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THE NETHERLANDS IN MAPS

ECONOMIC PERFORMANCE OF CITIES IN THE NETHERLANDS

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CITIES AS ENGINES OF GROWTH?

In the introduction to this year's series of *The Netherlands in Maps* we wrote that today's world is characterised by an ongoing urbanisation process and that in terms of economic activity the world is becoming more 'spiky' (Van Steen *et al.* 2016). On the national level, this should be visible in the economic performance of cities, and in particular in those cities that are attractive living and working areas for the creative class (Florida 2002). Van Oort and Meijers (2015) explain that many current urban and economic policies in the Netherlands demonstrate the vision that cities could or should trigger economic development on a regional, national and even international level. In order to show whether this is indeed visible in the Netherlands, we mapped the economic performance of municipalities. This index is compiled annually by Bureau Louter, Delft.¹ We used an average of the index as published over the years 2011–2015 (cf. Bureau Louter 2015).

MEASURING ECONOMIC PERFORMANCE

Economic performance of regions is a matter of both static components and dynamic ones. The index of economic performance as compiled by Bureau Louter is based on 41 indicators. Examples of static indicators are data on office floor space, areal size of industrial estates, and employment. The latter is differentiated between ten economic sectors, such as agriculture and manufacturing, but also retail, finance, medical care, or government. The dynamic components are also measured for each of the ten sectors separately. Components included are start-ups, changes in employment, the construction of

new office space, the development of labor productivity, and value added. All in all, these variables together result in a score for economic performance at the level of municipalities; the available data is collected at the municipal level rather than at the level of cities (cf. Van Steen *et al.* 2016).

'BORROWED SIZE'

The resulting map shows that regional patterns in economic performance do exist in the Netherlands, but that differences between municipalities within a region may well be larger than between regions. This confirms Florida's (2010) ideas of a spiky world, also within the national context of the Netherlands.

Most of the municipalities with the 'highest economic performance' are to be found in two non-continuous corridors. These corridors have the Amsterdam metropolitan region in common. Next to the municipality of Amsterdam, this region includes Haarlemmermeer (home to Amsterdam Schiphol Airport) and a number of smaller municipalities. The first corridor follows the A2 highway to the South-Southeast, and includes again both larger cities (e.g. Utrecht and Eindhoven) and smaller municipalities connected to a larger well-performing municipality. The second corridor stretches again in Southern direction from the Amsterdam region, but a bit more to the West. It includes Rotterdam (home to Europe's largest port) and Breda, but again also much smaller municipalities.

This finding of a high economic performance in smaller municipalities in the vicinity of the largest cities of the Netherlands illustrates what has been labelled 'borrowed size' by Alonso (1973; Van Oort & Meijers 2015). This term refers to smaller cities,

THE NETHERLANDS IN MAPS
Cities in the Netherlands (Part 2)

ECONOMIC PERFORMANCE OF CITIES

Economic performance of municipalities
(based on more than 40 indicators for economic
structure and growth/decline of local economy),
averages for annual calculations 2011-2015
(Bureau Louter grading for economic top locations)

- below average performance
(grades lower than 6.5)
- above average performance
(grades 6.50-7.15)
- high economic performance
(grades 7.15-7.45)
- highest economic performance
(grades 7.45 or higher)

Source: calculated by Bureau Louter, Delft
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located in a larger metropolitan area, that demonstrate above average economic performance because they can benefit from the agglomeration advantages of larger neighbouring cities.

LOWER ECONOMIC PERFORMANCE

In some regions the map is dominated by municipalities with relative low levels of economic performance. This is the case in the area to the North of Amsterdam, the North, the East, the Southwest and the most Southeastern part of the country. But also in and around the two corridors identified above, below average economic performance is to be seen.

The below average score of many municipalities can be related to the deliberate planning policies in the Netherlands. These policies have been aimed at strengthening the economic development of regional cities in an attempt to create beneficial trickling down effects to the surrounding regions, but also at maintaining the contrast between urban and rural areas, also in the Randstad area (Van der Cammen *et al.* 2012).

In the areas dominated by municipalities with below average economic performance, a few pockets of high economic performance can be found. These cases confirm the picture of the first map in this year's series with several cities showing high population growth in spite of being located in areas of low or negative population growth. It is tempting to see such top performing urban municipalities that are located in low performing peripheral areas as regional capitals. As such they may thrive thanks to the lack of competitors close by. This may, on the other hand, seem hardly imaginable in the small scale high density Netherlands. In the third map of this year's series we will explore the concept of regional capitals in more detail.

Still, a comparison of maps 1 and 2 of the series shows some anomalies: there are cities with high population growth, but low economic performance (e.g. Leeuwarden); but also cities with low population growth in spite of high economic performance (e.g. Rotterdam).

CREATIVE CITIES?

Above, we implicitly took the step from the creative class to creative cities. Does our map of economic performance show that this idea is indeed valid in the Netherlands? It is crucial in Florida's ideas that the creative class is attracted to places that are tolerant, are concentrations of technological innovation, and of talented people. Acknowledging all problems of empirical measurement of these factors, the general

picture for Dutch urban regions is that in this context the presence of a university plays an important role (Van Aalst *et al.* 2013). On the one hand, in our map a rather nuanced picture emerges. Several university cities score high, in particular Eindhoven, and several cities that score lower than expected in the economic performance index lack a university, for example, The Hague and Leeuwarden. But on the other hand, half of the twelve Dutch university cities are not in the 'highest economic performance' class, and a series of municipalities without a university score really high. Not surprisingly, of course, the spatial realities of economic performance are not easily caught in general ideas.

Note

1. We thank Peter Louter of Bureau Louter for his cooperation and the supply of the data. See also: <http://www.bureaulouter.nl/>.

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