基于生态文明理念的城镇化发展模式与制度研究
补充文件

Supporting Document for the CCICED Special Policy Study
"Good City Models under the Concept of Ecological Civilization"

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Networks Supporting Cities
by Goerild Heggelund, Beate Weber-Schuerholz, Vijay Jagannathan

This document outlines the organizations and multinational networks which can be useful references to develop and encourage sustainable cities in China.

城市合作网络

这个报告指出了一些组织和国际化社交网络，它们能够在中国发展和鼓励可持续发展城市提供参考。

The Contribution of Strategic Environmental Assessment to Sustainable Urban Development in China by Rob Verheem and Bobbi Schijf

Worldwide, Strategic Environmental Assessment (SEA) is one of the most important tools to integrate sustainability considerations into strategic planning. The Netherlands, for example, has applied SEA to find spatial lay-out options that combine industrial development with improved living environments, to develop environmental management frameworks for economic activities near cities, and to engage stakeholders in urban planning processes.

In China SEA is mandatory, and practice is expanding rapidly. For example, an SEA for the development of 5 Mega Regions has led to a better balance between industrial, urban and ecological development. However, SEA in China is not yet optimally used to realize good city models. It can contribute more if SEA application to land use planning and to urban plans is increased, and when lessons learned on SEA within China and internationally are incorporated.

战略环境评估对中国城市可持续发展的贡献

从全球来看，战略环境评估（SEA）是将可持续理念与战略规划相结合的重要工具之一。例如，荷兰利用战略环评在产业发展和生活环境改善之前寻找平衡，确定合理的空间布局形式。为城市周边的一切经济活动建立其环境管理框架，并邀请多方利益相关者参与到城市规划的决策过程之中。

中国也曾开展过战略环评的工作，例如，针对五大城镇群的战略环评为城镇群的发展保证了工业、城市、生态三个方面的平衡。但是，目前在中国战略环评并没有成为事件好的城市模式的有效手段。如果战略环境评估能从国内外经验教训中获得启示并更多的运用到城市规划和土地利用规划中，战略环评能更好的为城市发展做出贡献。

Chinese Urban Development going Dutch?
Lessons on Land Development and Local Public Finance from the 'Planners'
Paradise' by Edwin Buitelaar

China is going through a tremendous and unprecedented process of urbanisation. Despite the great difference in the speed and size of urbanisation, the Chinese approach to urban development contains some shared features with the urban development in the Netherlands over the past decades. The most striking commonality is the reliance on land revenues for financing urbanisation, in particular public services. The World Bank's Urban China report makes a plea for a shift in the role of government from an active land developer to enabler of urbanisation. A reflection on Dutch practice may support that stance.

The international planning community has long regarded Dutch planning culture as exemplary and has even referred to the Netherlands as a planners' paradise. This common view might require revision, because of large changes that are taking place in planning and development practice. The three pillars of Dutch planning and development culture – integration (of land uses, actors and financial sources), comprehensiveness, and the support by an active municipal land policy – are in a precarious state. The crisis has shown (rather than caused) that this way of carrying out urban land development is very vulnerable. The large scale and interconnectedness within land-development projects implies that a shock in one part of the system affects other parts, thus causing the whole system to collapse. Many development projects have been postponed or collapsed altogether, causing great financial losses (figure 1). Municipalities have made cuts in public-service provisions because they were based on volatile income sources.

Figure 1: Budgeted and realised land development profits over the 2000–2012 period (in million euros)
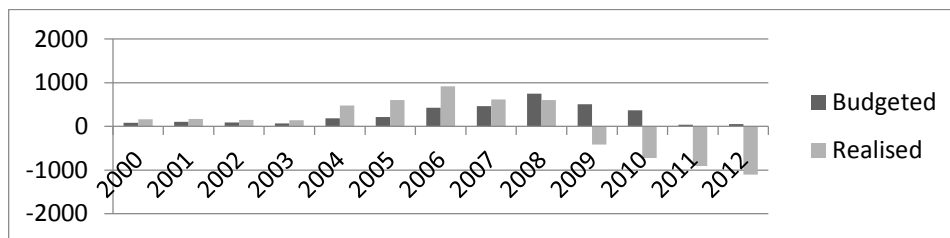
Source: Korthals Altes (2010); municipal accounts and budgets according to Statistics Netherlands [*CBS-Gemeenterekeningen* and *CBS-Gemeentebegrotingen*]; edited by author

As a result of land development projects running into trouble, governments and private actors are now experimenting with organic forms of land development. Figure 2 depicts the difference with large-scale integrated forms of development that were mainstream before the global financial crisis. Organic types of development may offer potential for dealing with uncertainty and risk. Organic small-scale forms of urban land development, with an open-ended plan, a greater role for smaller private actors and an enabling role for government, are better at adapting to changing circumstances. Whether this type of development will institutionalise in the long run and lead to a culture shift in Dutch planning and development depends on the vitality of existing power structures.

Figure 2: Integrated versus organic urban development

INTEGRATED URBAN DEVELOPMENT		ORGANIC URBAN DEVELOPMENT
AT ONCE	APPROACH	GRADUALLY
1km LARGE	SCALE OF DEVELOPMENT	2cm 5cm 6m 100m 1cm 90m SMALL
2000 2020 PROJECT MANAGEMENT	TYPE OF MANAGEMENT	2012 PROCESS MANAGEMENT
BLUEPRINT	PLAN TYPE	STRATEGIC
LARGE DEVELOPERS	TYPE OF DEVELOPER	SMALL DEVELOPERS AND INDIVIDUALS
ACTIVE AND RISK PRONE	ROLE LOCAL AUTHORITY	FACILITATIVE
A > B > SEQUENTIAL	DEVELOPMENT & MANAGEMENT	A B B A MIXED

Source: Buitelaar et al. (2012)

The Dutch experience shows the risks of an active local land policy and of integrated-comprehensive urban land development. These risks are even greater in China. While in the Netherlands, pre-financial crisis land revenues made up 10-15% of the income of municipalities, in China these are close to 50%. The Dutch case provides lessons for China to explore greater decoupling of urban land development from local public finance.

中国的向荷兰学习城市发展经验？"规划师天堂"的反思与经验教训

中国正经历一个巨大的和前所未有的城市化的过程。尽管城市化的速度和规模存在巨大的差异，但似乎当前中国城市发展的方式与过去几十年里荷兰的城市发展存在一些共同的特征。最引人注目的共性是两个国家在筹措城镇化资金时都依赖土地财政收入，特别是在公共服务方面。在世界银行的中国城市报告中已经提出希望政府角色从一个活跃的土地开发商转变成为城镇化的推动者。针对荷兰实践的反思可以支持这一立场。

国际规划团体长期以来视荷兰规划文化为一种例外，甚至是一种典范。有些人称荷兰为规划者的天堂。可是，这种普遍观点可能需要修改了，因为规划和开发实践正在经历巨大的变化。荷兰的规划和发展的三大支柱——整合（土地利用，参与者和金融资源），综合性，和积极城市土地政策支持——正在被撼动。危机显示（而非导致）这种城市土地的开发方式是非常脆弱的。大型土地开发项目的规模和关联性意味着冲击系统的一部分必然会波及到系统的其他部分，进而造成整个系统的崩溃。事实是：许多开发项目被推迟或完全崩溃。这会导致财政上的重大损失(见图1)，导致城市政府不得不削减公共服务的内容。它揭示了基于不稳定收入来源的公共服务的风险。

图一：2000 年-2012 年间预期的和最终实现的土地开发利润（单位：百万 欧元）
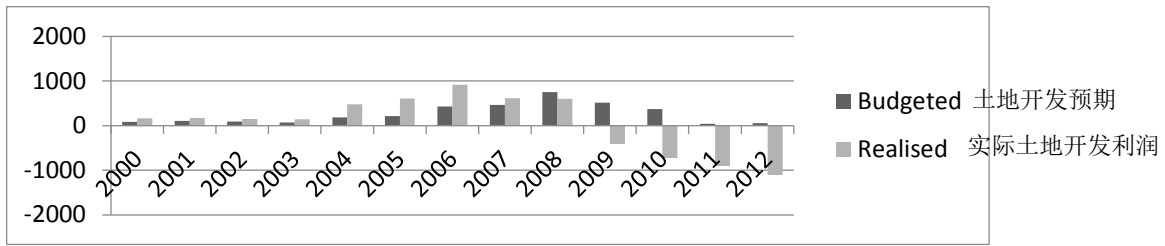
数据来源：Korthals Altes (2010), municipal accounts and budgets according to Statistics Netherlands [CBS-Gemeenterekeningen and CBS-Gemeentebegrotingen] 作者编辑

由于土地开发项目遇到麻烦，政府和私营部门正在尝试有机的土地开发模式。图 2 描绘有机开发模式与大规模整体开发模式之间的区别，而后者正是在全球金融危机之前的主流开发模式。虽然这种模式的诞生是源于当下的需求，但从长远来看，有机类开发模式可能更有潜力应对不确定性和潜在风险。有机小规模的城市土地开发的形式，结合一个开放式的规划，再赋予小型私营部门更大的角色作用以及加强政府的促进作用，会更善于适应不断变化的环境。这种类型的开发模式是否会最终制度化并引发荷兰规划文化和发展的转变取决于现有权力结构的活力。

图二：整体的和有机的城市开发模式对比
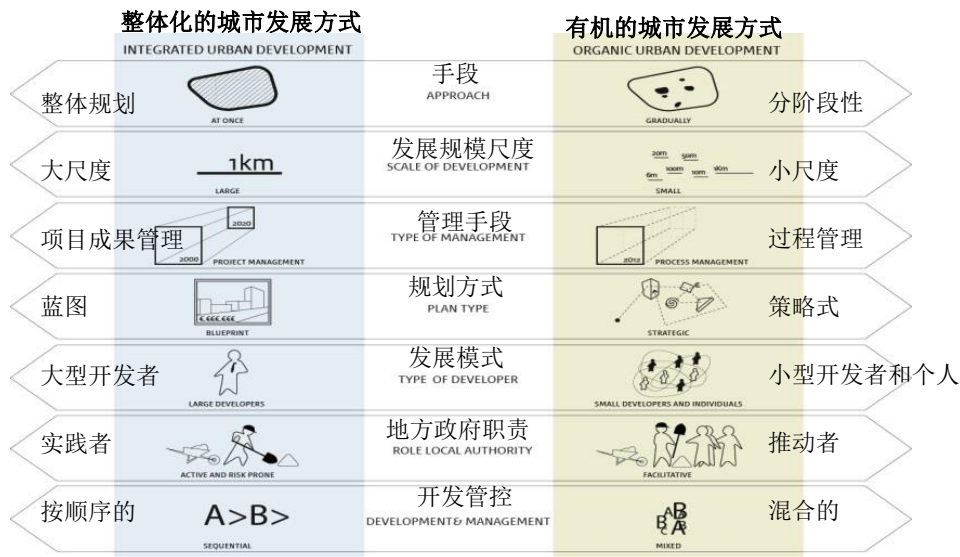
数据来源：Buitelaar et al. (2012)

到目前为止，荷兰的经验显示了积极的地方土地政策和整体-综合的城市土地开发模式的风险。在中国这种风险会更大。在金融危机前土地收入占 10 - 15%的荷兰城市收入，在中国这个数值接近 50%。荷兰的经验为中国为完成城镇化任务一味追求土地开发提供了教训，应该早日实现城市土地开发与地方财政的分离。地方政府应尽可能避免大规模土地开发。另外，地方公共服务的提供可以依据法律或通过（增收）房产税的成本回收方式来实现资金支持。它必须确保各级政府获得适当的融资,避免对城市发展产生不必要的负面影响。

Networks Supporting Cities

Goerild HEGGELUND, Beate WEBER-SCHUERHOLZ, Vijay JAGANNATHAN

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Networks supporting cities

The following organizations and multinational networks are references which would be useful to develop sustainable cities in China.

Cittaslow
www.cittaslow.org

The Movement of cittaslow was born in 1999 in Chianti, a little town of Tuscany, Italy. The new idea is to consider the town itself and to find of a different means of development which is based on improving quality of life. The idea of cittaslow spread in Italy, and gradually extended to 189 cities in 29 Countries in the world. The main goal of cittaslow is to enlarge the philosophy of Slow Food to local communities and to the government of towns, applying the concepts of ecogastronomy in everyday life.

Municipalities which join the association are motivated by curious people of a recovered time, where man is still protagonist of the slow and healthy succession of seasons, respectful of citizens' health, the authenticity of products and good food, rich in fascinating craft traditions of valuable works of art, squares, theaters, shops, cafés, restaurants, places of the spirit and unspoiled landscapes, characterized by spontaneity of religious rites, respect of traditions through the joy of a slow and quiet living.

Example from Cittaslow UK:

'Cittaslow towns are flourishing. Unique, vibrant and prosperous, we're retaining our distinct identities in the face of global homogenisation. There's an art to improving the quality of life in a town; a way in which the community comes together for the common good that generates a passion felt by residents and visitors alike. Our goals champion a holistic approach that strengthens communities and creates a better daily life for all. This is the legacy we'll leave for future generations. Cittaslow is an accreditation that acknowledges the dedication and commitment of community members who work hard to make their part of the world a healthier, greener, happier, slower place to inhabit.'

http://www.cittaslow.org.uk

C40 Cities Climate Leadership Group
http://www.c40.org

C40 is a global network of cities dedicated to taking action to reduce greenhouse gas emissions. The network has three membership categories: Megacity (a population of 3 million or more, and/or a metropolitan area of 10 million or more); innovator city (smaller cities that are recognized leaders in climate and sustainability work); observer city (new members or members who for regulatory reasons cannot become full members).

C40 provides support to cities through:

- **Direct Assistance:** Regional Directors are provided by C40 to qualifying cities to provide on the ground assistance in climate protection policy and initiatives. C40 links members with its partner organizations to provide technical assistance for policies, programs and projects.
- **Peer-to-peer Exchange:** C40 links cities in the network to share ideas and develop solutions through their biennial summit and topic specific workshops. It also has sub-networks currently focused on seven issue areas: Adaption and water; Energy; Finance and economic development; Measurement and Planning; Solid Waste Management; Sustainable Communities; Transportation.
- **Research and Communication:** C40 conducts research using data from across the network, identifies successes, challenges and measures progress. Staff also publicize achievements of member cities.

Cities Alliance
http://www.citiesalliance.org/node/3750

Cities Alliance is a global partnership made up of local and national governments, NGOs, and multilateral organizations dedicated to the reduction of urban poverty and the development of sustainable cities. It supports policy development, planning, capacity building and citizen engagement.

Cities Alliance provides support to cities through:

- The Catalytic Fund- Project funding awarded through a call for proposals organized around specific themes.
- Communications and advocacy at major international meetings- The Policy Advisory Forum, held annually, is a platform for knowledge sharing and discussion.
- Country Programmes- Develop a framework for cooperation between national and local governments and the urban poor, and coordinate funding to fill action or knowledge gaps.
- Knowledge and learning- share experience between members, develop guidelines and toolkits, communities of practice, peer-to-peer learning, etc.

CITYNET
http://citynet-ap.org

CITYNET was established in 1986 by UNESCAP as an urban knowledge sharing network for the Asia-Pacific region. Unlike other networks, it has both cities and partner institutions working in cities, and therefore also includes civil society organizations, academic institutions and the private sector among its members. Currently it has more than 100 members from 20 countries in the Asia-Pacific region. CITYNET Secretariat is hosted by the Seoul Metropolitan Government, and a branch secretariat is hosted by the city of Yokohama, Japan.

CITYNET members are of the view that the global agenda of climate friendly development can be promoted by actively engaging cities and partner institutions to exchange knowledge and best practices aimed at building people-centered, sustainable, and resilient cities across the Asia-Pacific region. It organizes a number of knowledge sharing events throughout the region, and supports cities in establishing city-to-city and private sector to city dialogues with the idea of providing better services to citizens, and building capacity at the local level. It also works close partnerships with the United Nations, other city networks, and other bi- and multilateral organisations and agencies. In 1995, CITYNET was granted consultative status with the Economic and Social Council (ECOSOC) at the United Nations. In 2002, UN-HABITAT awarded CITYNET with a Scroll of Honour for "playing a key role in facilitating City to City Cooperation and networking amongst local governments, NGOs and development agencies in Asia".

ICLEI- Local Governments for Sustainability
www.iclei.org

ICLEI is an association of cities and local governments dedicated to sustainable development. Membership includes 12 mega-cities, 100 super-cities and urban regions, 450 large cities as well as 450 medium-sized cities and towns in 86 countries.

ICLEI provides a wide range of services to cities, including advocacy, tools, research, capacity building, networks and events such as the ICLEI World Congress or the Resilient Cities Congress. Some examples of programs and initiatives directly related to climate change include:

- Green Climate Cities Program- building on their earlier extremely successful Cities for Climate Protection program, this program provides a methodology, tools and technical support for cities to reduce their carbon emissions.
- carbon Cites Climate Registry (cCCR)- the largest global database of local climate actions
- Urban LEDS (low emission development strategies)- a partnership with UNHABITAT to provide tools (including emissions tracking software), methodologies and capacity building to developing country cities

International Union of Local Authorities (IULA)
http://web.mit.edu/urbanupgrading/upgrading/resources/organizations/iula.html

The IULA is an association that organizes contact between municipalities, funding agencies, training institutions, corporations, NGOs, and individuals worldwide for the exchange of information and expertise and to facilitate cultural contact.

IULA was established in 1913 in the Netherlands, with the intention to promote democratic local self-government, and it began with a focus on newly founded European cities. Though it was closed twice during times of war in the early 20th century, it has maintained its objectives and directions since its inception, and it quickly expanded its work to impact communities worldwide. The organization believes that close contact between different local municipalities of the world will result in both cross-cultural exchanges and mutual benefits. It was particularly active in opening the lines of communication between the burgeoning municipalities of the early post-colonial era and with more established cities elsewhere. In this tradition, the group now attempts to organize and oversee relationships between municipalities all over the world in both industrialized and developing countries.

Metropolis
http://metropolis.org

Metropolis, or the World Association of the Major Metropolises, provides an international forum for issues of concern to major metropolitan areas. It has 130 members from across the world, and also operates the metropolitan section of UCLG (link below). Although it does not deal exclusively with climate change issues, it has an initiative dedicated specifically to climate change mitigation and adaption and hosts workshops and training sessions on climate-related issues, as well as other sustainability-related issues that can impact climate change.

Metropolis provides support to cities through:

- Triennial congresses
- Representing metropolitan issues at international organizations (especially the UN, but also through UCLG, the World Bank, US Conference of Mayors, ICLEI, etc.)
- Technical assistance supported by the Global Fund for Cities Development
- Training through the Metropolis International Training Institute located in Seoul and 4 regional offices in Cairo, Mashhad, Mexico City and Paris (Île-de-France) generally on a cost-share basis (e.g. participants pay travel costs, the Institute provides the training free of charge)
- Forum of Metropolitan Mayors
- Metropolis International Women's Networks- a peer network for women who hold political or other leadership positions in member cities
- Metropolis Awards- given out every 3 years in recognition of members' projects that have improved citizens' lives
- Publications and communications

United Cities and Local Governments (UCLG)
www.uclg.org

United Cities and Local Governments (UCLG) is the largest local government organization in the world. Members include individual cities and national associations of local governments. 1000 cities across 95 countries are direct members of UCLG and 112 Local Government Associations (LGAs) are members, representing almost every existing LGA in the world. It has 7 regional offices and a dedicated section for larger metropolitan areas, Metropolis (see link above). It has standing committees and working groups in a number of areas and identifies climate change and sustainable development as key issues. It engages in advocacy, research and networking. In particular, it advocates for national governments and international organizations to recognize the role that local governments have in a wide range of urban issues.

World Energy Cities Partnership - EnergyMetropolis
www.energymetropolis.com/wecp
www.energycities.org

Established in 1995, WECP is a non-profit organization whose members are globally recognized as international energy capitals. These member cities actively seek and develop opportunities to learn, exchange and engage in activities to the mutual benefit of the partnership. WECP is bound by a co-operative agreement signed by the Mayors of each city, who serve as board members, is directed by an elected President and Vice-President, and supported by a Secretariat office, which is based in Houston, USA.

WECP provides a worldwide network of industry support services and resources, and serves to facilitate business-to-business interaction, the sharing of industry knowledge, contacts and experiences, and partnerships in energy-related activities. The organization facilitates trade missions for local businesses to travel to member cities and capitalize on business development opportunities. WECP strives to continuously increase the stream of information flowing between its member cities.

Multilateral Networks

Asian Development Bank
www.adb.org/themes/urban-development/overview

Urban Development in one of the ADB's thematic areas. Climate change mitigation and adaption is part of its integrated approach to cities. ADB's Urban Operations Plan identifies green, inclusive and competitive cities as priorities. Although ADB's lending for urban projects to date has clustered around water and wastewater projects, the Bank also identifies city cluster economic development, urban transportation, waste management, municipal

finance, and urban renewal and slum rehabilitation as priority areas. The Clean Energy Financing Partnership Facility funds clean energy technology projects including projects that address policy, regulatory and institutional reforms to encourage clean energy development. In addition, ADB hosts the Urban Community of Practice to support knowledge exchange.

The United Nations

UN Habitat is the UN agency mandated to foster sustainable urbanization. However, as urbanization and climate change have both become cross-cutting themes, the work of numerous agencies touches on these issues. UN Habitat's Cities and Climate Change Initiative enhances the capacity of local governments in developing countries to address adaptation and mitigation at the local level. UNEP, UN Habitat, Cities Alliance, and the World Bank have collaborated on the Knowledge Centre on Cities and Climate Change (K4C). UNDP works with national, regional, and local planning bodies to help them respond effectively to climate change and promote low-emission, climate-resilient development. UNDP provides support in the following areas: Integrated Policy and Planning; Formulating, Financing and implementing Climate-resilient Projects and Programmes; and Knowledge Management and Methodology Support. Examples of projects include disaster risk preparedness training in Bangladesh, new legislation and industrial production of CFC-free appliances in Brazil, energy efficiency plans and audits for all towns and cities in Croatia, capacity building for the implementation of national carbon reduction targets at the provincial level in China, as well as the production of a National Human Development Report on Sustainable and Livable Cities in 2013.

Since almost all UN entities are engaged in climate change work, the UN launched an initiative in 2007 to better coordinate its response to climate change in order to avoid duplication and enhance effectiveness.

United Nation Environment Programme (UNEP)
www.unep.org/resourceefficiency/Policy/ResourceEfficientCities/tabid/55541/Default.aspx

UNEP recognizes the growing need to address global environmental concerns from an urban perspective and to integrate the urban dimension of global environmental issues. More specifically, UNEP aims to promote the link between international cooperation and local action.

In order to respond to the needs of an increasingly urbanizing world, UNEP supports cities in emphasizing interventions that have both local and global benefits. Areas of focus include, among others, buildings and infrastructure, transport, air pollution, waste and water management, biodiversity and ecosystems. In cooperation with partners, UNEP

supports cities across the world in addressing environmental impacts and in integrating the environment into their long-term strategic planning. The emphasis of UNEP activities is on supporting developing countries to develop and implement policies, through capacity building, technology and knowledge support. This includes policies supporting low-carbon, resource efficient and green growth as well as policies on mitigation and adaptation to a changing climate.

The World Bank Urban Development
www.worldbank.org/en/topic/urbandevelopment/overview

The World Bank's urban agenda focuses on providing technical assistance, research and financing in a number of areas including low-carbon growth and management of climate risk. Other parts of the Bank's urban agenda such as good governance, upgrading of slums, job creation, etc. may also impact climate issues and low-carbon sustainability is a consideration in the evaluation of all investment. Some of the programs most directly related to climate include:

- Low-carbon Livable Cities Initiative- provides tools for GHG inventories, evaluation of emissions reduction potential of different investments, etc. and develops new financial instruments for low-carbon investment in cities.
- Urbanization Knowledge Platform- a network of over 70 partner organizations providing a platform to share best practices
- Partnership for Smart and Sustainable Cities- knowledge-sharing platform and facilitator of cross-sectoral collaboration
- Eco^2Cities- an initiative promoting the interdependence between ecological and economic sustainability
- Global initiative on solid waste management- includes tackling short-lived climate pollutants

World Health Organization – Healthy Cities Program
www.who.int/heli/en

The urban environment – a general directory of resources, provides general access to web portals of the World Health Organization, United Nations Environment Programme, and other United Nations agencies, as well as to web portals sponsored by civil society and academic/research institutes. Due to the cross-cutting nature of urban environment and health issues, access is provided to a range of sites that may be of relevance to healthy and sustainable urban development.

HELI encourages countries to address health and environment linkages as integral to economic development. HELI supports the valuation of ecosystem 'services' to human health and well-being – services ranging from climate regulation to provision/replenishment of air, water, food and energy sources, and generally healthy living and working environments. HELI activities include country-level pilot projects and refinement of assessment tools to support decision-making.

The contribution of Strategic Environmental Assessment to sustainable urban development in China

Rob VERHEEM and Bobbi SCHIJF

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Introduction

The Central Urbanization Work Conference was held in Beijing in December 2013. At this conference, specific tasks to create good city models in China were identified. These tasks included: making land use more efficient, leading urbanization to a higher standard and enhancing the management of urbanization. Strategic Environmental Assessment (SEA) - a process that is mandatory in China – can be a key tool in achieving these goals. This potential, however, will only be realized if SEA is applied at the right time and place, and if sufficient capacity is built for its application. This paper provides a short overview of the current situation concerning SEA in China and gives recommendations for utilizing SEA as a tool to establish good city models.

SEA world wide

Worldwide, SEA is one of the most important – and required by regulation - tools to integrate sustainability considerations into strategic planning. The OECD DAC SEA task team (2006) has given a definition for SEA as an **analytical** and **participatory** approach, aiming to **integrate** environmental considerations into policies and plans, while evaluating the inter linkages with **economic** and **social** considerations. From this definition, countries have developed their own, tailor-made approaches, that fit with their specific contexts, traditions and regulatory systems. All SEA approaches support planning with the necessary *environmental information*, by organizing *public participation and intergovernmental dialogue on environmental issues* and with mechanisms to *integrate information and public opinions into political decision making.*

SEA in China

China was one of the first countries in Asia to adopt a legal requirement for environmental assessment. From as early as 1979, environmental impact assessment (EIA) was required for decision making on specific projects. With the introduction of the 2003 Law on EIA, environmental assessment also became a mandatory process for decision making on plans and programmes. (SEA). The 2009 "Regulations of Planning Environmental Impact Assessment" expanded the application of SEA even further and improved procedures. This led to an active SEA practice in China, including many case examples of SEAs for the development of urban areas, river basin development and for the planning of economic development zones. The Chinese government is currently exploring the application of SEA to planning at the highest policy level. The pilot application of SEA to mega-region development is part of this effort. Box 1 describes the first round of mega-region SEAs, which were such a success that a 3rd round of pilots is now underway.

SEA – or plan EIA as it is called in China – receives high levels of recognition and support, as is apparent from the following quotes:

- "Reinforcement of plan EIA to prevent environmental pollution and ecological damage from the source" - Wen Jiabao (premier at the time of quotation)

- "Promote plan EIA vigorously to strengthen comprehensive decision making" - Pan Yue, Vice Minister of MEP
- "Urban planning EIA is necessary to avoid the traditional urban planning problems" - Qiu Baoxing, Vice Minister of MOHURD

Recently the EIA Department of MEP and the Urban Planning Department of the Ministry of Urban-Rural Planning and Housing had an official joint meeting, which reached a common understanding to facilitate SEA for Urban Master Plans.

Current challenges in sustainable urban planning in China

These challenges are addressed in more detail in other chapters of the Good City Models Special Policy Paper, but it is worth highlighting several environmental and participation issues, particularly ones which have been identified by Chinese experts in SEA. For example, 'Industrialized urbanization', population migration as well as spatial sprawl are threatening bottom lines of resource availability, local environmental quality and regional ecological security. The long-term accumulated impacts and potential risks are high, and powerful and efficient intervention are needed. (Source: Liu, Yi – 2011 - Director, Tsinghua Center for Strategic Environmental Assessment (CENSEA)).
However, the necessary planning approaches are not yet in place. There is too much focus on 'end of pipe measures' in decision-making, and decision-makers often take a passive approach. There is insufficient environmental awareness and ability amongst governmental agencies. The same problem exists amongst the public; public participation in environmental protection is weak. On top of that, the legislative system in China does not secure the public's environmental rights, and there is a lack of feedback mechanisms that bring environmental issues into view. (Source: Prof. Cunkuan – 2012 - Shanghai University)

Potential of SEA application in the China urban sector

SEA has the potential to deal with each of the issues mentioned above. This applies internationally, but specifically to China as well. This potential has been extensively field tested in China over the last 20 years: pilots in 31 cities in 16 provinces (see figure 1). On the basis of these pilots, Yanan & Jingming (2012 - Appraisal Center for Environment & Engineering, MEP, PRC) attribute the following benefits to urban planning SEA in China : for planners, a better quality of plan; for environmental agencies: support to macro-level environmental control in micro-level environmental management as well as reducing the cost for environmental treatment. Similarly, He et al (2010 – Shanghai University - EIA Review) recommend application of SEA to better link ecological plans and urban plans. They observe an institutional barrier between urban planners and environmental authorities that SEA can help to overcome.

Dutch experience in SEA for urban development

China can draw from experience elsewhere to optimize SEA application within its own context. The Netherlands has over 25 years of experience in SEA application. During that period, approximately 100 SEAs were applied to decision-making on urban development at national, provincial and local levels. At the national and provincial level, the focus of these SEAs was mostly on making spatial choices, while on city level, SEA was applied to support spatial choices in combination with environmental management regimes (for traffic, water, green areas, etc.). For example, the city of Rotterdam used SEA to establish an environmental management framework to determine the environmental limits to economic development, to balance space for industry with space for recreation and to find ways to combine industrial development with improving the living environment. In the city of The Hague, SEA was specifically useful in harmonizing government objectives at different levels of urban environmental management. In Amsterdam, SEA was applied to city planning to explore planning options that would meet environmental objectives and to engage stakeholders in the planning process (see box 2).

Recommendations for optimizing SEA to meet China's urban planning challenges

On the basis of SEA experience in China and in the Netherlands, specific recommendations can be formulated that can contribute to the tasks identified at the Urbanization Work Conference in December 2013.

Task: Make Land Use more Efficient
Apply SEA to land use plans to:
  • Develop alternative land zoning scenarios that balance production, living and ecological space;
  • Compare scenarios to find the optimal balance.
Task: Lead urbanization to a higher standard
Apply SEA to urban plans:
  • To identify valuable resources and landscapes;
  • To assess possible environmental impact;
  • To safeguard the scientific base of the plans.

Task: Enhance management of urbanization
Apply Policy SEA to the <u>National Urbanization plan</u>:
- To coordinate sector policies relevant for urbanization;
- To balance urban, industrial and ecological development at the national scale.

The recommendations above all relate to the application of SEA to specific planning processes. In addition, it would be useful to consider improving the practice of SEA in China by:

- Developing capacity for SEA at national and local levels;
- Strengthening the capacity to enforce the existing SEA regulation;
- Further improving quality assurance and monitoring of SEA implementation;
- Further developing participation processes and methods.

Box 1: SEA contributes to more balanced development in 5 Mega-regions in China

From 2007 to 2010, Ministry of Environmental Protection (MEP) of China piloted the application of SEA to the planning of mega-regions in China. Five mega-regions were included in this project (see map). These regions constitute about 22% of the national GDP of China. Heavy industry accounts for 70% of their manufacturing industry. The regions are undergoing rapid economic growth as well as a sharp increase in population size, in some cities by 9% per year. At the same time, the mega-regions host important bodies of water and a rich biodiversity.

A conflict between economic & population growth and environmental quality is evident in the mega-regions. For example, 80% of the cities in the Chengdu-Chongqing Economic Zone suffer from acid rain which result from the power plants and chemical

Locations of the five mega-regions in China

factories located nearby. It is not surprising then that the multi-pollutant emission reduction that is needed in these regions accounts for more than 2/3 of the national total.
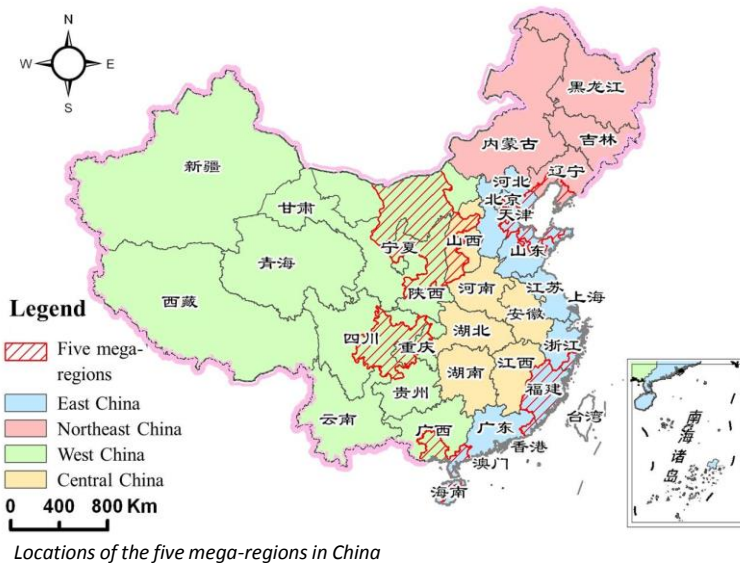
In a series of SEAs the trends in economic activity, industrial structures and spatial patterns in the 5 mega-regions were analyzed and the resulting environmental impacts assessed.

Next, spatial alternatives and recommended measures for each mega-region were developed within the SEAs. Local governmental agencies participated, particularly the planning authorities and their implementation agencies.

The mega-region SEAs have provided a scientific basis for follow-up in the decision making process. SEA recommendations within the regions are used in the development of local "12th Five-Year" plans. The national level (National Development and Reform Commission (NDRC), Ministry of Land and Resources, and the Ministry of Transport,) is also drawing from the SEAs. From the pilot evaluation, it is clear that mega-region SEAs are contributing to a better balance between industrial, urban and ecological development. To illustrate: key industrial activities have been re-allocated to more suitable locations in Fujian province and the government of Hebei Province established 9 nature reserves in 3 coastal cities. Other reported benefits include improved local environmental monitoring and management regimes and better co-ordination between different levels of government.

Source: "The Practices and Experiences of Strategic Environmental Assessment on the Key Industries' Development in the Five-mega Regions", MEP.

Box 2: SEA for spatial plan in Amsterdam builds support for implementation

In 2010, the city of Amsterdam adopted a new spatial vision. This so-called 'structure vision 2040' outlines the desired long-term spatial developments, and also explains which authorities and instruments will be engaged to achieve these developments. An SEA was integrated into the planning process.

Impression of Amsterdam in 2040

The ambitions for the plan also determined the scope of the SEA. These ambitions included: increasing the density of the city; enhancing and connecting (green and blue) public space, and providing space for variety of business activities and tourism opportunities. The SEA supported the development of alternatives, and showed the trade-offs between different options. Planning alternatives were assessed and compared in the SEA. The SEA looked at how each affected the economy, quality of life, landscape and nature, mobility and the extent to which the alternatives were climate proof.

As part of the planning process and the SEA, the city of Amsterdam experimented with new forms of public involvement. More than was previously the case, specific stakeholders and the general public were consulted from start to finish. Over 2500 inhabitants of Amsterdam contributed their views and ideas. Various governmental authorities were also engaged in the SEA, such as the regional authority (Province), the municipalities surrounding the city, and

Public participation and consultation

the 7 sub-districts of Amsterdam. This early and extensive participation paid off: it led to more support for the implementation of the final plan.

Source: Netherlands Commission Environmental Assessment and Physical Planning Department of the City of Amsterdam. See "Views and experiences: Structure vision Amsterdam 2040 and SEA" on www.eia.nl.

Chinese Urban Development going Dutch?
Lessons on Land Development and Local Public Finance
from the 'Planners' Paradise'

Edwin BUITELAAR

Supporting Document for the CCICED Special Policy Study

"Good City Models under the Concept of Ecological Civilization"

December 2014

1   Introduction

China is going through a tremendous and unprecedented process of urbanisation. Despite the great difference in the speed and size of urbanisation and the specificity of some institutions such as the *hukou* household registration system, the Chinese approach to urban development has commonalities with the way urban development in the Netherlands has been approached in past decades. The most striking commonality is the reliance on land revenues for financing urbanisation, in particular public services. The World Bank's Urban China report makes a plea for a shift in the role of government from an active land developer to enabler of urbanisation (World Bank; Development Research Center of the State Council, the People's Republic of China, 2014).

However, Dutch land development is at a crossroad. The Netherlands is known for its planning style in which land-use development is organised in an integrated and comprehensive way. Following from this, urban development takes place at a large scale and in a way in which various land uses, stakeholders and financial streams are aligned. However, the crisis has shown that this type of development is vulnerable: with commercial property and housing under pressure, the development of entire areas has either been postponed or has collapsed altogether. Because of this and because of the moderate economic and demographic prospects, in the future, organic incremental developments with a greater role for individual private initiatives, seem more viable and less vulnerable. Moreover, a large number of experimental projects more or less adhere to this 'new' type of development. When these new experiments and discourses become mainstream and institutionalised it might lead to a shift in planning culture. How I arrived at this crossroad will be discussed in this paper[1]. This analysis does not lead to suggestions for policy transfer or institutional transplantation. Not only is my knowledge of Chinese practice too limited to be able to make such suggestions, there are also limitations to institutional transplantation because of large differences in the economic, political, institutional and demographic context (De Jong, 1999). The analysis in this paper is meant to be a reference point for reflection on Chinese urban land development.

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[1] This paper is largely based on Buitelaar, E. & A. Bregman (forthcoming), 'Dutch planning and development culture on the brink of change?' (Submitted for publication).

This contribution is structured as follows: In Section 2, I discuss the literature on planning and development cultures, operationalizing on key concepts. On that basis, Section 3 deals with analysing the history and state of affairs of Dutch planning and development culture as it existed (and to some extent it still does) until the financial crisis of 2008. Section 4 describes the external (economic) developments that have added pressure since 2008. The last section (5) discusses implications and future prospects.

2   Planning and development cultures in the literature

The literature on planning cultures is expanding. This is an important development in understanding differences in planning in different countries and regions (Booth, 2011). However, conceptual precision is often lacking (see also Taylor, 2013). The concept of planning culture or planning system is stretched to include virtually everything, with the risk of meaning nothing. That is problematic for systematic empirical research. Operationalization and focus are therefore important.

The words 'planning cultures' and 'planning styles' are used interchangeably in literature (Taylor, 2013). They can be treated the same, although I prefer using the former since it more explicitly captures the notion of the institutionalisation of planning[2], and the degrees thereof. Both planning cultures and styles are not to be confused with planning systems[3]. I consider planning systems to be the formal legal frameworks for spatial planning. The *Planning and Compulsory Act 2004* in England, the *Wet ruimtelijke ordening* (Wro) in the Netherlands and the *Raumordnungsgesetz* and the *Landesplanungsgesetz* in Germany are examples of these frameworks.

Sanyal (2005) defines a planning culture as "the collective ethos and dominant attitudes of planners regarding the appropriate role of the state, market forces, and civil society

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[2] A (planning) style does not necessarily refer to (a set of) institutionalised actions; in theory it might concern a one-off action.

[3] Stead & Nadin (2009) too argue that the two are distinct. They are, however, not very explicit in what the distinction is.

influencing the social outcome" (Sanyal, 2005: XXI). I believe that a planning culture does not only concern the 'role' of actors but also their decisions and means of planning. In addition, a culture is stronger than an 'attitude', since it reflects the solidification of action into a set of informal institutions. Therefore, in line with Buitelaar, Galle and Sorel (2011: 930), I define a planning culture as "a set of informal institutions that guide, and are (re)produced through, decisions by government, private actors and citizens". Informal institutions have rules that are often implicit and not enforced by the court. Examples include conventions, taboos and codes of conduct. 'Formal institutions, such as land-use regulations, are connected to planning cultures in important ways: they affect each other' (*Ibid*). This interaction becomes clear when Dutch land development models are discussed. A planning culture in itself is embedded within a broader national institutional context, or 'social model' (Stead & Nadin, 2009; Taylor, 2013).

A crude distinction can be made between planning at the strategic and operational level (e.g. Mastop, 2000)[4]. Planning at the operational level has clear phasing, an end-state plan and has the objective of spatial development. In strategic planning, the future is more open and the plan is a frame of reference that seeks to influence the actions of actors rather than space. Planning cultures affect both levels. Since the focus in this paper is on land development practices, I concentrate on Dutch planning culture at the operational level. Others have focused on the changes in Dutch planning at a more strategic level and at a higher spatial scale (Zonneveld & Evers, 2014).

The operational level is where the planning culture becomes strongly linked or coincides with the (land) development culture. This is particularly the case in the Netherlands where planning agencies are often also land developers (Lefcoe, 1978; Needham, 1997; Van der Krabben & Jacobs, 2013). However, much less has been written on development cultures. The work by Guy, Henneberry & Rowley (2002) is an exception, but concentrates on the cultural aspects of private developers and investors, not so much on the development process or on the interaction between private and public actors. The definition of planning culture, which contains both the ends and means of planning and the role of both public

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[4] Some add the tactical level as an in-between level.

and private actors, could equally be used for defining the concept of 'development culture'. Consequently, a development culture can be seen as a set of informal institutions that guide, and are (re)produced through decisions by government, private actors and citizens on the ends and means of the development process.

Since I define culture as a (more or less coherent) set of institutions, it is subject to processes of institutionalisation and institutional change (e.g. Gualini, 2001), although culture has a tendency towards path dependency (Booth, 2011). Cultures are not exogenous, they are socially constructed and subject to change. To illustrate the dynamic nature of institutions: recent Dutch planning and development culture, in which public comprehensive planning and public investments play a very important role deviates substantially from the planning culture that had evolved before the 20th century. The Dutch *comprehensive integrated* approach (see below) started to develop in the late 19th century when urban development became much more subject to collective action than before when it was more haphazard, resulting in negative externalities such as poor hygiene and slums. In the beginning, in the late 1900s and the early 20th century, there were many private plans, often made by industrials and other affluent citizens with a strong sense of solidarity. A growing sense of responsibility at the state level, for the living conditions of citizens meant that plan-making increasingly became a public affair (De Klerk, 2008). An active municipal land policy was advocated within the professional community early in the process of the institutionalisation of the Dutch planning and development culture: "A forward-looking land policy, which allows for acquiring building land in time and at the right time, is pivotal for good urban extension"(Nederlandsch Instituut voor Volkshuisvesting en Stedebouw, 1930: 130 – translation mine). It was not until just after the WWII, that active land policy became common practice for the large urban extension projects that were necessary to deal with large housing shortages (Buitelaar, 2010).

Institutional change (hence cultural change) takes place in a two-stage process (Buitelaar, Lagendijk & Jacobs, 2007). First, a combination of external developments and institutional reflection leads to a *critical moment* in which an institutional path is reflected upon. The emergence of *institutional contradiction* plays an important role towards that critical

moment (Seo & Creed, 2002). This can be a contradiction between different sets of institutions or between institutions and their social, economic, political or environmental contexts. Before the second stage, a *critical juncture* arises where dominant actors have to align their problem perceptions and solutions. In this paper I claim that various developments have led to a contradiction between Dutch urban land development and its economic and demographic contexts, which has induced a critical moment for change. Contemplation on common land development practices have not yet let to a change and institutionalisation of new practices.

Planning and development cultures compared

The 1997 *EU Compendium on spatial planning systems and policies* was a comprehensive attempt to compare planning systems and cultures of many different countries (in Europe). There has been no such comprehensive research since but there has been an update of the Compendium by ESPON (2006). Other publications compare elements of planning systems and cultures such as national spatial planning (Alterman, 2001), planning compensation (Alterman, 2010) and urban land readjustment (Hong & Needham, 2007).

The EU Compendium makes a distinction between four different planning cultures in Europe: the *comprehensive integrated*, the *regional economic*, *land-use management* and *urbanism* (CEC, 1997). In the *comprehensive integrated* approach, spatial planning is conducted systematically with a formal hierarchy of plans and large public investments in the implementation of those plans. The focus is on spatial development rather than on economic development. The CEC report makes particular references to the Netherlands, Germany, Denmark, Finland, Austria and Sweden for the topic of spatial development. In the *regional economic* approach, spatial planning is focused on a broader range of social and economic objectives. Redistribution of wealth is a key way to deal with regional disparities. France and Portugal have embraced this approach. *Land-use management* has a much narrower focus on controlling urban growth and land-use changes. The UK is the clearest example of this approach; though one can also refer to the examples of spatial planning in Belgium and Ireland. In the *urbanism* tradition, which is mainly evident in Mediterranean EU member-states, spatial planning has a strong connection with

architecture and urban design. In these cases, land-use regulations are less well established, and therefore less effective than in most other European countries.

In 2006 ESPON decided to update the CEC analysis and attribute countries to the various categories. France, Germany, Norway, Sweden and the UK have developed hybrid approaches in which at least two of the four initial categories have merged. The Netherlands, Finland and Austria, are considered to follow the comprehensive integrated approach.

3   Dutch planning and development culture in its 'heydays'

It is important to define what planning and development cultures are because they contain both the *ends* and *means* of planning and development. According to Healey (2004), Dutch planning aims at a high degree of 'spatial ordering' (see also Faludi & Van der Valk, 1994), which in itself might also be a means to something greater (i.e.- wealth, sustainability or even happiness). Spatial ordering is attempted by an *integrated* and *comprehensive* approach to planning (CEC, 1997). Active land policy is when local authorities buy land, prepare it for development, both physically and institutionally, and then sell it off to property developers (Needham, 1997). Municipalities may pursue such a policy for various reasons including the quest to guide urban development in the direction that local government desires; providing public goods; recovering costs (of plan-making and infrastructure); and value capturing (Buitelaar, 2010).

Comprehensiveness, integration and active land policy are the key features of the Dutch planning and development culture. At the operational (or locational) level, comprehensiveness is revealed primarily by the large scale at which urban land development, both greenfield and brownfield, is carried out. Integration in land development concerns the integration of policy sectors, land uses, actors and financial resources. The integrated and comprehensive nature of land development is expressed well by the term *area development*, which use became widespread in the Netherlands since the turn of the century. Current literature defines area development as: "a large scale clustering (concentration) of spatial development in rural and urban areas" (Wolting, 2012). Area

development is an integrated approach to land development, whereby a variety of land uses are created in conjunction with each other. This process requires close attention during all stages of its development. Sorel et al. (2011: 12) describe area development as "a puzzle which must be resolved in an iterative process of design, calculation and negotiation." The definition for area development provided by *Reiswijzer Gebiedsontwikkeling* (Ministry of the Interior and Kingdom Relations et al., 2011: 7) is "the development of a new area whereby a variety of functions, such as infrastructure, housing, businesses and recreational facilities, are realized in conjunction with each other." This means that public and private interests meet (Ministry of the Interior and Kingdom Relations et al. 2011). Public-private partnerships in area development have increased significantly until the crisis (Groetelaers, 2004). It is obvious that such collaborations rely on an active relationship between government authorities and private actors. In practice five broad land (or area) development models have become institutionalised over the past few decades (Bregman & De Win, 2005). They vary according to the specific form and extent of public and private interaction. They are described briefly below.

The *public land development* model could be referred to as 'pure' *active land policy* (see for more details Needham, 1997; Buitelaar, 2010). The local authority assembles the land required for the development of a specific area, preferably amicably and under private law, but if necessary by applying public-law instruments, such as the right to pre-emption and the power to expropriate land under the Compulsory Purchase Act (*Onteigeningswet*). *Compulsory purchase itself is used only occasionally*[5] *(Korthals Altes, 2012), as a last resort, but its value for government lies in the shadow that it provides over 'amicable' transactions. After land assembly, the site is subject to physical preparation by the municipal planning authorities. The land is made ready for development and the necessary utilities and infrastructures are put in place. The building plots are ultimately sold to private property developers or housing associations. The content of the building plan (and the land-use plan) and its finance are in the hands of the municipality; it has a large degree of control over the outcome. If there is a positive financial result, it belongs to the*

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[5] In the period between 1995 and 2011, only 845 Royal Decrees were issued to approve or to take a decision on compulsory purchases for planning purposes (Korthals Altes, 2012).

municipality. On the other hand, all inherent risks – if not covered by central-government grants – are borne by the municipality. According to Groetelaers, in between 1995-2005, 68% of all houses have been produced through either public land development or the building claim model[6] (see below) and no distinction was made between the two.

Until the 1990s, local authorities virtually had a development-land monopoly. Three developments (Buitelaar, 2010) which emerged well before the 2008 credit crunch have created institutional contradictions with this dominant development mode and contributed to changing one of the three pillars of Dutch planning and development culture. The first development is the shift in housing production from social-rented housing to owner-occupied housing. This took place in the late 1980s and during the subsequent house-price boom in the mid-1990s. This gave rise to land rents, making land assembly and development a highly profitable activity that attracted private actors, such as house builders, to the land market. Second, the social housing sector became largely privatised in 1995. The fixed submarket land price for developed land that housing associations could be charged by local authorities was then abandoned. This cut loose the strong ties which previously existed between both actors; local authorities were often no longer willing to provide housing associations with favourable land prices. A third influential development has been the increase in the importance of brownfield development. Due to fragmented ownership structures in the existing urban fabric, it has become more difficult (for any actor, including the municipality) to acquire large tracts of land for greenfield development.

These 'external' developments led to a greater involvement of private actors in the land development process. This even applies to the semi-public housing associations. In 1995, the year that housing associations became independent, they acquired 60% of their building land from local authorities; in 2008 it was reduced to only 15%. Consequently, they acquired 85% of their building land on the land market themselves (Buitelaar, 2010). The greater involvement of private actors has led to a plethora of land development models.

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[6] In 1999/2000, a government evaluation questionnaire, titled 'Instruments for site development', was distributed amongst all the municipalities within the perimeters of 'urban development areas' that took part in the state-incentivized adoption of a housing program for the period 1995 – 2005. The results revealed, amongst others, the use of land development models (Groetelaers, 2004).

Four models have been identified (in addition to the public land development model) in which private actors play a greater role.

The *building claim* model emerged in the 1990s when large development sites were designated for owner-occupied housing, with significant land revenues. In this model, the private parties who acquired the land are bound by a voluntary agreement to transfer their land to the municipality at a fixed rate per square meter . The municipality then pools all of the land, prepares it for development and readjusts the original ownership structure. In exchange, these market parties are allocated a pro rata share of all building plots (i.e. building rights) after land development. Like the public development model, the municipality bears the risk for land development- which explains why developers find this model appealing.

In the private development model, the concept of self-realisation is central: the (private) landowner(s) develop(s) the land according to specifications from the land-use plan. Self-realisation is a legal right of landowners who are willing and able to implement the municipal land-use plan in compliance with municipal prescriptions (Bregman & De Win, 2005). The landowners execute the plan at their own expense and risk. It is customary for landowners and municipalities to enter into a binding development agreement, so as to ensure municipal compliance with cost recovery obligations, prior to the adoption of the land-use plan. Groetelaers (2004) found that between 1995-2005, as little as 5% of all houses were developed according to the private development model, including the concession model below.

The *concession* model allows private parties to develop all land within a designated area by acquiring land from the initial owners themselves and/or from the municipality. Accordingly, the costs and risk of site preparation are borne by the private party(ies) involved. Therefore, the concession model can also be seen as a specific form of the private development model. A marked difference between self-realisation and the concession model is that in case of the former, public spaces and utilities are provided by the

municipality, and paid for by the private developers. In case of the latter, private parties provide these according to municipal requirements.

The most far-reaching form of public-private collaboration is the *joint-venture* model. Between 1995 and 2005, the land of 22% of all new houses was developed by joint-ventures (Groetelaers, 2004). This model entails the establishment of separate and new legal entities consisting of the municipality and one or more private developers, which serves as a vehicle for area development. All land within the site area is transferred (in economic ownership) to this entity. The joint-venture is also responsible for site preparation and allotment of the land. In this model, all of the participating land developers bear the risks, subdivided on a pro rata basis for their share in the joint-venture company.

Planning and development for a known future
From the 1990s until roughly 2007, property yields and property sell-off – in particular for housing– were regarded to be high and self-evident. In all of the abovementioned models, the positive prospects provided the financial support that was needed to implement planning policies. These prospects were a kind of *blueprint* or *end-state planning*- a collaboration between private and public actors- which was established with arrangements from the building program, the urban design as well as phasing of various aspects of the area development, supported by a land account, upon which the plan would ultimately be turned into a legally binding land-use plan. In other words, it was a rather linear process with many tightly coupled elements (a *tightly-coupled system* – see next section) towards an endpoint and end state. These features of area development or integrated urban development, compared to organic urban development, are depicted nicely by Figure 1.

The formal planning system, in particular the prescriptions for the land-use plan mirror this type of management for development projects. Land-use plans in the Netherlands are not open-ended, they legally have a timeframe of ten years. Local authorities need to ensure that implementation of the plan within that period is possible and that the plan is financially feasible. A plan can be self-supported or assisted by subsidies and other forms of gap-funding. Since 2008, local authorities are obliged by public law, to recover the costs of

public planning from private developers, which requires a detailed calculation and attribution *ex ante*, unless private voluntary agreements were made about this[7]. In addition, many investigations (into noise nuisance, air quality, etc.) must carried in order to ensure that knowledge about these effects are upfront (Buitelaar et al., 2012).

Figure 1:   Integrated versus organic urban development
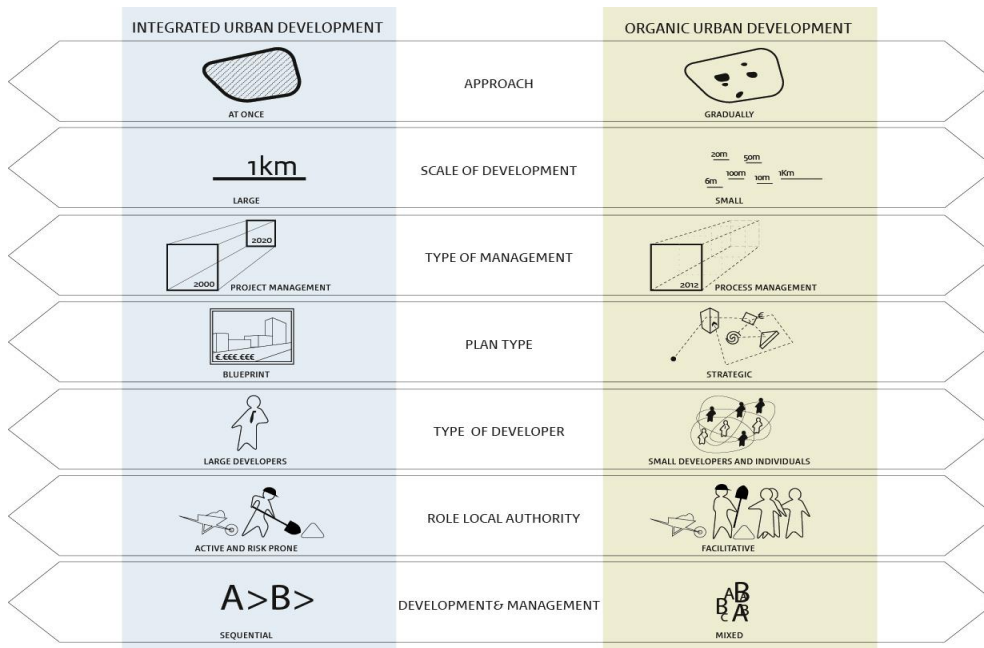
Source: Buitelaar et al. (2012)

4   External pressures and new discourses on area development

The 2008 global financial crisis and the subsequent collapse of property and housing markets induced a decline in demand which made it crucial for most municipalities and private developers to revise any ongoing contractual obligations on programming, urban design and phasing of existing area development plans. These revisions led to adapted land accounts, thus causing initially profitable or budget neutral area development plans to show substantial financial losses (e.g. Deloitte, 2013). Even adopted (legally binding) land-use plans were scrutinised as they contributed to area development that was deemed unfeasible.

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[7] In practice developers and municipalities prefer the latter, in only 3% of all cases cost recovery takes place through public law (PBL, 2012).

This was enhanced by demographic developments that became visible well before the crisis. In some Dutch regions (in particular in a number of peripheral regions) there is declining population and a decelerating population growth, and these trends are likely to continue (PBL, 2011). These combined processes revealed a great degree of 'planning overcapacity'. As a consequence, land use development programs - some of which were already covered by the financial terms of public-private partnership contracts - had to be either postponed, phased or cancelled entirely. Book values on land had to be written off (Deloitte, 2013). It has led to great losses on land accounts for local authorities (see Figure 2). At this stage, five years after the outbreak of the global crisis, the overall objective of realising urban development in an integrated way and at a large scale, has practically dissolved. The crisis has shown that area developments, in particular their large-scale and integrated nature, are vulnerable. They can be considered *tightly-coupled systems* – as opposed to *loosely-coupled systems* – in which a problem in one part of the system (the area) knocks on to other parts and harms the system a whole (Weick, 1973). There is (*institutional*) *contradiction* (Seo & Creed, 2002) between these tightly-coupled institutional systems and their volatile economic and changing demographic context.

Figure 2: Budgeted and realised land development profits over the 2000–2012 period (in million euros)
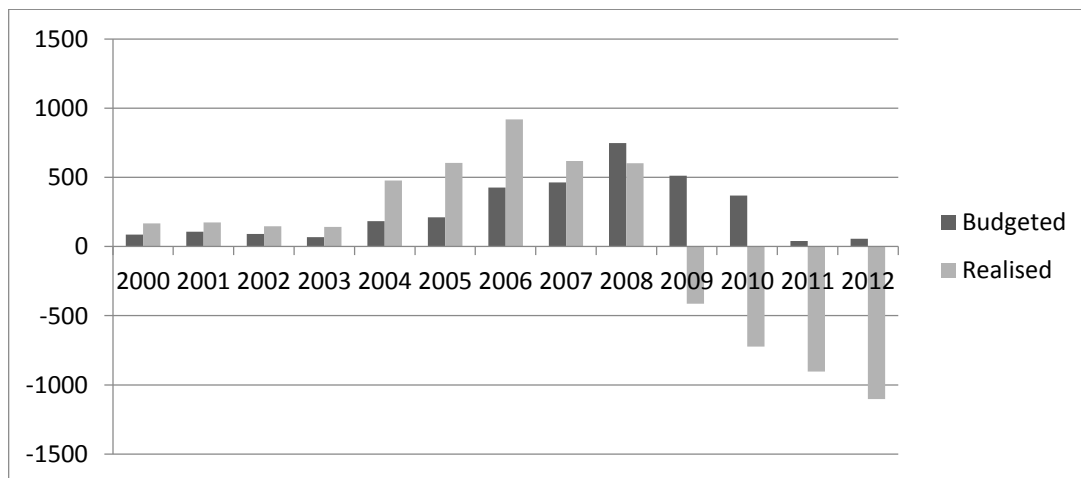
Source: Korthals Altes (2010); Municipal accounts and budgets according to Statistics Netherlands [*CBS-Gemeenterekeningen* and *CBS-Gemeentebegrotingen*]; edited by authors

The execution of public-private partnership agreements of some of the abovementioned land development models has become difficult. In the case of the joint-venture model, the

statutory unanimous consent obligation of GEM holdings is impractical and some participants cannot cover their financial losses. In some cases, financial problems forced the participating public authorities to bear the full risks of such public-private partnerships. The building claim model too, is inducing a financial burden for participating municipalities, especially in cases where the transfer of the initially procured land from private parties to the respective municipality has already taken place, while the transfer back to the private parties has not, because required pre-sale or pre-let percentages have not yet been achieved. As a result, the land stays with the municipality and so do the interest payments. Large development projects where that happened are Waalsprong (Nijmegen), Schuytgraaf (Arnhem) and Meerstad (Groningen) (Mak, 2013). Therefore, local authorities are very reluctant to acquire new plots of land and to pursue an active land policy.

This development does not mean that there is no longer any need for housing projects in expansion or redevelopment areas. Land development practice has, to a considerable extent, been subject to differentiation. Traditional partnerships involving municipalities and market participants (mostly large property developers and housing association), between whom fruitful collaborations were forged during the past few years, are still present in practice, albeit with an increased focus on the time frame and flexibility in terms of urban design, program and financial conditions. Besides the permanent position of traditional (large) developers and builders on the market side, a discourse has emerged in which a greater role is given to small entrepreneurs and individuals, who enter the developments process by opting for (collective) private commissioning of housing and social organisations such as health care organisations and schools (Urhahn Urban Design, 2012; Buitelaar et al., 2012).

Both public and private parties have become increasingly aware that future sales opportunities are much less predictable than has been assumed for many years. This prospect renders any future designs in alignment with *blueprint planning* undesirable and ineffective. All stakeholders are currently faced with the challenge of expanding the tolerance scope of land-use regulations and contracts upfront so as to facilitate desired

development, for which details such as size, content and planning are not yet entirely known.

The approach to urban land development, in which plans become more strategic, development sites are smaller, the development process has an unclear endpoint, the government plays a more regulatory / enabling (less risk prone) role and in which a greater role is reserved for individuals and small enterprises, has been referred to as organic urban development. In recent years, it has become the dominant discourse in urban land development and is accompanied by many experiments (e.g. Urhan Urban Design, 2010; Buitelaar et al., 2012; Platform31, 2012). Its features have been visualised in Figure 1, where organic urban development is compared to integrated development. Where the latter qualifies as a *tightly-coupled system*, the former shows more resemblance with a *loosely-coupled system* (Weick, 1973). The diagram's outline intends to demonstrate the two sides of a spectrum, rather than claiming a sequential process in which integrated land development or area development gives way entirely to organic land development. In practice, many hybrid forms exist. However, it is likely that in the light of uncertain demographic and economic prospects, the importance of organic development will grow at the expense of integrated development (Buitelaar et al., 2012).

The joint-venture model and the building claim model are less compatible with this type of development. In the case of organic development it is more likely that plans are effectuated on land plots that have already been procured by private actors for the purpose of building real estate. In those cases, self-realisation applies. It is equally possible for a municipality to allot a limited number of plots to market parties. If those actors are willing to provide public facilities alongside real estate, the development *de facto* constitutes an example of the concession model.

As argued in Section 2, the (informal) planning and development culture and the formal planning system constitute each other. Consequently, there is a tension between organic urban development and the existing formal spatial planning system (Buitelaar et al., 2012). Thus, there is a second type of institutional contradiction (Seo & Creed, 2002). In the Dutch

spatial planning system the desired spatial ambitions, including the building capacity, are comprised in a legally binding land-use plan with a maximum validity period of ten years. The underlying assumption is that blueprint planning, in which the projection of spatial demand is certain and straightforward, and the estimation and attribution of total expenditure on land assembly makes for miscellaneous site preparation and land development. The land-use plan is much less appropriate when future development is much more unclear and when development conditions and cost estimation (and attribution) cannot be determined in detail upfront. Measures have to be taken to change the nature of the land-use plan to allow for a greater level of uncertainty and to come to terms with the reality of a complex and unknown future (PBL, 2011).

5   Discussion and lessons for China

In the Netherlands, the public involvement in land development has come under pressure well before the economic crisis. The factors that are responsible are the increase in land rents (caused by an increase in the share of owner-occupied housing and a property boom), changes in the social housing sector and a growing importance of brownfield redevelopment. The comprehensive and integrated nature of Dutch spatial planning and development has become subject to erosion as a result of the 2008 credit crunch and the resulting economic impact. Hence, the three pillars of Dutch planning and development culture (i.e. active land policy, integration and comprehensiveness) are trembling. To put it in the framework of institutional-change theory, external developments have caused institutional reflection and therefore a momentum – a *critical moment* – for change.

To deal with the situation and to create return on land investment, private and public developers are now embracing organic-development discourses with much room for local demands from end-users. Local authorities are sometimes reducing their control over development to what is strictly necessary (that is, regulating land use to prevent negative externalities), thus creating an approach that resembles the English or Belgian *land-use management* approach (CEC, 1997; ESPON, 2006). Whether this is temporary and whether a *critical juncture* for long-term change, in both the planning and development culture and

the formal spatial planning system, will arise still remains to be seen. For that to happen, a fundamental change of power structures is required. The pre-crisis dominant parties in land development (local authorities, large property developers and housing associations) benefitted greatly from pre-crisis practices and desires to resume them as soon as possible.

The Dutch experience, so far, shows the risks of an active local land policy and of integrated-comprehensive urban land development. These risks are even greater in China In China, land revenues contained close to 50% of the income of municipalities, whereas this was 10-15% before the economic crisis in the Netherlands (Hulshof & Roggeveen, 2011). The Dutch case provides lessons for the way China may pursue land development in light of the formidable urbanisation task that lies ahead. A search for greater decoupling of urban land development from local public finance should be considered within a broader discussion on land system reforms (e.g. Chen, 2007; World Bank; Development Research Center of the State Council, the People's Republic of China, 2014).

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