welfare, the city has developed into an important, national and international, economic and cultural node, although perhaps not quite in the same league as the global cities mentioned above. Although the city includes an above average number of unemployed and marginalized groups, the contradictions and disparities of the global city that characterize today's Frankfurt are not as prominent in Amsterdam, which still possesses a relative degree of equity.

Recently, both cities have been engaged in a transformation process that has become evident in all the social domains characterized above. The summaries of the evolution of regime formation in the two cities that are presented in the next two sections have been written in the light of these similarities and differences.

First empirical summary: regime formation and transition in Amsterdam

The first regime of urbanisation - The hegemonic spatial imaginary underlying the first post-war regime of urbanisation in Amsterdam was based on the scientific pre-war vision of the city laid down in the General Extension Plan for Amsterdam. The plan contained three main pillars: extensive industrialisation; greenfield urban expansion; the separation of urban realms. Underlying the regime of urbanisation was a local mode of regulation that was dominated by corporatist backroom arrangements between the City Council and local capital (the harbour industrialists, the Chamber of Commerce, the locally-based banks). This course was followed in order to provide all middle-class households with their basic needs (housing, work, funds for private transportation). This “Beefsteak Socialism” as it was called promoted a spatial imaginary of spatially-extensive, labour-intensive economic development. Also underlying the extensive regime of urbanisation was a local regime of accumulation that was dominated by industrialisation (although the rise of industry was not as spectacular as had been expected) and the rise of Amsterdam as a financial centre that together brought about full employment and rising prosperity amongst the electorate. The provision of urban space was a technical rather than a political undertaking in this period, because both national and local governments had carte blanche from the electorate to carry out the recovery from the war damage. So, corporatist deal-making with the users of economic spaces (such as banks and harbour capital) dominated the local structure of provision.
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Table 10.1 Shifting regimes of urbanisation in Amsterdam

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Local Economy</th>
<th>State</th>
<th>Space</th>
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</thead>
<tbody>
<tr>
<td>1945-1968: extensive urbanisation</td>
<td>Rise of the tertiary economy – disappointing growth of industry</td>
<td>Combination of laissez-faire in the existing city &amp; planned residential/industrial expansion</td>
<td>Inner city CBD overspill – urban extensions – underused industrial infrastructure</td>
</tr>
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The second regime of urbanisation – During the 1960s, the foundations of the regime of urbanisation described were challenged by changes in the nature of both accumulation and regulation. Provision of urban space inside a corporatist structure of provision was refuted by extra-parliamentary groupings. These groupings responded to the spatially selective growth of the financial cluster in the historic inner city. Instead of the envisaged gradual development of an appealing mix of culture, retail, offices, and housing in this under-regulated part of the city, the location's existing socio-spatial fabric was undermined by creative destruction and rapid conversion instigated by capital expansion. The continuing corporatist deal-making in favour of capital infuriated the social groups affected, and the foundations of beefsteak socialism were challenged. The historic inner city thus became the arena for fierce conflicts between competing interest groups. In addition to the protests against large-scale office provision inside the historic inner city that increasingly attracted attention from the late 1960s onwards, residential opposition against the planned traffic breakthroughs that were demanded by capital in order to improve the inner city's accessibility took centre stage in the early 1970s. So, the provision of urban space became politicized. However, planners and public administration formalized the old regime of urbanisation by introducing the 'deconcentrated urban region', and the claim of capital on inner city urban space remained relentless.
Surprisingly, however, a reshuffling of the *local mode of regulation* had a huge impact on Amsterdam's regime of urbanisation, despite these path-dependent forces behind inner-city capital accumulation. In contrast with former decades, the *local regime of urbanisation* during the 1970s and 1980s was dominated by social welfare in preference to economic development motives and can be summarized as a housing-led social-welfare regime. Under impulses from the extra-parliamentary opposition, which soon acquired political representation in Amsterdam, urban politics swung from beefsteak socialism, with its extensive economic urban development programmes, to 'new left politics', while at the same time the practice of proportional representation of all political parties in the City Council was left behind. In its place came programme-councils: coalition governments, governing the city following a negotiated, politically inspired, programme accord. The spatial imaginary of the new left programme council was combined with intensive socialist urban-renewal programmes with guided large-scale deconcentration of population and the demise of accessibility policies for the inner city. The wishes of capital were thus dismissed in an unprecedented way and important parts of the morphology of the historic inner city were frozen, while both businesses and families had to relocate towards the edges of the city and to new towns. In combination with the national law on individual rent subsidy that was passed in 1975, and the economic crisis that grew worse in 1978, the vigour and magnitude of earlier suburbanisation processes were amplified.

The rise of social motives and the marginalisation of economic motives in urban development politics set in at a time of full employment and sustained economic growth. However, when the worldwide crisis in accumulation set in during the late 1970s, the effects of these politics rebounded on Amsterdam. First, although Amsterdam, with its important financial cluster, was favourably positioned in the new post-industrial economic sectors, the points of departure for the *local regime of accumulation* drained away, because of the deteriorating settlement climate in the historic inner city, which was post-industrial capital's favoured locality. As a result, the *local structure of provision* was partly reshuffled. Corporatism became *laissez-faire*, but only in peripheral planned office locations, which provided room for speculative real-estate investments by the new investors who had taken over an important share of capital investment in the city.

Second, the deconcentration of businesses and families developed into a suburban flight during the late 1970s and the city fell into a deep functional and social crisis. The long-term extension-based spatial imaginary underlying
urbanisation became contested. Amsterdam sought its response during the 1980s in a compact-city approach.

**The third regime of urbanisation** – The final regime of urbanisation, lasting from the late 1980s onwards, came to the fore in a period during which both business and public administrators felt and responded to the implications of the changed worldwide regime of accumulation. Slowly, pro-growth politics were paid some lip service in the political arena, and economic-development planning appeared as an issue on the City Council. Such politics acquired more emphasis in the 1988 national spatial planning memorandum that designated Amsterdam as a growth engine.

Within the local mode of regulation, processes were diverging: the relations between business, labour, money, and finance became re-scaled and repositioned in territorial respects on regional and even international levels. Remarkably, however, spatial economic development perspectives at both local and national levels have remained focused on the urban level as the central stepping-stone to spatial economic development. In line with past experience, and steeped in national budgets and investments, grand scheme planning was used in Amsterdam to address both the structural economic change towards a services economy and the preceding hollowing out of the historic inner city's economic fabric. As was the case with large-scale housing provision, economic development was perceived as something that could be planned by physical measures. These grand-scheme planning-measures were instrumental in the structure of provision that had finally crystallized, and in which investors and commercial developers dominated instead of local capital. Because by chance the contingent development path had positioned Amsterdam beneficially in the economic sectors that experienced a boom during the 1990s (the airport cluster, financial services, creative industries), the city was an interesting location for risk-avoiding investors. These people have an interest in low-risk playing fields, and so the contingent co-evolution of accumulation, regulation, and urban form led to an unpredictably long international economic upturn during the 1990s, which reversed the socio-economic fate of Amsterdam from that of a flagging city into that of a forerunner.

Recently, it has become clear that the position of Amsterdam in the global service-based economy makes it very susceptible to international economic fluctuations. This susceptibility necessitates a rethinking of the relationship between economic fluctuations, institutional armatures, spatial planning, and urbanisation. We return to this issue in section 10.5.
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Table 10.2 Shifting regimes of urbanisation in Frankfurt a.M.

<table>
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<th>Period</th>
<th>Economy</th>
<th>State</th>
<th>Space</th>
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Second empirical summary: regime formation and transition in Frankfurt

The first regime of urbanisation – Although the history of urban office planning in Frankfurt was described from 1945 onwards, regime formation only came off the ground from 1949 onwards when the West-German government (FRG) was installed, and war sentiments had settled down somewhat. The spatial imaginary underlying the regime of urbanisation in Frankfurt during the 1950s was characterized by extensive infrastructure- and Siedlungsbauprogrammes, re-industrialisation on the back of the German economic miracle, and the first office boom in the 1950s. At that time, lack of space did not hinder urban development, so it was characterized by infrastructure development and large-scale modernist urban extensions on greenfield sites.

The local mode of regulation was characterized by the politics of growth. For an important period during the recovery and boom periods, Frankfurt was governed by the 'big coalition' of CDU/SCU and SPD (and also briefly the FDP). This coalition was evidence of a sense of unity amongst the electorate, who saw that the local government did the things that had to be done to strengthen the city’s socio-
economic fabric. This cooperation combined well with the local regime of accumulation, which profited from both worldwide economic progress and national policies for the social market economy. However, the designation of Frankfurt as the seat of the Bank Deutsche Länder was crucial; the city became one of the financial nodes in the decentralized German economy, competing with Cologne and Düsseldorf. Office development in the 1950s in Frankfurt was a result of this early surfacing of the service-sector and headquarters economy in Frankfurt. When the decentralisation of the German economy was gradually allowed full flow, Frankfurt's centrality grew. During the 1970s, Frankfurt established itself as Germany's leading financial centre, and because the D-Mark developed into a strong European currency, the Frankfurt Exchange was boosted; the financial cluster developed at a rapid pace, increasing the demand for space.

The combination of accumulation and regulation impacted on the local structure of provision. A highly controversial ensemble of government-endorsed speculative office development gathered inside the urban fabric. The municipal attitude towards CBD expansion within the existing urban fabric was characterized by deal-making and laissez-faire. In parts of the inner city, important parts of the local population were pushed away by capital in order to create room for commercial (office) development. Ultimately, this ejection led to mass protests during the 1970s. Mass eviction and subsequent redevelopment were considered socially unacceptable, but the SPD (who gained an absolute majority in 1972, and began a problematic one-party reign in that year) saw few (legal) possibilities to overcome these practices. The SPD could find no opportunity to alter its restructuring plans in favour of residents and social renewal, and commercial reconstruction was pushed through at all costs, sometimes even with force. Not surprisingly, this attitude of the SPD influenced the party's image amongst the electorate in a negative way.

The second regime of urbanisation — After the 1977 City Council elections the political scene shifted fundamentally from SPD to CDU dominance. In a well-chosen anti-establishment campaign, the CDU had positioned itself as an alternative to the SPD who, in the words of CDU leader Wallmann, had produced an 'ungovernable' and 'socially disintegrated' city that was 'in crisis'. Although no real changes in urban politics were made by the CDU, the unrest in society and the protests against economic extension within the existing urban fabric disappeared almost instantaneously. This state if affairs was remarkable in view of the evolved local regime of accumulation that was influenced by (inter)national political
developments and the neo-liberal turnaround in economic politics in the early 1980s, which had boosted Frankfurt's status and function as an international financial centre. The D-Mark acquired the function of a ‘leading’ currency, while financial markets were internationalised and deregulated. So, after the influx of national financial institutions, Frankfurt's inner city became inundated with international financial corporations setting up their businesses in the city, which damped down the effect of the international economic crisis in Frankfurt.

The local mode of regulation that developed at that time was in line with this economic boom: an elite growth machine developed, comprising a conservative government, the Airport, the Fair Directorate, CBD capital, and planning and pivotal architectural agencies. A practice of *ad hoc* public-private economic-development planning emerged. The spatial demands that derived from structural economic change were translated straightforwardly into local urbanisation and accumulation projects. The structure of provision in Frankfurt at that time was characterized by big banks developing ever-larger and ever-more palatial headquarters in the central city CBD, without being hindered in any way by regulations. The main difference from previous SPD politics, which had encouraged electoral approval of the new politics, was the ‘image’ communicated by the CDU. While the SPD had alienated its electorate by communicating the message that giving the economy a higher priority than the electorate was unavoidable, CDU policies were directed at appealing to the electorate and enriching the city’s spatial fabric, despite maintaining rigidly economic urban development politics. The resulting *regime of urbanisation* combined unbridled economic expansion politics with highly-visible culture-based identity politics (the restructuring of the historic inner city, development of a museum waterfront) and the cleanup of public and private spaces in the inner city that had been largely taken over by criminal elements. This culture-and-image offensive was part and parcel of the new accumulation strategy that was geared towards the development of Frankfurt into a more cosmopolitan city. Economic development politics were therefore not toned down, but rather strengthened, and geared towards the ‘superstructures’ of the expanding world city: Airport, Fair, and CBD.

**The third regime of urbanisation** – The SPD and the Green Party won the 1989 elections and took over the city government. With the support of the electorate, the conservative regime had transformed Frankfurt into a world city, but had overlooked the social and ecological pillars of urban development. This omission had led to regional socio-demographic and socio-economic schisms and the neglect
of ecological structures. The CDU was punished for these omissions in the 1989 elections, but as a result of the strong and dominant capital-led urbanisation, the following city governments found new footholds for urban development difficult to find, particularly because the 1990s were a period of renewed accumulation in Frankfurt. In addition to the further intensification of the financial cluster, the *local regime of accumulation* was situated favourably with regard to the structural transition towards a knowledge-intensive service-based post-industrial economy. Important new businesses in logistics, knowledge-intensive sectors, and business services had set up national and European headquarters in the region. So, while path-dependent CBD/Fair/Airport based economic expansion, identity politics, and office development remained the main pillars of the *regime of urbanisation*, a remarkable change occurred in urban development. The *mode of regulation* that has developed since 1989 shows the unfolding of regulatory mechanisms characteristic of a city struggling to make the transition from the building of a world city into the management and maintenance of world-city status. Initially, the economic mega-projects that had changed the image and structure of the city during the 1980s were combined with such social and ecological mega-projects as the Frankfurt Greenbelt, urban restructuring, and big social housing projects. These projects were not a success, however, and in the course of the 1990s no political party could propose a radically new way forward. The priorities were geared towards binding companies and investors to the city so as to continue the development of Frankfurt as a tertiary node: inner city CBD densification, complicated public-private integrated plans, and interurban competition were amongst the main political priorities.

Together, the mode of regulation and the regime of accumulation led the *local structure of provision* to change. In the city, many owner-occupied office buildings were witness to a new leap upwards in the scale of office development. The new offices were often higher than 200 meters, impacting heavily on the skyline of the city. The new knowledge-intensive office-dependent sectors were not, however, dependent on a location inside the CBD. Their offices were built at risk by developers so that, consequently, the number of square metres of office space at monofunctional suburban office parks grew remarkably.
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10.4 Urban development and the market

The same ‘struggle over space’ was played out in Amsterdam and Frankfurt, but in two fundamentally different historic spatial, morphological, and institutional settings. These differences have strongly influenced the frameworks for economic and political manoeuvring and caused two distinct frames for capital-government interaction to develop. This section explores this structurally-inspired place-specificity through an analysis of the state-capital interaction in the two cities.

This dissertation started from the premise that spatial/urban planning exists on the cutting edge of the economy and the state. A fundamental question remains: is it perhaps not just the market-driven private enactment of spatial-economic preferences that ultimately dominates urban development?

Examples of such market processes abound in both case studies. In Amsterdam, the first political rebuttals of economic expansion in the historic inner city occurred halfway through the 1960s (the conflicts concerning the ABN-Bank in the Vijzelstraat and similar projects in the historic inner city). These rebuttals made location or expansion by economic functions in the historic inner city more difficult and went logically hand in hand with an unplanned, southward drift of businesses in the financial and business services industry. Ultimately, this drift led to the functional relocation of the financial cluster from the inner city outwards towards the southern edge of the city. In the early 1990s, urban planners were alarmed by the economically drained historic inner city and proposed the development of a new top office location on the inner city IJ-Embarkments. As we saw, however, the companies that had left had already acquired an important critical mass in the urban periphery, so that capital was discouraged from locating in the historic inner city. Companies invested further in locations on the southern part of the motorway ring, where new top office locations began to appear in leaps and bounds. At the same time, the political urgency of a further exodus beyond the municipal boundaries was felt and after the disintegration of the public-private partnership for the IJ-Embarkments, plans were made for a top office location on the southern motorway ring, just as capital had wished.

In Frankfurt and its metropolitan region, economic development was characterised by a continuous boom from the 1950s onwards. Temporary setbacks had a cyclical rather than a structural nature. Frankfurt’s territory filled up quickly. Weaker economic functions such as manufacturing, industry, small-scale neighbourhood shops and even housing were pushed away from the economic core to the western part of the inner city and the service sector (mostly banking)
took over their spaces. This functional change went hand in hand with speculative behaviour and detrimental social excesses. Initially, during the 1950s and 1960s, the industries that were pushed away from the inner city took up residence in business parks in the suburbs and the urban periphery. Eventually, however, when this urban periphery benefited from growth in new, cleaner, and more profitable industrial branches that were not bound to the inner city CBD, the traditional industries were pushed away again. Most recently, the spectacular outgrowth of the financial sector in the CBD has also flooded into the suburbs and periphery. All these spatial dynamics were relatively detached from what was taking place in the planning department in Frankfurt. The authors of the various structural plans spoke of clustered and controlled spatial economic development, only to find that further functional change and economic expansion was taking place outside the preferred locations.

What, then, is there to say about urban development, other than that it was the resolve of capital that decided the urban future, despite all the plans? In answering this question, we must first relate the findings to our theoretical points of departure, which we must then refine. In this dissertation, urban planning is perceived as an emerging process rather than as an instrument of change. Within the regulation approach, urban development is not interpreted as a conscious government-led process of change. It would, however, be a step too far to consider urban development as the mere result of the goal-oriented actions of private agents, as suggested above. Rather, as we said in the theoretical chapters, it is in the processes of struggle and change on multiple superimposing and overlapping state and market platforms that planning emerges as a process.

As we have said, to argue that it is the economy that determines urban development in the last instance would be a mistake. The processes in Amsterdam and Frankfurt described above are only one side of the story. The same examples looked at from a different angle show us that there is neither a first nor a final determining factor in urban development. The basic spatio-economic points of departure were similar in both cities. In both, banking capital preferred the inner city for CBD development. In Frankfurt, however, the pressure of service-sector capital caused other inner city functions to be pushed out, whereas in Amsterdam commercial capital itself was pushed out of the inner city. Of course, one could point out the poor accessibility of the historic inner city of Amsterdam and argue that the lagging adaptation of this infrastructure network pushed capital away. But then again, accessibility is not a static entity. In a world in which urban
development is determined in the last instance by the market, infrastructures would in the event have been made available in Amsterdam's historic inner city.

No. The reasons for this remarkable difference are not to be found in sheer market rationality, nor can these fundamental differences in development paths be dismissed as mere situation-dependent peculiarities, or the lagging adaptations to structural spatio-economic processes. To treat them as such would deny the actual forces that were shaping both cities, because specific urban development takes place for a locally-grounded interaction that guides the place-specific co-evolution of economic, political, and spatial institutional armatures as much as it does in market-driven rationality and short cyclical or long structural waves.

We should look at urban development through this lens, because then the processes described above take on a different form. Urban development becomes more than the locational deliberations of a private company. Such deliberations become grounded and embedded; individual entrepreneurs who choose to enact their spatial preferences on the platform of the market will engage in competition over a desired plot of land. Such competition will be reflected in the price of the plot of land, and in a market-rational world, the party that can afford to pay the highest price (because its use of the land will produce the highest yields) will outbid the competing parties and prevail, while the losing parties will have to exit from the scene.

From a state-centred perspective, however, it is not the price mechanism that prevails on the land market, but the mechanism of political dominance. In competition over space, it may not be economic dominance, but political dominance that determines future investment possibilities. This perspective alters the range of options for a capitalist with an interest in a plot of land in such a way that it includes the instrument of voice.

The choice between exodus and voice is related to the relative local dependence of a company as well as the opportunities to use voice effectively. Voice can be directed either at the political arena, or to the public administration. Like competition through the use of money, competition through the use of voice is biased by the structure of the 'battlefield' (the state) and the relative positions and available instruments for each competitor in this struggle.

For instance, in this process of expressing voice, the publication of a spatial plan is nothing more than the formal outing by a specific part of the public administration of its particular preferred spatial imaginary. However, as we saw, various agents located both inside and outside the public administration have different spatial and urban imaginaries. The state is the platform of struggle over
such competing imaginaries and the publication of a spatial plan is a moment in that struggle. It is part of the strategy of one of the agents, struggling for dominance, in order to define the hegemonic urban imaginary.

Individual businesses are not always organized effectively, and their collective voice is therefore not always heard in the public struggle on the platform of the state. However, businesses often use voice effectively in relationships with members of the public administration (individual lobbying by big corporations, voice expressed by leading local companies or branch organisations, companies engaged in public-private growth coalitions). The nature of individual relations between representatives of capital and representatives of government (and the relative power positions of these persons inside their respective organisations) is built up through face-to-face contact and involves individual character strengths and flaws. And these relations are in part decisive in such use of voice.

The use of voice also has an important structural component. The strategic use of voice by agents in the office development arena, for instance, is influenced by the structure of building provision in which relations of power and dependence are formed. This structure of provision is defined in the realms of both the market and the state, and therefore the structure of the local state as well as the structural components of the local regime of accumulation are intertwined and decisive. In Amsterdam, a ‘developers market’ prevailed throughout the post-war period described in this dissertation. This development was connected with the local regime of accumulation in which business services, which are usually managed by office tenants rather than office owners, occupy an important part of the office user market. As we noted, developers and investors are ‘followers’ rather than pioneers, looking for safe investments in secure environments that will attract office users now and in the future. Therefore, investors and developers show a great deal of risk-avoiding behaviour. They tend to invest in areas that have proved themselves as stable office environments, so that the future exploitation of these offices is guaranteed as much as possible, as are the yields from the offices. This reassurance is the reason why monofunctional office cities are so popular amongst developers and investors. This popularity gives the local state (through spatial planning guidelines) an important say in future office development and a strong position in the structure of office provision. In Frankfurt, developers dominate the structure of provision to a lesser extent, although the popularity of rental offices amongst business services is similar to Amsterdam. In Frankfurt, however, the number of banks is many times bigger than in Amsterdam. Banks are amongst the few office users who prefer to own the premises in which they reside. Therefore, a
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development decision (which involves the location decision) does not involve a
decision about the marketability of the office on the rental market, but only
involves corporate-internal considerations. These banks have continued to develop
solitary buildings throughout the Frankfurt banking district, without depending on
government master-plans or planning guidelines other than the timely availability of
a plot of land with the right zoning guidelines.

10.5 The rhythm and movement of place shaping through the state

The particular structure of the local state makes the voice of capital more likely to
be heard. In this dissertation, the state has been put back in the core of the package
of social relations that define urban development. Throughout the post-war
recovery and economic boom years, both Amsterdam (from 1945) and Frankfurt
(from 1949) were governed by coalitions dominated by the Social Democrat parties
(PvdA in Amsterdam and SPD in Frankfurt). Traditionally, urban reform and a
certain amount of utopianism are associated with such social democrat parties, and
the urban planning practices in both cities during that time are witness to this. In
both cities, pre-war urban development plans (the GEP for Amsterdam and the
plans of Ernst May in Frankfurt) which were based on urban extension on
greenfields, served as the basis for urban development procedures. Extensive
urbanisation, functional separation, the large-scale supply of housing, the
facilitation of industrialisation, laissez-faire towards CBD development and
infrastructure investments were the building blocks of early post-war urban
planning in both cities. For the social democrat political elite in both cities this
underpinning was close to their utopian ideals of work, a home, and a car for every
family.

As we saw, in the 1960s urban development and expansion politics led to the
rise of civic protests in both cities. During the 1970s, extra-parliamentary groups
that opposed the political regime brought urban development issues to centre
stage. Although left-wing anarchist anti-establishment movements questioned the
political situation in both cities, the fundamental content of the opposition differed
between Amsterdam and Frankfurt very much, as did the consequences for socio-
spatial regulation, the resulting regimes of urbanisation, and thus the specific
anatomy of socio-spatial struggle.

This rise and fall of regulatory complexes has to do with the ebb and flow of
both the market and political stability and polarisation. Sharp political turns
Implicate by definition the abolition of one political regime with its specific philosophy and the erection of another political regime. Such breaks have implications for the nature of political priorities, and thus for the nature of socio-spatial regulation.

So, next to the cyclical and/or structural economic fluctuations that emerge from the rhythm of capital accumulation and individual decision-making, the rhythm and movement of the political landscape has had profound implications for the development path of both Amsterdam and Frankfurt and for the nature of socio-spatial regulation. As a site of struggle, we argued above, the platform of the state is characterised by place-specific institutional armatures that define collective decision-making. Differences refer to the functional/spatial morphology of both cities and the institutional characteristics of the state that decisively influence the margins for policy adaptations, or even political switches. These are taxation, intergovernmental/interregional/intraregional interrelations and electoral issues.

**Taxation**

In Frankfurt, government–company relations have been the linking thread running through urban development, whereas in Amsterdam this linking thread was formed by the strong interrelations between the government and the social housing advocates. In Frankfurt, the income from the Gewerbesteuer (company settlement tax) makes capital investment in the city a necessity. This dependence on the settlement of companies influences government-capital relations decisively. The dependence is reflected in the successive economic structural plans for the city. Although the structural visions and spatial representations of future Frankfurt refer to the concentration of companies in well-defined spatial axes or clusters, and implicitly refer to restrictions placed on company settlement outside these areas, the legal foundations of the spatial planning framework in the city have always been geared towards the possible adaptation of plans towards the wishes of capital. All plans, ranging from the Wallanlagenplan, via the Fingerplan, to the recent Clusterplan emphasize such spatial clustering of the economic fabric, but none of the plans involve legal instruments to enforce the upholding of these economic contours. The dependence on capital investment in the city and the related legal framework for urban planning therefore make it difficult for a governing regime to alter its attitude towards company settlement essentially. Despite two fundamental regime changes in the post-war period, this attitude has remained unaltered.

In Amsterdam, the tax-base structure involved much less necessity to attract companies to its territory. Rather, the strong national-local state interrelations were
the basis for a system in which the income of Dutch municipalities was largely related to the number of inhabitants/dwellings during the post-war period. The redistributive task of local government does however make it sensitive to a high unemployment rate. For a long period, companies and residents could both be accommodated without much mutual struggle, but when the struggle over space emerged in the 1970s, the direct link between companies and the political regime was cut short and planning for the residential landscape in the city and region stole the limelight. At the same time, space was offered to companies on the outskirts of the city and, as we saw, a mass deconcentration occurred of the office sector from the inner city outwards. After the last regime change, economic development planning regained some priority, but the planning system is still geared towards residential densification.

**Morphology and institutional regionalism**

In both Amsterdam and Frankfurt, the inner city became the unintended battleground for the conflicts between the political regime and its opposition. However, the historic inner city in Amsterdam is many times bigger than the historic inner city in Frankfurt. To make the comparison clear: the CBD in Amsterdam took up a small part of the historic inner city, whereas in Frankfurt, the historic inner city took up a small part of the CBD. In Frankfurt, CBD development mainly affected lower-class inner-city residential areas, whereas it directly affected the monumental historic inner city in Amsterdam.

Because the built environment is a territorial manifestation and a carrier of constellations of interest, the character of the opposition to inner-city urban extension and CBD development by extra-parliamentary social groupings differed fundamentally in Amsterdam and Frankfurt. The socio-demographic and spatio-morphological characteristics in both urban realms are amongst the causes of these differences. CBD extension led to the **abolition of monumental urban structures** in Amsterdam and the **mass eviction of tenants** in Frankfurt, in particular in the Westend. In Amsterdam, a strong inner-city lobby of the local bourgeoisie emerged to defend the architectural and urban qualities of the city's heritage. Later, opposition to the large-scale housing policies of demolition and redevelopment in the historic inner city fuelled resistance from various neighbourhood movements. The opposition to the ruling political elite therefore had a broad entrenchment in anarchist anti-establishment groupings, squatters, an inner-city bourgeois conservationist elite, neighbourhood movements, and conservative groupings. In Frankfurt, on the other hand, the protests related directly to the social malpractices in the speculation-
infected Westend that were perceived to be excesses of elitist arrogance. As a result, protests remained sharply centred around anti-eviction battles by the anti-establishment movements, squatters, and directly affected residents.

Stretching the issue of morphology and its influence on the content of conflicts over urbanisation beyond the issue of inner city CBD development makes it clear that there are direct interrelations with the issue of institutional regionalism. The conflicts over the regional question have profound implications for the formation and consolidation of regimes of urbanisation. Surprisingly, in the light of the fundamentally different tax bases, both Amsterdam and Frankfurt have tried to play the inside game with regard to regionalism: that is to say, to have a large enough territory in order to have a level playing field for urban extensions. Both cities have recently been forced into an outside game. For a period after the war, the greenfield sites could provide such a level playing field and urbanisation occurred within the city’s territory. However, the quick infill of the available land soon caused urbanisation to cross municipal boundaries.

In boomtown Frankfurt, this suburbanisation was unrelenting and marketed. Small affluent suburbs grew rapidly in a ring surrounding Frankfurt, absorbing white-collar workers from the central city, causing an upsurge in commuting percentages, and increasing the socio-economic polarisation of the central city and suburbs. The towns in the north and the western Taunus in particular received many of these would-be suburban households, while many of these towns were also successful in attracting new economic sectors such as data-processing and software development companies, and transportation and logistics firms. In response to these trends, and in an attempt to be able to keep playing the inside game in urbanisation, the municipality of Frankfurt developed the idea of the Regionalstadt, but as we saw, this plan backfired on the polarized electorates of the central city and the suburbs. The regional government that did arise was a less encompassing, minimalist, and rather weak cooperative structure.

In Amsterdam on the other hand, the national urbanisation policy of guided deconcentration was designed to overcome unbridled suburbanisation. In a non-polarized regional landscape, where urban growth was less encompassing and relentless than in boomtown Frankfurt, a housing-led national urbanisation model arose in which the central city acquired important extra-territorial influence on the housing development in several new towns and growth-centres (one could say that this was a form of ‘partial annexation’). During the 1970s and into the 1980s, Amsterdam was therefore able to play the inside game with regard to urbanisation. Through a coalition with the national government, the municipality of Amsterdam
had direct and decisive influence on the housing production and allocation in extra-territorial areas in growth centres and new-towns such as Purmerend and Almere, but also on its own new greenfield sites in the south-eastern part of the city. Therefore, it was not only the more prosperous households who left the city of Amsterdam, but also the middle-income groups. The deconcentration of companies to these growth centres and new-towns was less rapid than that of the inhabitants. The only economic deconcentration of any magnitude in Amsterdam occurred on Amsterdam’s municipal territory: from the historic inner city towards the southern and south-eastern urban edge. So, because of a multitude of central-state induced inter-governmental ties, the urgency of institutional regionalism was not felt in the Amsterdam region, and not surprisingly the type of regional government that arose was just as weak and partial as that in Frankfurt.

During the 1970s and early 1980s, Frankfurt’s market-led suburbanisation and Amsterdam’s guided deconcentration both had the same implications: the urban population quickly became smaller, because affluent and middle-income households left the city, and the population that remained was relatively poor and had fewer qualifications than the Dutch average, whereas the wealth and qualifications of the suburban population were above average. So, when the economic recession started, the central city was hit disproportionately hard.

In the 1980s, this situation led to a reversal of the dominant urban imaginary for Amsterdam to that of the compact city, in which new residential areas were to be developed inside Amsterdam’s municipal boundaries in order to attract important volumes of households to the city again. During the late 1980s, economic development planning resurfaced. The secondary centres along the motorway ring were now intentionally put on the political agenda as important economic nodes and the planning of monofunctional office cities inside Amsterdam’s urban fabric commenced. In the main, this compact-city urban imaginary has remained dominant until the present day.

Such a reversal of the urban imaginary did not occur in Frankfurt, but the dispersion of households and companies over the region prevented renewed interest and consensus with respect to a strong regional government. Urbanisation remained a process that was guided by the market, and the gap between the affluent suburbs and the less fortunate central city with regards to demographic characteristics has remained wide until the present day, while the market-led development of offices and office complexes in the central city has remained the guiding principle.
Political representation

In both Amsterdam and Frankfurt, extra-parliamentary opposition brought about some unrest in the political party that was closest to the range of ideas of the social groupings engaged in the protests. In both cities the foundations of the ruling social democratic party were put to the test by the left-wing extra-parliamentary opposition. However, in Amsterdam the electoral system had a very low threshold of 2.22% (for 1 seat on a City Council with a total of 45 seats), which predetermined the necessary reaction from the ruling elite. The growth of the left-wing opposition was translated directly into the political arena, where the Kabouterpartij and the like were elected to the City Council. The ruling PvdA was torn internally into opposing wings. The more conservative wing wanted to preserve the traditional *beefsteak socialism* with its associated expansion politics. But a left-wing fraction of the PvdA was sympathetic to the extra-parliamentary opposition. When, in the 1970s, the presence of the former extra-parliamentary opposition on the City Council grew, it became part of the local government for a limited period. This most extreme left coalition ever to rule Amsterdam did not last long, but it helped steer urban politics away from economic development issues, regionalism, and expansion and towards social welfare and compact-city politics, and in 1978 the battle of the factions in the local PvdA was decided in favour of the left-wing group. As a result of this representation, the political switch was gradual. The larger political parties were confronted with the new society clan and had to reflect it in their political programmes if they were not to lose left-wing votes.

In Frankfurt on the other hand, the 5% threshold made the political system less prone to direct stimulation from outside forces. The opportunity for extra-parliamentary opposition to enter quickly into the political arena with a small political fraction was sealed off. New political movements in Frankfurt therefore had a longer incubation period outside the political arena. On the one hand, this distance between the informal opposition and the political arena made the established parties less prone to redirect their political course. On the other hand, a political switch became more definite. In the 1970s, the ruling SPD's fall from grace brought to power the CDU (from the opposite end of the political spectrum). During the 1980s, after a long period of incubation, a new left-wing party – the Green Party – grew out of the extra-parliamentary opposition. Once it had left the 5% threshold behind them, the Greens became a political entity to be reckoned with. Towards the end of the 1980s the CDU also fell out of favour, which,
together with the electoral success of the Greens, brought about a political turn to the new left in 1989.

The difference between Amsterdam and Frankfurt with regard to the tax base and representation made political regime formation, evolution, and change remarkably different in the two cities. In Amsterdam, new political movements with ideals that opposed the priorities of capital accumulation were represented on the city council soon after their inception. An existing political party with a programme reflecting principles similar to the ideals of a new political movement would adjust its programme to include as many of them as possible in order not to lose votes unnecessarily. So, inside the existing regime, political programmes evolved rationally, and regime change had a long incubation time. Therefore it was gradual, rather than abrupt. Moreover, the local tax base in Amsterdam did not depend on company settlements, so that a drift of political priorities from capital towards social-mobilising motives had no direct fiscal consequences. As indicated, the situation in Frankfurt was somewhat different. Because of the relatively high threshold imposed on new political groupings seeking to enter the formal political scene in Frankfurt, the parties in power were less directly challenged by new emerging political themes. Moreover, the dependence on company taxes made political reorientation towards capital less likely. However, such avoidance behaviour towards the increasing restlessness in society ultimately led to sharper political turns of direction throughout the post-war period (but without any sharp consequences for the regimes of urbanisation).

10.6 Epilogue. Spatial fixity in the post-modern economy: the fate of cities

New economic spaces and new spaces of regulation

We started this final chapter with the assertion that, even in a glocalized world, urbanisation is a locally-produced process embedded in path-dependent, co-evolving, institutional frameworks of economic, political, and spatial relations. This finding challenges contemporary thinking about the economic globalisation that is said to work its way into the socio-spatial development of cities. In contrast, we found that, even for two such internationally-oriented cities as the global city of Frankfurt and the European centre of Amsterdam, a carefully chosen local post-industrial development policy could make a difference in the international economic arena of cross information, products, and people exchange. However, now that the urbanisation process is played out on multiple superimposing
chessboards, the conditions for urban planning have fundamentally altered, necessitating a different planning style. More than ever before, planning is an activity carried out in uncertainty.

The concept of post-industrialism, however, is not simple, but is in fact complex and debatable. Consequently, not just any local development strategy that includes such post-industrial elements as 'contemporary office environments' will suffice to set a city on course to a prosperous future. The new economic reality – symbolized by the worldwide glocal regime of accumulation – is grounded in and produced through multiple processes of accumulation and regulation. The temporality, spatiality, and content of these processes changed fundamentally through glocalisation; the environment for socio-spatial regulation was also radically altered. In this new economic reality, capital is searching for new interconnections at new spatial scales, a state of affairs that has radical implications for capital's spatiality, and for a locality's potential to attract capital investment and retain such investments in the future.

Capital's fixity in space has become less absolute than it was during previous regimes of accumulation when this fixity was already very volatile. As post-war experience has shown, in the long-term fixed capital (real-estate) is extremely mobile, because relocation is always an option. So, spatial fixity in the current era is different from spatial fixity in past decades. The concept of 'home entrepreneur', for instance, has eroded: the capital 'behind' companies is increasingly international, replacing the old concept of 'family capital'. In contrast with families, stockholders have no loyalty to a particular place. So, the temporary nature of local dependence has come to the fore more than in previous decades. Many branches of industry that use offices have become increasingly mobile, making urban development more sensitive to the cyclical behaviour of both 'the economy' and the related behaviour on local, regional, national, and even international real-estate markets, with their ever shorter boom-bust cycles.

The above has implications for the temporality of any spatial fix. Although it is still unclear how radical (in terms of a shorter spatial fix) these changes will be, it is clear that, in this period of economic reorientation, newly-built offices will have an increasingly limited time horizon. Our analysis of fifty years of office planning showed that the fundamental nature of this change has yet to register in the minds of planners and politicians at the local level, who have merely adapted the content of their policies while a structural reorientation of their position in multiple superimposing processes of regulation was called for. Local politicians herald competitiveness policies that are embellished with plans for new CBDs, science
parks, and culture waterfronts, but often fail to pay proper attention to the increasingly temporary nature of capital's fixity in said CBDs, science parks, and waterfronts. The answer to the incremental, but none-the-less revolutionary deconcentration of capital throughout the last few decades is not to be found in territorial approaches to planning, with their development plans characterized by rigidly appointed development zones, but rather in new institutional approaches to integrated, flexible urban development that appreciate the complex and changeable socio-economic dynamics with their metropolitan de-territorialisation and re-territorialisation tendencies.

It is important to understand that the fundamental shifts described demand not only the re-scaling of local government, but also the reinterpretation of the governing of local space. That is to say, in order to be able to determine a city's future, an important question for future research is how, and to what extent, central city governments appreciate the new interconnectedness of the economy, and the re-scaled and increasingly temporary and flexible spatiality of urbanisation. This question leads us on to further questions: What is the dominant urban imaginary throughout the various market platforms? To what extent does it surpass the local, city scale? And is it rearranging itself on both a metropolitan and an international level?

In short: the regime of accumulation has fundamentally changed, as the territorialisation of capital has done. The resulting urbanisation process and associated regulatory processes challenge the structure of government intervention in a more fundamental way than is realized in the political arena. As indicated above, the future regulation of the urbanisation of capital originates from glocal public-private networks. And as we saw in the case studies, the spatial facilitation of these new connections is a difficult undertaking that challenges those who are engaged in master-plan making. Traditional master plans presume a certain amount of relative stability and predictability that is absent in current glocal networks, in which territorial competition and territorial coordination, de-territorialisation, and re-territorialisation coexist, the time-frame of any spatial fix is limited, and the illusion of a superior socio-economic 'balance' for any city has faded. What remains is the flexible regulation of urban space and the governance of networks. Through this urban meta-governance the market's self-regulatory forces combine with state intervention. What is emerging is a fundamental contradiction, because capital (as well as other social forces) needs a predictable spatial fix, but this spatial fix is becoming impossible to plan and is hollowed out by trends in accumulation and de- and re-territorialisation.
Through these processes, a new regime of urbanisation might emerge in which a new attitude toward investments in the secondary circuit of capital (the built environment) is central. Instead of directing office investments to certain areas, spatio-economic planning must seek connections within economic networks of provision and determine the best flexible layout and design of metropolitan settlement. Spatio-economic planning footholds in this required new planning culture will reside mainly in investments in infrastructure and culture, through which the socio-cultural and economic potentials of certain urban areas can be upgraded: the creation of potential urban nodes. In this way, investment barriers can be overcome by public intervention and creative public-private capital investment strategies can be teased out.

The funding of such public investments in infrastructure upgrading is increasingly becoming a matter of governance rather than government: local government cannot rely on national funds to be passed on, but has to engage in non-hierarchical public and private networks. Within the system of public interrelations, for instance, opportunities for local governments are to be found in the European Union, where many urban development funds are available. These, however, are not traditionally ‘passed on’ through hierarchical gateways, but must be actively pursued by regional-local public-private networks. It is in the light of all these considerations that this dissertation ends with a short ‘window on the future’ of socio-spatial regulation in Amsterdam and Frankfurt.

Questions regarding socio-spatial regulation in future Amsterdam

Within the city-region of Amsterdam, the dampening effect of structural local-national interdependence has evaporated now that the region has adapted to the demands of the global economy. In times of economic boom, the region therefore profits above average, but in times of economic downturn, the ‘safety-net’ of the local-national coalition is less strong. So, the office markets show ever-increasing sensitivity to cyclical fluctuations, the divide between the well-to-do and the long-term deprived becomes ever wider, the housing market is overheated and in a production crisis, and the region’s transport system is reaching the bounds of its capacity. The appropriate mechanisms to overcome these crisis-prone elements of the process of uneven development are still absent in the region of Amsterdam. The further economic outgrowth of the city-region of Amsterdam on the wave of the international accumulative forces needs a strategy that takes a step beyond that used so far: a strategy that has relied heavily on national-local growth politics and associated regulatory mechanisms.
Although the regional level has long been recognised by politicians as a diversified and complete settlement environment that gives room for the demands of a varied social pallet of households and economic activities, the state-led part of the contemporary regulatory process is still biased towards the central city of Amsterdam, even though the processes of urbanisation crossed these city boundaries decades ago. This bias, however, has a limited remaining lifetime.

The attempts to manage the processes of growth in the region break down halfway, because of the path-dependent local state institutions. For the time being, attempts to regionalise the thinking about urban development remain abstract and tentative, and other network approaches to urbanism are still to be developed. The institutional armature at the local level leads logically to a development path in which the management of urban growth is mainly considered in problematic respects as a local/urban affair. On the one hand, the legitimacy of local state projects as well as the political elite’s electoral success is often best served by inner-city housing projects. On the other hand, the economic structure of the city, the wish to remain the country’s top economic location, together with the income generated from commercial land development, are the drivers of commercial development. Not surprisingly, in this light the public part of the growth coalition for Amsterdam is mainly focused on a tightly-drawn South Axis. As indicated, in reaction to capital’s expressed wish to create a spatial fix on the southern motorway ring, the urban planners of the municipality of Amsterdam situated the top office location South Axis exclusively on the territory of the municipality of Amsterdam, in order to call a halt to developments at Schiphol and Hoofddorp.

In addition, complex, expensive, and often controversial development projects in the existing built-up structure (urban renewal), or on newly-developed land (IJburg) are planned in order to stay competitive. It is only a matter of time, though, before the temporal nature of capital’s fixity into these new urban spaces will again cause de-territorialisation and re-territorialisation, and today’s mega-projects, if they fail to take account of this flexible use of space, might have life-cycles that turn out to be shorter than expected.

It is in this light that we should look at current economic development planning in the city of Amsterdam. An important question is how the city will cope with future quick switches from over-accumulation to under-accumulation in the secondary circuit of capital (for example, a switch from the oversupply of offices and a tense land market to a situation in which plans are downsized and the land market is again relaxed). Recent trends indicate the growing sensitivity of the development of Amsterdam’s urban economic structure to international economic
fluctuations. In the light of this heightened sensibility to international upturns and downswings, long-term master plans without a foothold in economic preferences seem increasingly vulnerable, because they may be hit by such cycles many times during realisation. The planning of the South Axis is a reaction to capital’s stated preferences. So, unsurprisingly, until now it has hardly been hit by the recent downturn. However, with regard to size and scheme, the South Axis plan is a plan typical for a boom-period, and despite the recent protection against a downturn, the question remains whether this location will be filled in the uncertain future, on what scale increases might come to an end, and whether offices might take on completely different shapes and sizes.

For the present, however, the relative immunity of the South Axis to cyclical behaviour on the office markets is in sharp contrast with the planned secondary centres, which were developed quickly in order to profit from the previous boom-period, but that are now faced with growing vacancies. Smaller, more flexible plans with a shorter time horizon seem best suited to overcome such cyclical developments. At the same time, a number of small surrounding municipalities also have large quantities of urban land available for flexible office location plans. They were recently able to absorb important quantities of investments in urban space, but now they have also been hit by the economic downturn and the vacancy level has risen. Nevertheless, it remains the case that economic space does not end at the city boundaries, especially not in the Netherlands, where company settlement taxes play a relatively unimportant role.

Questions regarding socio-spatial regulation in future Frankfurt

Even more than Amsterdam, the city region of Frankfurt is struck by dualities. The citadels of the world city have strengthened their position during the recent years in which many commercial real-estate projects have left their mark on the city, but at the same time the number of people living in marginal social groups has risen, the city’s’ financial situation is poor, and because of socio-political conflicts, city and countryside have turned their backs on each other. Important for the future of Frankfurt is the answer to the returning problem of the relationship between (city) centre and periphery (the suburbs, other cities, and the countryside). The city government is aware of the consequences of Frankfurt’s rise as a world city that largely exceed the boundaries of the city. During the first four years of the current broad coalition, office employment in Frankfurt grew remarkably, but not as remarkably as the growth in the more peripheral and extra-urban locations.
Whereas in the past the non centre-oriented functions decentralized into the periphery, recent years have shown that suburban and peripheral nodes have succeeded in attracting a growing share of the financial services economy. We have already mentioned that this development, together with the enormous growth in high tech companies and data-processing industries during the worldwide ICT boom, caused a sudden increase in the countryside-based economy, which led to the quick development of monofunctional office parks.

Although the finite limits of space for offices in the inner city were already acknowledged during the first office boom in the 1950s, the moment when there is no space left for inner city office development has not yet arrived. The rapid de-industrialisation that set in during the 1970s in particular caused large inner city locations such as the Güterbahnhof and Bockenheim Süd to become free for new uses. In addition, the redevelopment of offices that were built during the 1950s and 1960s also gave the inner city some breathing space.

The enduring trends towards multi-nodalisation, regionalisation, and a competitive peripheral economy are unmistakable. They alarm policy makers, who became increasingly engaged in efforts to retain Frankfurt’s world city status and created space for new offices wherever it was halfway possible, but also became more involved at the regional level in institutional reforms. These were perceived to be urgently needed by all the municipalities and economic development agencies involved, but the old problem of smaller municipalities fearing domination by big-city Frankfurt has resurfaced.

Another important issue is the future economic status of Frankfurt. At first glance, world-city status would seem to be secure, especially since the European Central Bank has settled there and in past years Frankfurt has been shown to exert a gravitational force on international banks. The city has proven itself to be the most important continental European financial centre, positioned just behind London. However, this position is less stable than might seem. First, Frankfurt is a trading centre rather than a trader centre, meaning that the actual presence of traders remains meagre compared with London; second, a new wave of mergers and take-overs in the financial world on
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an international scale lies ahead. This wave could turn out to be unfavourable for Germany: the exchange value of German banks is low, because their emphasis is on social rather than economic returns on their investments. This is an outcome of the Social Market Economy, which made German banks big shareholders in the now less strong German industry, and makes German Banks susceptible to foreign take-overs. Moreover, the fact that Frankfurt has never occupied a strong position in the world of investment banking might be avenged in the future. London has been the specialized European centre of investment banking, which has become the strongest sector in the financial world. In the Anglo-Saxon banking world, individual banks contain both investment and commercial branches. If mergers and takeovers lead to the incorporation of commercial banks in large conglomerates, the subsequent centralisation is most likely to occur in London, because of its competitive advantage on the stock market. The question then remains, what would happen to Frankfurt as a financial centre.

Although this question is being asked in Frankfurt, the city has long been a boomtown and all the successive regimes of urbanisation have been dominated by the behaviour of the big banks and the investors and developers on the commercial property markets; the city has grown accustomed to cyclical urbanisation patterns. The question therefore remains, what the effect might be of a new scalar leap in the urbanisation of capital, which might entail the re-territorialisation of parts of the traditional CBD towards other nodes in the metropolitan network, on the processes of spatial regulation in the Rhine-Main region, and on the processes of planning in the city of Frankfurt. For the present, the possible detrimental effects of scalar re-organisation and the more cyclical nature of new spatial fixes are certainly not yet visible in the urban structure. The opposite could be said: the excesses of the most recent office-market boom are now affecting the market. Although the economy has fallen into a slight recession, and most of the new offices recently built for the market have not yet been let, the new offices thrust the skyline of Frankfurt into the image of a world city that matches the old label of Mainhattan.