Towards a cohesive country

Population decline and regional equality of opportunity
If you were to ask what drives me, I would say a country in which everyone has the same opportunities, regardless of whether you grew up in Aalten, Appelscha or Amsterdam.

If you feel the same, I recommend that you read this fascinating collection of essays, in which five academics make a case for equality of opportunity in the Netherlands, with a focus on regional differences.

I invite you to read these essays and join the debate about the future potential of the Netherlands.

Kajsa Ollongren
Ministry of the Interior and Kingdom Relations
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Contents

Preface 3
Introduction 6

From liveability to future potential: inspiration for a new policy to deal with population decline 10
Prof. Bettina B. Bock

Growth and shrinkage: challenges for governance and solidarity 30
Prof. Henri L.F. de Groot

City and country moving forward together: new opportunities for declining rural regions 50
Prof. Gert-Jan Hospers

The shrinking city? 70
Prof. Eveline van Leeuwen

Regional labour markets in the 'Randland': unity in diversity 88
Prof. Frank Cörvers

Closing argument: for a coherent policy to deal with population growth and decline 111

Bibliography 117
Introduction

This volume presents a collection of essays that provide a fascinating perspective on growth and decline policy in the Netherlands. The five academic essays in this volume address demographic developments in the broadest sense of the term, as well as what these developments imply for the future of the Netherlands. For example, you will see that we take a much broader perspective on ‘decline’ than just ‘rural population decline’ and that there is a wide range of opportunities and solutions to deal with declining regions.

Together with Platform31, the Action Plan on Population Decline of the Ministry of the Interior and Kingdom Relations asked five academics to set up a Scientific Reflection Group for Population Decline. In doing so, this group strengthens the relations between science and national policy. Professors Bettina Bock, Henri de Groot, Gert-Jan Hospers, Eveline van Leeuwen and Frank Cörvers each authored an essay examining the government's current policies addressing population decline from a different perspective. Aside from taking stock of the current state of affairs, the authors share their views on the options to improve the country's policies. These points of view are brought together in the concluding reflections, in which the authors have developed a shared perspective addressing the...
central government. As such, this first-ever product of the Scientific Reflection Group wastes no time in holding up a mirror to the authorities.

Different perspectives on population decline

The power of this collection of essays lies in the fact that it approaches population decline from different perspectives. A deliberate choice was made not to ask the authors to coordinate their efforts, allowing each of the academics to approach the topic from their own point of view. Bettina Bock, endowed chair professor of Population Decline and Liveability in the Northern Netherlands, writes about the concept of future potential. Henri de Groot, professor of Regional Economic Dynamics, focuses on governance and solidarity in growth and shrinkage policy. Gert-Jan Hospers, endowed chair professor of Urban and Regional Transition, highlights opportunities for declining rural areas through connections between cities and the countryside. Eveline van Leeuwen, professor of Urban Economics, provides a different perspective on shrinkage by focusing on cities. Finally, Frank Cörvers, professor of Demographic Transition, Human Capital and Employment, takes a closer look at the relationship between 'Randstad' and 'Randland'.

Population decline as a multi-faceted concept

Various terminology is used to describe the effects of population decline in this collection of essays. For example, the term 'decline' refers to the decline in households or population in a region in absolute terms, as well as to the ageing of the population resulting from the outmigration of young residents. As such, shrinkage is a concept that points at demographic changes, as well as its effects on the community and the living environment. The following concepts feature in the essays as well:

- The concept of 'liveability', as used by Bettina Bock, reflects the suitability of an area or community for living or working or the quality of life it offers, including aspects such as a sufficient number of schools and hospitals.
- When Henri de Groot refers to the dynamics of 'decline and growth', he refers to the dynamics of the distribution of economic activity across space in relation to the rise and fall in the number of residents, the amenities
available and the liveability and socioeconomic conditions of the areas.

• ‘Declining rural regions’, as used by Gert-Jan Hospers, refers specifically to rural areas in the Netherlands where the number of residents and households is in decline. This often coincides with a rapidly ageing population and can, for example, lead to a rising number of vacant houses.

• The ‘urban shrinkage’ phenomenon described by Eveline van Leeuwen refers to the reduction of household size in cities. This does not necessarily mean a rise in vacant houses, but it does reflect a decline in the absolute number of residents who live in these houses.

• In his essay, Frank Cörvers uses the ‘Randland’ concept. Randland (literally ‘land on the edges’—i.e. borderland or periphery) acts as a counterweight to the ‘Randstad’ concept (used to refer to the metropolitan area around Amsterdam, Rotterdam, The Hague and Utrecht), and gives a name to those parts of the Netherlands that contain rural and urban shrinkage areas with their specific opportunities and challenges.

Reading guide

As explained above, this volume contains five essays on population decline. These essays can be read individually. Each essay concludes with a number of policy recommendations for central government. In the last chapter, the contributors join forces and put forward their concluding reflections to the national government. We hope you enjoy reading this volume!
From liveability to future potential: inspiration for a new policy to deal with population decline
About the author

Prof. Bettina B. Bock is an endowed chair professor of Population Decline and Liveability in the Northern Netherlands at the University of Groningen and a professor of inclusive rural development at Wageningen University.
The essay in three key points

- Dutch policies for population decline have been rather static in recent years due to their focus on maintaining liveability and quality of housing.
- Comparing our policy with several other countries demonstrates just how important it is to improve the prospects of shrinkage areas by investing in:
  - regional economy;
  - employment opportunities;
  - high-quality infrastructure for the development of human capital.
- Moreover, this comparison underlines the responsibility of central government for enabling equal development opportunities and good quality of life for all citizens. This responsibility is rooted in the fundamental social rights of citizens; as such, it is up to the central government to warrant these rights for everybody and, in doing so, maintain social cohesion within the country.

What is liveability?

Liveability is a key concept in the Dutch debate on population decline and the future of so-called shrinkage areas. Everyone uses the term: from concerned citizens to politicians and researchers. The term describes the core of the problem, as well as the main aim and concern of citizen initiatives and policy measures. As a result, the various parties appear to agree that the liveability of a particular area is mainly defined by the quality of its living environment, the facilities and services available, and the cohesion of the community. Dwindling population numbers put pressure on these prerequisites through closing services, vacant houses, and an unbalanced population. As such, many politicians, citizens, and researchers see population decline as a threat. Still, as there is little we can do about population decline, especially in the short term, efforts in the Netherlands have focused on maintaining the liveability of shrinkage areas.
That raises the question: what does ‘liveability’ actually mean? Most dictionaries would define ‘liveable’ as ‘suitable for living in or with’. Is that what we are aiming to achieve? Do we want to make sure that shrinkage areas remain suitable for habitation? What does that mean in concrete terms? And what does that say about the ambition of Dutch policy and the distribution of responsibilities?

In this essay, I would like to unravel the concept of ‘liveability’ and its role and significance in the Dutch shrinkage debate. Next, I will explore which concepts determine similar debates in Germany, the United Kingdom, and Italy, and how these concepts define the problem of and the solutions for population decline in these countries. I will then return to the Netherlands and discuss what we can learn from their definition of risks and opportunities, processes, actors, and responsibilities related to population decline.

The essay will conclude by investigating the future of Dutch shrinkage areas and by explaining why it is so important to move beyond making a case for maintaining liveability and invest in the economic potential of these areas. That may well be the most important lesson we can learn from experiences elsewhere: the future of an area is largely defined by confidence in its potential and the readiness to invest in it.

Liveability in the Dutch debate

Population decline in the Netherlands first appeared on the Dutch political agenda around 2006, but liveability of rural areas has been a concern since the late 1990s. In those days, the government mainly focused on the following aspects:

- opportunities for and accessibility of work and income;
- the local range of facilities and services;
- the accessibility of services elsewhere;
• valuable living environments and social contact;
• the involvement of residents in local government.
(Boomars & Hidding, 1997)

Two decades later, the focus on liveability has shifted from rural areas to shrinkage areas where services are under increasing pressure, partly as a result of the decline in population. The priority of the various aspects that contribute to liveability has changed as well. Today, satisfaction with the living environment, social contact, and local services are what matters most. Work and income have lost most or all of their importance.¹ As such, citizens are now regarded mainly as residents and no longer as employees, employers or entrepreneurs. This trend is confirmed by the explicit focus in liveability barometers on the intention of residents to move now or in the future and their participation (or willingness to participate) in liveability initiatives.

This last aspect fits neatly within the concept of civil society and the shift of responsibilities from government to citizens. Throughout the country, the government is expecting citizens to rely less on public services and support and to become more self-reliant, sustained by their private network. In shrinkage areas, the government is calling on citizens to take responsibility for maintaining and renewing local services in partnership with third sector organisations. Instead of problem-solving, the government is defining its role as a facilitator of development processes and innovative collaborations. In doing so, it is moving away from the idea that government is responsible for maintaining liveability across the entire country, which long formed the guiding principle of regional policy in Europe. In fact, it still forms the basis of EU policy on territorial cohesion (European Commission 2017).

The shrinkage debate elsewhere: Germany, the United Kingdom, and Italy

In other parts of Europe, rural populations have been in decline longer than in the Netherlands, but the severity of the issue has increased exponentially in recent years. As such, 'shrinkage' has risen high on the political agenda. Every country develops its own 'depopulation policy', with its own objectives and instruments and its own 'shrinkage debate'. There is not enough room in this essay for an in-depth analysis of international policy on this issue, however interesting that might prove to be. Instead, we will explore which key concepts define the debate surrounding these policies in Germany, the United Kingdom, and Italy. Their approaches to shrinkage are of interest to the Netherlands and will undoubtedly provide cause for reflection.

Germany: 'Daseinsvorsorge', 'Zukunftsfähigkeit' and 'Periferalisierung'

Recent research into demographic development in Germany revealed a range of different trends: while the total number of inhabitants is rising, the population continues to decline in certain areas. In other words, the gap between growing and declining regions is getting wider (Slupina et al., 2019). Ongoing population decline mainly affects regions in the east of the country, but the former industrial areas in the northwest are losing inhabitants as well. Aside from rural areas, shrinkage is affecting cities in economically disadvantaged regions. At the same time, the report demonstrates that growth and shrinkage may occur in parallel. For example, certain cities in Germany's eastern regions are growing rapidly—like beacons of light in a declining region.

The study is of particular interest as the authors attempted to assess the assertiveness for the future (Zukunftsfähigkeit) of regions. They used an index of 21 indicators to assess the current status of an area in terms of demographic development, economic vitality, average-level education and family friendliness (the infrastructure that supports family life, including...
Further analysis of these indicators points to the relationship between demographic development and socio-economic living condition and the resulting competition between regions. Regions with booming economies attract young people, partly due to their attractive infrastructure (geared towards housing, education, and leisure). Other regions struggle to maintain such infrastructure due to the loss of tax-paying inhabitants. Even though the German government is aiming to achieve equality and equivalence of opportunities, things are radically different on the ground. Regional living conditions vary greatly, and if Germany's current policies remain unchanged, this gap is bound to widen.

Debate
The purpose of the study mentioned above, which was conducted by an independent think tank, is to stimulate debate about the growing gap between wealthy and poor regions and cities, the increasing differences in the living conditions offered to citizens, and the role of government concerning its promise of equivalence of living conditions. On the one hand, the authors believe that living conditions cannot be perfect everywhere, and that intervention does not always make sense. On the other hand, they underline the right of equal opportunities and citizens' entitlement to access to the services needed to develop their talents.

The paradox between economic efficiency and the human right of equal opportunities is exemplary of the ongoing debate in Germany regarding the government's responsibility for 'Daseinsvorsorge'. In direct translation, 'Daseinsvorsorge' refers to 'provisions for existence' or, in other words, providing the necessary services for people to live. This may sound similar to liveability, but there is an important distinction: 'Daseinsvorsorge' refers

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3 Dutch school results run from 10 (highest) to 1 (lowest), whereas in Germany, results range from 1 (highest) to 6 (lowest). Munich (the capital of Bavaria) was given a German score of 2.32, while Gelsenkirchen (a city in North Rhine-Westphalia) received a 4.71.
to the government’s legal responsibility to ensure the necessary conditions are in place, which is not at all the case in the Dutch debate on liveability.4 The debate within German society is currently focused on the question whether the government is failing to keep its promises and whether it remains responsible for maintaining services at the required levels all over the country, concerning both the right to equal opportunities and national social cohesion. In response, the German federal government has asked a committee of experts to look into the matter and to develop concrete ideas on how to bring about equivalence in living conditions for both citizens and regions.5

In Bavaria, the right to equivalent living conditions is laid down in the constitution with explicit reference to the undesirability of rural-urban disparities, the right of all citizens to develop their talents and to the importance of spatial justice.6 The task at hand is to implement the policy effectively; aside from investments in high-speed internet and regional transport, the Bavarian policy points at relocating public services, investing in the local business climate and attracting private-sector employment opportunities.

Lessons for the Netherlands
One interesting point for the Netherlands is that the debate in Germany focuses more strongly on the responsibility of government—its duty to care for all citizens and to warrant equal opportunities, in particular, as well as the fact that maintaining good living conditions contributes to regional development and serves the general interest of social cohesion. The east of the country is heavily affected by the effects of population decline, which also plays an important role in the German debate. It is a politically sensitive issue, as residents are using the ballot box to make it loud and clear that they feel abandoned by the government. The government's political responsibility for this region is also hard to ignore; after all, the economic structure of the

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5 https://www.bmi.bund.de/DE/themen/heimat-integration/gleichwertige-lebensverhaeltnisse/gleichwertige-lebensverhaeltnisse-node.html
6 See also https://www.bayern.landtag.de/parlament/gremien/enquete-kommissionen/enquete-kommission-gleichwertige-lebensverhaeltnisse-in-ganz-bayern/
One interesting point for the Netherlands is that the debate in Germany focuses more strongly on the responsibility of government.
'new federal states' has suffered greatly as a result of reunification policies.

The responsibility of government policy is also expressed in the concept of 'Periferalisierung' (lit. 'peripheralisation'), which is frequently used in the German debate. This is an interesting point for the Netherlands as well, as it points at external factors of the socio-economic decline in shrinkage areas and implies that national policy results in winners and losers. The centralisation of regional investment increases prosperity in the selected few areas of power. Other regions fall ever further behind from a political and socio-economic perspective. In effect, they become peripheral. The notable decline of prosperity in these 'peripheral' areas drives the desire of residents to leave the area and undermines their willingness to make efforts to improve their living environment.7

In the Netherlands, the strongest regions and sectors have also witnessed the heaviest investment in recent years, leading to a widening gap between regions.8 We do not know if and to what extent this growing inequality has affected the pride and sense of belonging citizens feel for their place and region. We know that citizen initiatives are developing everywhere and are not always successful; we also know that differences in self-sufficiency and sense of place play a significant role.9 The fact that political dissatisfaction is rising in peripheral areas of the Netherlands is also undeniable.

Finally, it is important to note that the German debate uses concepts with legal definitions that refer to rights embedded in the constitution—something that has hardly been considered in the Netherlands so far. It would be interesting, however, to establish which legal responsibilities the Dutch government has: should the creation of equivalent living conditions be viewed as an element of citizens' social rights, for example? Citizens could also refer to Article 21 of the constitution, which suggests that the

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7 For more English-language information on peripheralisation, see Kühn 2015; Willet & Lang 2017.
8 See Thissen et al. (2019) and the essay by Henri De Groot in this collection for an analysis of Dutch investment policy.
government is responsible for maintaining the liveability of the country and for protecting and improving the living environment.\textsuperscript{10} It may even be appropriate to raise the concept of human rights; the current action plan for human rights raises a similar question when discussing if and to what extent the central government continues to live up to its responsibility for human rights after its decision to devolve and delegate social policy tasks.\textsuperscript{11}

United Kingdom: Rural idyll, quality of life, and resilient communities

The United Kingdom is often seen as the home of ‘rural idyll’. It is a place where life in the countryside is glorified: whoever can afford to do so will move out of the city. To many people, the smaller scale and tranquillity of village life is what characterises liveability. Still, the UK government is concerned about the current state of affairs, and rural areas have risen high up the political agenda in recent years. Of course, Brexit plays a major role in this: the country will need to develop its own rural development policies, as European policies will no longer apply when the UK leaves the European Union. Besides, the outcome of the Brexit referendum made it clear that many people outside of London are unhappy with the current policies of the government and feel left behind as a result. A recent report by the House of Lords (2019) called for measures to boost the rural economy. Investment in high-quality facilities and services is considered necessary, as it will enable employers to hire high-quality workers. The House of Lords also called for further refinement of the ‘rural proofing’ policy implemented in 2000 to prevent generic policy decisions from putting rural areas at a disadvantage. According to the Lords, it is a matter of ‘fairness’ to take the specific needs and requirements of countryside residents into account.\textsuperscript{12}

\textsuperscript{10} Http://www.wetboek-online.nl/wet/Grondwet/21.html
\textsuperscript{11} Https://www.rijksoverheid.nl/onderwerpen/mensenrechten/nieuws/2019/01/18/nationale-actieplan-om-mensenrechten-in-nederland-optimaal-te-houden
\textsuperscript{12} The effectiveness or rural proofing—a concept we refer to as ‘shrinkage testing’ or ‘regional testing’ in the Netherlands—is the subject of much discussion. For more insight into experiences elsewhere, see Sherry & Shortall 2019.
Policies in Scotland may serve as a source of inspiration too: here, specific investment in the strength of local communities is the guiding principle. Under the Community Empowerment (Scotland) Act 2015 and the recent land reforms, for example, local communities are given the right to claim ownership of unmanaged land and unused buildings. Several villages have already taken over such land, buildings, and even islands (Ulva and Eigg, for example)\(^\text{13}\) are now owned by their residents. The Scottish government supports such purchases with massive subsidies from the Scottish Land Fund\(^\text{14}\) to realise the objectives of Scotland's rural policies—boosting the 'vibrancy, resilience and empowerment' of rural communities.

Among other ways, Scottish communities are taking matters into their own hands by transferring public tasks to so-called 'social enterprises'.\(^\text{15}\) Just like in the Netherlands, these social enterprises are generally well-regarded and valued; they ensure services are maintained and improve the quality of the services on offer. However, in Scotland, too, local communities differ significantly in their ability to take charge of their local development. Research has shown that their success depends greatly on their access to external resources and support. As such, the accessibility of facilities and services elsewhere is not only important for individual liveability; it is also an essential cornerstone of a community’s resilience\(^\text{16}\) and capacity to act. Research has shown that a community’s capacity to act dwindles when efforts are unsuccessful, when residents lose their confidence, or when support from the government or other institutions is lacking. As such, the resilience of communities is not a given; it needs support and investment. On top of that, the resourcefulness of a community is not a stand-alone concept; it is defined mainly by the distribution of resources by the government and the relative value of communities this implies.

\(^{13}\) [https://www.scotsman.com/lifestyle-2-15039/historic-day-on-ulva-as-island-sale-concludes-1-4738362](https://www.scotsman.com/lifestyle-2-15039/historic-day-on-ulva-as-island-sale-concludes-1-4738362) [https://decorrespondent.nl/8574/dit-eilandje-laat-schotland-weer-dromen-van-onafhankelijkheid/3010575218838-b70dd8f1](https://decorrespondent.nl/8574/dit-eilandje-laat-schotland-weer-dromen-van-onafhankelijkheid/3010575218838-b70dd8f1)

\(^{14}\) [https://www.tnlcommunityfund.org.uk/funding/programmes/scottish-land-fund](https://www.tnlcommunityfund.org.uk/funding/programmes/scottish-land-fund)

\(^{15}\) For more information, see Steiner, Woolvin & Skerrat 2016; Fischer & McKee 2017; MacKinnon & Derickson 2012.

\(^{16}\) The term ‘resilience’ originates from ecology and refers to the ability of an ecosystem to restore itself after a shocking event. In social sciences, it is largely used to refer to the ability to handle periods of transition.
Lessons for the Netherlands

The analysis of English and Scottish policies reveals interesting parallels with the debate in the Netherlands, particularly concerning confidence in the ability of communities to act and opportunities to guarantee the local quality of life in innovative ways. There is also an element of responsibility on the part of the government to prevent generic policies from putting rural areas at a disadvantage and to boost the self-sufficiency of communities through substantial investment. This puts accessibility of services in a slightly different light—they are not just basic conditions to provide individual residents with a high quality of life; they are also a source that feeds the resilience of communities and their ability to act.

Italy: Benessere nelle aree interne

Italy's experience with population decline dates back decades, especially in more remote rural areas. Some villages have been completely deserted, and in others, only a handful of older people have stayed behind. However, just like in other countries, population decline is no longer limited to remote areas in the mountainous north and south of the country. To halt the deterioration of the regions, the former minister Fabrizio Barca developed a new strategy between 2012 and 2014: ‘la strategia per le aree interne’ (a strategy for the interior regions – Barca, Casavola & Lucatelli 2014). This strategy is of interest to us, as the name already suggests that the issue is not limited to exceptional, remote ‘peripheral areas’—it concerns large parts of the entire country.

Another notable element is that the strategy highlights three particular services as crucial to both the well-being (benessere) of citizens and regional development opportunities. According to Barca and his co-authors, high-quality education, healthcare, and public transport are the core services that citizens need to lead a high-quality life. Dissatisfaction with those services often causes citizens to leave the area. At the same time, these services represent essential resources for the local economy – in terms of employment, as a source of knowledge, and as a breeding ground for human capital.
Specific policies must ensure that these services remain accessible. To that end, government investment is combined with citizen initiatives. As such, Italy also attaches importance to local, ‘bottom-up’ initiatives. One interesting point for the Netherlands is that Italy is making efforts to invest in talent development among young people. In reference to Sen’s ‘capability approach’\(^\text{17}\), Barca and his colleagues consider the ability to develop your talents to be one of the human freedoms that the government has to provide:

- the freedom to work and receive an income;
- the freedom to access services and public welfare;
- the freedom to have one’s values, standards and ambitions recognised.

The authors also believe their approach constitutes a public investment in human capital and, as such, an investment in an area’s future. Barca’s team describes its approach as a social investment that boosts the power of local communities. The willingness and ability of people to contribute to the development of their area also form the core of the ‘place-based development approach’ developed in more detail by Barca in his recommendations to the European Commission.\(^\text{18}\) In principle, this approach prescribes targeted efforts to boost the development potential of places and to join internal and external forces when investing in the living conditions and services required for residents to develop their knowledge and skills further and successfully commit themselves to the development of their living environment.

\(^\text{17}\) Sen is the founder of the ‘capability approach of development’, in which the degree of a country’s development is defined by its opportunities for self-development, see https://plato.stanford.edu/entries/capability-approach/#Bib


Towards a cohesive country  Population decline and regional equality of opportunity
Lessons for the Netherlands
The Italian example is inspiring because it shows that population decline does not just affect the well-being of residents in certain exceptional shrinkage areas but the vitality of large parts of the rest of the country too. Like Germany, the Italians place a strong emphasis on the responsibility of government and its power to reverse the process of decline. In Italy, investment in opportunities for people to develop takes precedence in this and is considered an essential condition for regional development. One interesting aspect is that reference is made to the principle of human freedoms that any government should guarantee; they constitute a prerequisite for a high quality of life and the delivery of social justice. Through the reference, the Italian debate invokes the notion of human rights (Nussbaum, 1997).

From liveability to future potential

What can we learn from Germany, the United Kingdom and Italy? There are many similarities in terms of:
• the experience of population decline;
• the loss of important services;
• the deterioration of the local economy;
• the risk of a downward spiral that heightens the vulnerability of local communities.

All three countries are also searching for new solutions in which both the government and residents are expected to take their responsibility and make the most of their resourcefulness and capacity to act.

Of course, there are significant differences, too: both Germany and Italy place a much greater emphasis on the role of government compared to the Netherlands. In these countries, the debate is around whether insufficient access to services could be viewed as a potential breach of civil rights. Likewise, both in Germany and the United Kingdom, the government is deemed to be actively contributing to the issues experienced by shrinkage areas and rural areas by not taking into account the damage that generic policy decisions can (inadvertently) cause on the one hand, and by giving preferential treatment to other areas by prioritising public investment.
on the other. The Italian experience shows that the lack of high-quality services is not only detrimental to the well-being of individual residents but also undermines the vitality of the region; talented individuals move away if they perceive the development opportunities as inadequate. This under-utilisation of human and regional potential deprives people of their essential freedoms and damages the vitality of the country as a whole. Confidence in local communities is highest in Scotland, where the government grants financial support to communities to take collective ownership of land and buildings, enabling autonomy and stimulates local responsibility.

In recent years, policies in the Netherlands have focused on maintaining the liveability of shrinkage areas, prioritising the accessibility of services and the quality of the living environment. Both of these goals are important, but they are also rather modest and pay little heed to the dynamics of development and vitality. After all, many people want much more than an ‘okay’ quality of life; they want an exciting life, they want to flourish, and they want the opportunity to develop their potential. Many current and future residents and businesses are looking ahead; they are not only looking at the suitability of a region for living or working in right now, but they are also trying to form a picture of their possible futures. If Dutch policy continues to focus exclusively on aspects of liveability related to the quality of living, we risk losing sight of the area’s socio-economic vitality—which is a vital factor for the future. If we continue like this, there is a high chance that the population in our current shrinkage areas will keep falling and that the socio-economic gap between stronger and weaker regions will continue to increase.19

19 For the most recent forecasts, see Groenemeijer et al. 2018; Marlet et al. 2019; Blijie & Fox-Stuart 2019.
Maintaining liveability is important, but a forward-looking shrinkage policy helps us prepare for what is to come and boosts regional future potential.
What can the Netherlands do?

The above realisation gives us cause to review our current policies. The OECD (2019) has warned that we are neglecting vast amounts of potential and that the regional concentration of economic growth will be detrimental to national prosperity. Its report highlights the dangers of rising spatial inequality and political polarisation. The Netherlands Environmental Assessment Agency has also demonstrated that the investment policies of recent years have mainly benefited the strongest regions and sectors and that the expected 'trickle down' effect on the rest of the Netherlands has failed to materialise (Thissen et al., 2019). As almost all investment has benefited the strongest areas, a process of peripheralisation has started in the Netherlands too. This observation highlights the need to gain more insight into the correlation between growth and shrinkage and the unequal distribution of the costs and benefits of current investment policies. 'Rural proofing' could prove to be a useful tool to prevent future adverse effects.

The Netherlands Environmental Assessment Agency also made a case for targeted investment in more peripheral regions outside of the metropolitan region in the West of the country (the ‘Randstad’), not least because we will need to rely on all regions to tackle the significant issues of our times, such as climate change, water management and sustainable food production (van Dam et al., 2019).20

The introduction of the Regional Deals suggests that the government has started to recognise this fact and may well mark the start of a new policy era. In the second progress report of the Population Decline Action Plan (2018), the Ministry of the Interior and Kingdom Relations, which is responsible for depopulation policy, also indicates it wants to commit greater effort toward the vitality and strength of the regions: ‘from shrinkage to strength’. One area for concern is the fact that the government seems largely intent to rely on regional opportunities and strengths that are already present. The German and Italian experience shows that it is essential to do much more. Targeted investment in these areas is important, not least to rebuild potential that

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20 See also the essay by Gert-Jan Hospers in this collection.
have been insufficiently maintained or even lost.

The Netherlands can undoubtedly learn from policy experiences elsewhere. For example, the German index for future vitality provides useful insights into the regional development potential of areas and its determining factors, while also defining which living conditions need to be targeted by investments to improve both development opportunities for residents and the future potential of areas as a whole. What is needed are investments in:

- employment opportunities;
- a favourable environment for business;
- mobility;
- high-quality education;
- high-quality health care;
- opportunities for tourism and leisure.

Doing so will give current and future residents, employers, and businesses confidence in the area’s future. They will feel confident that they will be able to live well and find suitable work, that they can find health and social care when they need it—both currently and in the future—that their children can have a good education, and that adults can keep developing their talents.

Maintaining liveability is important, but a forward-looking shrinkage policy helps us prepare for what is to come and boosts a region’s strength and future potential.
Growth and shrinkage: challenges for governance and solidarity
Prof. Henri L.F. de Groot
Prof. Henri L. F. de Groot is a professor of Regional Economic Dynamics at VU Amsterdam and a Crown-appointed member of the Social and Economic Council of the Netherlands (SER). His research focuses on the effectiveness of regional policies, the foundations for development and regional competitiveness, among other things.
The essay in three key points

- **Votes for anti-establishment political parties** (Freedom Party (PVV), Socialist Party (SP) and Forum for Democracy (FVD)) are mainly concentrated in areas suffering from population decline and relatively low land rents (as an indicator for the attractiveness of a place).
- **Urbanisation and globalisation** are causing widening gaps in regional economic development and result in economic rents that mainly benefit urban areas.
- **The distribution of these economic rents is crucial,** especially in our Dutch context, in which policy is increasingly being decentralised and local government is given increasing responsibility for socioeconomic policy.

1. Introduction

The fostering of urbanisation in response to the added value of concentrating economic activity in an area is creating a socioeconomic landscape with ever-higher peaks and deeper troughs. In the past few decades, allowing the formation and growth of agglomerations has been a central feature of Dutch spatial and economic policy. This has led to growing differences in:

- the size and nature of economic activity;
- the availability and affordability of public amenities;
- the composition of the population in terms of age and education level;
- land values and the local tax base for municipalities.

These growing spatial disparities are a potential source of dissatisfaction among the population, especially in declining areas. In his book *The Future of Capitalism: Facing the New Anxieties*, Paul Collier takes a closer look at these growing differences in the socio-economic development of regions, singling out this issue as the main cause of the mechanism that lead to rural populations in the UK voting for Brexit. Andrés Rodrígues-Pose (2018) arrives at a similar conclusion in a broader context in his article, *The Revenge of the Places that Don't Matter*. Looking at the situation in the Netherlands, this
raises urgent questions about the economic and administrative organisation of our country. We are witnessing growing regional differences and ever-greater pressure on the traditional political middle ground, a concern that has captured our attention since the rising popularity of Pim Fortuyn at the start of this century and that complicates a broad support base for political decisions.

Our perspective on regional economic policies has changed significantly in the past ten years. For a long time, Dutch policy served as the perfect example of policy strongly characterised by the application of distributive justice. These policies were mainly implemented through the National Policy Documents on Spatial Planning and were predominantly aimed at equality of outcomes. However, starting in the mid-1990s, they were largely abandoned, giving rise to more room for policies that allowed regional economic differences to emerge. The decentralisation of certain tasks is a logical next step in this approach. Current policies often refer to concepts such as:

- 'Make the difference' (Study Group for Public Administration, 2016)
- 'Building on our own regional DNA' (Ecorys, 2010);
- *Smart Specialisation Strategies* (a term often used in Brussels).

Each of these concepts emphasises the inherent strength of regions and focuses on the added value of dealing with socioeconomic issues at a regional level due to:

- proximity to citizens;
- higher efficacy;
- room for policy differentiation that better aligns with the specific preferences of citizens within the region.

As such, regions are increasingly being asked to take up their responsibilities and are given an increasingly important role in the search for solutions in the face of several major transitions that are just down the road. The regions are expected to come up with solutions for the main challenges faced by an ever-more flexible labour market, as well as solutions for socially relevant issues concerning globalisation, digitisation and sustainability. These major
Regions are expected to come up with solutions for the main challenges faced by an ever-more flexible labour market, as well as solutions for socially relevant issues concerning globalisation, digitisation and sustainability. Transitions certainly present new opportunities for our regions. However, these opportunities go hand in hand with uncertainty and new responsibilities. The importance of regions that can play a leading role in shaping these transitions is larger than ever (see Social and Economic Council, 2019, for an example in relation to the energy transition). Strengthening the position of urban regions is a tempting prospect, but the complexity involved in the effective implementation of this approach in the current economic and political structure of our country cannot be overlooked; it raises important questions for governance and regional solidarity, which are the core topics of this essay.

This contribution starts with a description of the dynamics of growth and decline. Growth and decline are two sides of the same coin that must be viewed in conjunction with each other at all times. Consequently, one crucial question we face is how the nationwide benefits of clustering economic activity should be distributed at a regional level (see Vermeulen et al., 2016). Inspired by the work of Paul Collier (2019), I will make a case for redistributing some of these benefits—which mainly accrue to the larger agglomerations—to declining areas. Finding a solution for this distributive issue will enable us to reap the benefits of the economic potential of further urbanisation while maintaining solidarity.

2. Growth, decline and polarisation

The latest scientific literature is increasingly paying attention to the political and economic consequences of regional inequalities (see Vermeulen et al., 2016, for example). This inequality is growing: in Germany, the former GDR is going through a period of rapid depopulation (with the exception of Berlin); in France, there are marked differences between Paris and the rest of the country; and in the United Kingdom, there is a large and growing gap between London and the rest of the UK. Even though we must be cautious...
in suggesting causal relationships, there appears to be a prominent link to political polarisation in these countries—just think about the yellow vests movement in France, Brexit and the rise of the AfD (Alternative for Germany). The gap is widening in the Netherlands as well, albeit to a much more limited extent (so far). Because of the typical polycentric spatial structure, nearly everyone in the Netherlands lives in the vicinity of a relatively large city (see also OECD, 2014).

Nevertheless, during the period from 2005 to 2013, the Netherlands has seen population decline in absolute terms in 10 of the 57 urban regions (defined as urban centres with their associated surrounding areas) identified in the 'Growth and decline' study (for the definition of regions, see also the new map of municipalities in the Netherlands by Marlet and Van Woerkens, 2014). For the time being, this decline is mainly limited to border regions. Over time, population decline may also occur in residential areas that are relatively far removed from attractive urban hubs (see also Marlet et al., 2019). The level of amenities in declining regions is deteriorating in the Netherlands too. This puts further pressure on the ability of these places to attract people. Those who stay behind have to make do with inferior amenities as a result, and those who sell up and move out have to accept lower prices for their homes (Vermeulen et al., 2016).

In his book, development economist Paul Collier explores such regional differences and their causes and consequences in depth. Inspired by Brexit, he sets out to identify the causes of the current political and economic crisis engulfing the United Kingdom. In doing so, he places a particular emphasis on the regional economic context. The property market plays a crucial role in Collier's analysis.

To explain the theoretical importance of the property market, it is helpful to consider the main line of argumentation in the study ‘The Urban Land Premium’ which is a translation of ‘Stad en Land’ (De Groot et al., 2010). In this study, my colleagues and I argued that the factors that make a region attractive are reflected in land values. In other words: the price of land reflects—in the broadest sense of the term—the ‘fertility’ of the land in question and the amount that those who wish to use it are willing to pay for it. This means that land value acts as both a source of revenue as well as an incentive for regional government to develop policies that make the
The level of amenities in declining regions is deteriorating in the Netherlands too. This puts further pressure on the ability of these places to attract people.
The price of land reflects—in the broadest sense of the term—the ‘fertility’ of the land in question and the amount that those who wish to use it are willing to pay for it region more attractive. It provides a means for investing in a region and a theoretically attractive base for taxation. At the same time, land values act as a disciplinary device to discourage investment in places where the expected returns are smaller than the costs. To illustrate this point, ‘Cities and the Urban Land Premium’ used the metaphor of the mayor as an entrepreneur (in a similar vein to ‘If Mayors Ruled the World’, a book by Benjamin Barber, 2013).

This metaphor of a mayor as an entrepreneur is inspired by the work of David Ricardo (1817) and Henry George (1879). They were the first to stress that local policies capitalise on land values. This insight provides a simple answer to the question of how to finance local administrations: eliminate payments from central government and allow municipalities to make the most of their land value surplus, for example via a ground lease system or a tax on property prices. This offers local administrations the right incentives: well-intentioned municipalities will invest in public amenities up to the exact point where the social benefit (i.e., the sum of the benefits experienced by all individual users) is equal to the marginal costs of these amenities (the Samuelson condition, 1954). This gives municipalities both the incentives and the financial resources to invest in the further development of the economic power of their city and the well-being of its inhabitants.

From this ‘Mayors Rule the World’ viewpoint (after Benjamin Barber, 2013), municipalities can make a genuinely effective difference in encouraging socio-economic development. As such, decentralisation of policymaking and expansion of local tax powers are the logical consequence of this philosophy. This leads to a world in which spatial differences created in response to the preferences of citizens are accepted (see also Oates, 1999 and Fischel, 2001), and a world in which one-size-fits-all policy decisions are an illusion. The fact that decentralisation can be greatly beneficial in boosting socioeconomic prosperity is no longer a point of contention in economic literature. However, the application of this theory in practice is not without its problems (see also OECD, 2019).
One significant consequence of the fact that local policy capitalises on property prices is that policies that differ across spaces often have significant regional distributive effects. These distributive effects play a central role in Paul Collier’s study; he argues that the current divisions in UK society only became a real issue when this distributive effect started to be ignored. His analysis of this issue is rooted in the work of Henry George and places a major question mark over the suggestion that the land rents resulting from agglomeration will fully accrue to the landowners. Instead, Collier argues that land rents in modern metropolises also end up in the hands of the well-educated and those employed in top-tier urban environments (Collier, 2019, p 141): “In a metropolis, most of the gains of agglomeration accrue to those people with high skills and little need for housing. Suddenly, many opportunities for rent-seeking open up. People elbow their way into jobs by lobbying well-connected relatives; they pay tutors for the extra study that gets them more credentials; they go to hundreds of interviews. . . . The rent-seeking does not increase the overall size of the pie, it just inflicts a collective loss of well-being upon mid-career people scrambling against each other.”

The solution he proposes for this issue is a combination of a traditional tax on land rents, insofar as these are capitalised in land value (a property tax), supplemented by a tax on agglomeration rents that accrue to employees in metropolises (Collier, 2019, p. 143): “Capturing these rents requires a tax innovation: tax rates need to be differentiated not just by income, as at present, but by the combination of high income and metropolitan location.”

Even though this analysis was developed to understand the causes of Brexit, similar patterns are visible in the Netherlands. The remainder of this essay will focus on the correlation between:

- population dynamics;
- land prices;
- the rise of voters turning their backs on the traditional parties of the middle ground by shifting towards parties to the left and right of the political centre.
3. Growth and decline in a Dutch context

Figure 1 illustrates the pattern of growth and decline in the Netherlands. As the figure makes clear, at a municipal level, this pattern is by no means exclusively limited to the peripheral borderlands of the southern and eastern parts of the Netherlands. Municipalities like Wassenaar and Den Helder are also shrinking. At various scales, we can see a pattern of growth in urban centres and a relative decline in their surrounding areas. It should be pointed out that these figures are mainly driven by a decline in the size of households. Regional decline in which the absolute number of households is also in decline—which leads to existing homes falling empty as a result—is mainly limited to North Groningen and some smaller municipalities such as Rozendaal (near Arnhem) and Vaals (South Limburg) for now.

Figure 1. Population development in municipalities between 2003 and 2013

Percentage development of the number of inhabitants per municipality between 2003 and 2013

8.4% tot 34.1%
4.6% tot 8.4%
1.7% tot 4.6%
0.0% tot 1.7%
−0.8% tot −0.0%
−1.6% tot −0.8%
−3.0% tot −1.6%
−10.2% tot −3.0%

Source: Vermeulen et al. (2016), based on Statistics Netherlands
The fact that these dynamics are not exclusively apparent in peripheral areas of the Netherlands is also reflected in the Amsterdam metropolitan region, for example. When we look at the growth of economic activity, we can clearly see centripetal forces at work. These forces cause economic activity to cluster in the already sizeable and centrally located hub between Amsterdam and Haarlemmermeer. Even though the entire Metropolitan Region of Amsterdam benefits from these developments, we still see distributive issues arising between central municipalities and peripheral areas. This means that even one of the fastest-growing metropolitan areas in Europe struggles with distributive challenges; for a relatively long period (2009-2017), regions such as Zuid-Kennemerland (Haarlem and its surroundings) and IJmond have been shrinking in terms of employment opportunities and added value (Economische Verkenningen Metropoolregio Amsterdam [Economic Outlook of the Metropolitan Region of Amsterdam], 2019). At a slightly larger scale, we can see similar dynamics at work between the Metropolitan Region of Amsterdam (MRA) and Holland above Amsterdam—the part of the province of North Holland that does not form part of the MRA, including relatively large municipalities such as Alkmaar and Den Helder (see Economische Verkenningen Holland Boven Amsterdam [Economic Outlook of Holland Above Amsterdam], 2018).

The heterogeneity in these dynamics is illustrated in a different way in Table 1 (which is based on the 57 areas we identified earlier). Regions such as Amsterdam and Utrecht are growing relatively rapidly, with urban centres growing faster than their surrounding areas. This is juxtaposed by the Heerlen region, in which the urban centre is shrinking more rapidly in absolute terms than its surrounding area. The Groningen region is growing, driven by growth in the urban centre that more than compensates for absolute decline in its surrounding areas. These examples illustrate the complexity faced by spatial planning policy; there is no straight answer to the question of where to build homes (and where to avoid doing so at all cost). Land values serve as a good indicator to decide where the

Prof. Henri L.F. de Groot
willingness to pay—and, consequently, the desirability of construction—is highest. The agglomeration forces mentioned above imply that the most logical places are often located in areas that are already densely populated, with distributive challenges as the inevitable result.

Table 1. Growth and shrinkage in 10 G-57 regions

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amsterdam</td>
<td>1,757,000</td>
<td>+34.6</td>
<td>+7.2</td>
<td>+7.6</td>
<td>+7.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rotterdam</td>
<td>1,491,000</td>
<td>+13.3</td>
<td>+2.6</td>
<td>+1.1</td>
<td>+3.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utrecht</td>
<td>868,000</td>
<td>+25.9</td>
<td>+7.0</td>
<td>+17.0</td>
<td>+1.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Groningen</td>
<td>609,000</td>
<td>+4.8</td>
<td>+1.3</td>
<td>+8.2</td>
<td>-1.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eindhoven</td>
<td>587,000</td>
<td>+14.2</td>
<td>+2.7</td>
<td>+4.8</td>
<td>+1.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nijmegen</td>
<td>457,000</td>
<td>+17.1</td>
<td>+3.0</td>
<td>+5.2</td>
<td>+1.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zwolle</td>
<td>413,000</td>
<td>+17.8</td>
<td>+3.1</td>
<td>+9.5</td>
<td>+1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leeuwarden</td>
<td>302,000</td>
<td>+6.1</td>
<td>+0.6</td>
<td>+4.6</td>
<td>-1.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heerlen</td>
<td>268,000</td>
<td>-6.1</td>
<td>-4.0</td>
<td>-4.1</td>
<td>-3.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emmen</td>
<td>222,000</td>
<td>+4.9</td>
<td>-1.1</td>
<td>-0.2</td>
<td>-2.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Vermeulen et al. (2016).

4. Decline and polarisation

Against a background of the dynamics of growth and decline discussed above, I will take a closer look at the political consequences of those dynamics in this section. It is not my intention to identify causal relationships. Inspired by the work of Paul Collier, I will explore the extent to which there are indications in the Dutch context that the political splintering we have seen in the past few decades is linked to the dynamics of growth and decline and the unequal spatial distribution of agglomeration rents.

To profile political preferences, we will look at:

- the share of voters who vote for the traditional parties of the centre-ground (Labour Party (PvdA), Christian Democratic Appeal (CDA), People's
• the share of voters who vote for the Socialist Party (SP), Freedom Party (PVV) or Forum for Democracy (FvD);
• the rise of the SP and PVV between the House of Representatives elections of 1999/2006 and 2017;
• voter turnout

The primary focus in this analysis is on the share of voters voting for the SP, PVV or FvD. As such, we will refer to this group as the 'anti-establishment voters' in the rest of this essay.

We aim to explain these indicators for political preferences as a function of:
• population growth in the past (during various periods), to examine the connection with shrinkage;
• the rise of standard house prices during the period between 1985 and 2007;
• the land value of homes sold during the period between 1985 and 2007, to examine the link with agglomeration rents;
• the average household income, to control for general wealth;
• other demographic features such as income, the old-age dependency ratio and the proportion of migrants in the overall population.

Table 2 contains the descriptive statistics of the variables included in this analysis. They immediately reveal substantial variation in both the levels and the growth of land prices during the period between 1985 and 2007. This is a reflection of the differences and dynamics of the attractiveness of places. Prices per square metre range from just 15 to nearly 700 euros at the municipal level (with an average of 150 euros). The average growth in the real price of a standard home was 5 per cent, with a minimum of 2 per cent and a maximum of 7 per cent. Looking at the anti-establishment voters in the general election of 2017, we can see a considerable variation. In some municipalities, the vote is as low as 7 per cent, while in others, the combined vote for these parties nearly amounts to a majority. The demographics aspect is described by population growth, as well as the number of seniors and migrants among the population. The average population growth is 0.4 per cent, ranging from −1.08 per cent to 15 per cent. The old-age dependency ratio varies from 15 to 65 per cent, while the number of migrants ranges from 3 to 53 per cent.
Table 2. Descriptive statistics of the main variables

<table>
<thead>
<tr>
<th>Variable</th>
<th># observaties</th>
<th>Gemiddelde</th>
<th>St.Dev.</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land value (1985-2007 average; euros per m²)</td>
<td>358</td>
<td>149.2</td>
<td>114.58</td>
<td>16.01</td>
<td>675.88</td>
</tr>
<tr>
<td>Standard house price growth (1985-2007, %)</td>
<td>358</td>
<td>4.6%</td>
<td>0.9%</td>
<td>2.4%</td>
<td>7.2%</td>
</tr>
<tr>
<td>Number of anti-establishment voters in 2017 (%)</td>
<td>388</td>
<td>22.7%</td>
<td>6.8%</td>
<td>7.0%</td>
<td>49.0%</td>
</tr>
<tr>
<td>Voter turnout 2017 (%)</td>
<td>388</td>
<td>83.4%</td>
<td>4.4%</td>
<td>72.3%</td>
<td>130.0%</td>
</tr>
<tr>
<td>Number of centre ground voters in 2017 (%)</td>
<td>388</td>
<td>53.2%</td>
<td>7.8%</td>
<td>16.6%</td>
<td>75.2%</td>
</tr>
<tr>
<td>Population growth (%)</td>
<td>362</td>
<td>0.40</td>
<td>1.21</td>
<td>-1.08</td>
<td>15.22</td>
</tr>
<tr>
<td>Old-age dependency ratio (%)</td>
<td>388</td>
<td>36.05</td>
<td>6.72</td>
<td>15.10</td>
<td>64.70</td>
</tr>
<tr>
<td>Number of migrants (%)</td>
<td>388</td>
<td>14.80</td>
<td>8.28</td>
<td>3.40</td>
<td>52.70</td>
</tr>
<tr>
<td>Population increase per 1,000 inhabitants</td>
<td>388</td>
<td>5.02</td>
<td>8.60</td>
<td>-21.70</td>
<td>58.20</td>
</tr>
<tr>
<td>Housing density (number of homes per km²)</td>
<td>388</td>
<td>367.86</td>
<td>464.22</td>
<td>15.00</td>
<td>3085.00</td>
</tr>
<tr>
<td>House value (*1,000 euros)</td>
<td>380</td>
<td>226.96</td>
<td>58.09</td>
<td>121.00</td>
<td>588.00</td>
</tr>
<tr>
<td>Average annual income (*1,000 euros)</td>
<td>381</td>
<td>44.03</td>
<td>5.52</td>
<td>33.00</td>
<td>79.00</td>
</tr>
</tbody>
</table>

Table 3 describes—in a compact and accessible way—the results of the empirical analysis in which we explain the share of voters who voted for anti-establishment parties (SP, PVV and FvD) in 2017 based on the above variables (a more comprehensive description of the results is available upon request for anyone interested). This set of explanatory variables explains 44 per cent of the variation in the number of anti-establishment voters. The results displayed show the economic significance of the results of the analysis by showing the difference in the percentage of voters for the three anti-establishment parties predicted by the model between the municipality with the highest value compared to the municipality with the lowest value for the variable considered (the last column shows the t-value of the estimated relationship). For example: in the municipality with the lowest land value, the number of anti-establishment voters predicted by the model is 16.4 percentage points higher than in the municipality with the highest land value. For population growth, there is a 7.7 percentage point difference between the municipalities with the highest and lowest population increases.

44 Towards a cohesive country  Population decline and regional equality of opportunity
Table 3. Regression results for the percentage of anti-establishment voters

<table>
<thead>
<tr>
<th>Variable</th>
<th>Min/max difference</th>
<th>t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land value (1985-2007 average; euros per m²)</td>
<td>−16.4%</td>
<td>−4.75</td>
</tr>
<tr>
<td>Standard house price growth (1985-2007; %)</td>
<td>−3.3%</td>
<td>−1.24</td>
</tr>
<tr>
<td>Old-age dependency ratio (%)</td>
<td>7.0%</td>
<td>2.99</td>
</tr>
<tr>
<td>Number of migrants (%)</td>
<td>14.9%</td>
<td>5.92</td>
</tr>
<tr>
<td>Population growth per 1,000 inhabitants</td>
<td>−7.7%</td>
<td>−2.41</td>
</tr>
<tr>
<td>Average annual income (*1,000)</td>
<td>−12.6%</td>
<td>−1.67</td>
</tr>
<tr>
<td>Housing density (homes per km²)</td>
<td>0.3%</td>
<td>0.10</td>
</tr>
<tr>
<td>House value (*1,000 euros)</td>
<td>−4.6%</td>
<td>−0.56</td>
</tr>
<tr>
<td>Number of observations</td>
<td></td>
<td>344</td>
</tr>
<tr>
<td>Goodness of fit (R²)</td>
<td></td>
<td>44.0%</td>
</tr>
</tbody>
</table>

These results show that the main variables exerting a statistically significant influence on the percentage of anti-establishment voters are the land value surplus, the old-age dependency ratio, the number of migrants and population growth. Income and the rise in standard house prices do have the expected negative effect, but this effect is statistically insignificant. The variables that are both statistically and economically significant are land value, number of migrants and income; these are key predictors of election results. The difference in the percentage of voters who vote for extreme parties is 16.4 per cent between the municipalities with the lowest and highest land values (controlling for the other explanatory variables). For the number of migrants and income, there is a predicted difference in results of 14.9 and 12.6 per cent, respectively. In light of the most recent election result, this analysis shows that in the Netherlands too, anti-establishment sentiment is mostly concentrated in declining areas with:

- relatively low and falling land value surpluses;
- a population that includes a relatively high number of retirees and immigrants.

As such, there is a clear spatial division in the Netherlands, albeit to a less extreme extent than in the United Kingdom. Clustering economic activity has been beneficial, but there are definite downsides too. This presents us with a major challenge for the future. In essence, this question is about how we can distribute the surplus created by agglomeration in such a way that
Urbanisation and the application of the go-with-the-flow principle have strengthened the dynamics of growth and decline.
everyone in our country can share in the benefits of clustering. Collier's book holds up a mirror that clearly shows the importance of taking this challenge seriously.

5. Conclusions

Urbanisation and the application of the go-with-the-flow principle have strengthened the dynamics of growth and decline. The Dutch socio-economic landscape is increasingly marked by peaks and troughs (although to a lesser extent than in our neighbouring countries). From the perspective of efficiency, this has created additional prosperity: we have made the most of the benefits of agglomeration, and the pie has grown bigger as a result. However, not everyone is reaping the benefits to an equal extent: the gap in both interpersonal income distribution and spatial economic differences has grown. This essay serves as a warning of what can go wrong when this growing gap is not taken seriously.

In the Netherlands, we can see a clear negative correlation between the size of the land value surplus—a good indicator of the attractiveness of a municipality—and the percentage of voters flocking to anti-establishment parties. As such, the policy course set in the Netherlands—increased decentralisation of tasks towards public administrations at lower levels, often with fewer resources and limited decision-making ability—is not without danger. When these lower levels of government are not sufficiently enabled to take over these tasks and are not given adequate resources to do so, broad public support for major transitions in terms of the environment and transformation of the labour market is difficult to come by (see also the essays by Frank Cörvers and Gert-Jan Hospers in this volume).

One major focal point in all of this is the fact that the regionalisation of policy cannot be a green light for lack of commitment. This aligns with the advice of the Study Group for Public Administration; the point of departure for regional pilot areas ('Proeftuinen'). Our initial experiences with these pilot areas clearly reveal how complex the search for what distinguishes one region from other regions can be. They also emphasis the continuing need for national frameworks (see also Council for the Environment and Infrastructure, 2019).
In the coming years, we will need to find an answer to one major question: to what extent should the regional partnerships formed in the past few years be further formalised? Partnerships based on voluntary cooperation seem like an attractive option at first sight, but it is precisely in areas where cooperation facilitates exchange and where redistribution is required—with both winners and losers—that voluntary partnerships always carry the risk of cooperation being withdrawn unilaterally. This is one of the main determining factors of the scope available to policymaking.

This brings us to the importance of financial relations in our country. A recent advisory report by the Ministry of the Interior and Kingdom Relations, 'Rekening houden met het verschil' ['Accounting for differences'] (2017), emphasises the added value of decentralisation. As part of decentralisation, regions must be given both incentives and resources to make a genuine difference through their regional policies. However, at the same time, there is substantial resistance to giving regions more freedom. Concerns about regions being insufficiently aware of the financial risks that could lead to major decentralised financial problems play some part in this. After all, the logic behind decentralising the tax base also implies that municipalities that make the wrong decisions will need to suffer the consequences. The threat of bankruptcy should work as a disciplining device. It remains to be seen whether the extreme step of declaring municipalities bankrupt will be taken, given the existing relations. This is undoubtedly giving policymakers cold feet when it comes to proceeding with the expansion of local tax powers. One additional problem is the fact that municipalities are simply too small in their current administrative form. Regional partnerships currently provide a solution for this problem but lack democratic legitimacy. Functional alternatives for a much-needed levelling of the playing field between municipalities and regions are also lacking for the time being. On this point too, the 'Accounting for differences' advice provides several useful recommendations to achieve:

- the balancing of costs via regional structural features;
- the strengthening of the role of central municipalities;
- a revised role played by central municipalities in the distribution of resources;
- the balancing of income at a regional level.
It is hugely important to take further steps in this direction. The fact that the number of tasks for which municipalities are expected to take responsibility as a result of decentralisation is growing while their financial room to manoeuvre has remained the same is increasingly becoming a source of tension: municipalities are not being given sufficient room to adequately weigh up local preferences as part of the policies they are being asked to implement. One additional aspect to consider is that local tax bases in the Netherlands are small, especially compared to our neighbouring countries. This essay adds a further point by suggesting attention must be paid to the distribution of the surplus associated with the benefits of agglomeration to maintain solidarity. The vested interests at stake are considerable, but the potential consequences of not investing in solidarity between growing and declining areas are much more severe in the long term.

*To maintain solidarity, attention must be paid to the distribution of the surplus associated with the benefits of agglomeration*
City and country moving forward together: new opportunities for declining rural regions
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About the author

Towards a cohesive country  Population decline and regional equality of opportunity
The essay in three key points

- **Rural shrinkage regions** possess qualities that, in theory, are ideally suited to tackle the main social challenges of our times, such as climate change and an ageing population.
- **The strengthening of urban-rural connections** offers new opportunities for declining rural regions, whereby the regional level—the region of daily life—is the obvious choice in terms of scale.
- **Urban-rural connections are not generated spontaneously; targeted stimuli, mainly at the provincial level, are required to ensure declining rural areas can capitalise on opportunities.**

Introduction: social challenges

Most shrinkage regions in our country are rural in nature: this doesn't just apply to Zeelandic Flanders, North East Groningen and De Achterhoek, but also to parts of Limburg, Drenthe and Overijssel. By Dutch standards, these areas are peripheral and sparsely populated, with a relatively large proportion of open space. The concerns faced by the so-called 'Randland' (Meier et al., 2015) are similar to the issues that have affected the countryside for many years now:

- an exodus of young people towards cities;
- concerns about a dwindling level of amenities;
- agricultural problems.

In Dutch politics, the concerns of declining rural areas are often overlooked as a result of growing attention for the main 'social challenges' of our times: climate, energy, labour market and health care are all higher up on the political agenda. Barely anyone thinks about the contribution these declining rural areas could make in tackling these issues. But what are we missing out on?

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21 Thanks to Liesbeth Engelsman (Province of Overijssel) for her comments. This essay is partially based on the contributions of Gert-Jan Hospers—the vision statement and 'good practices'—to 'Streekwijzer: stad en land in Overijssel samen op weg' ['Regional guide: city and country moving forward together in Overijssel'] (2019), published by Stad en Land and the Province of Overijssel.

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Prof. Gert-Jan Hospers
In this essay, we will explore the options for declining rural regions to play their part in the solutions to the main issues of our times. My piece does not provide an in-depth analysis—the topics discussed are too complex and future-oriented for that. My aim is simply to inspire readers to think about new opportunities for declining rural regions in our country. Theoretical insights and empirical findings are used wherever possible. To show how the topics discussed might work in practice, I mainly use urban-rural connections in the province of Overijssel.

City and country at a regional level

Even at this early stage, the twenty-first century is often referred to as the ‘urban century’. Urbanisation continues apace all over the world, and politics and the media are focusing heavily on cities and their dynamics as a result. At the same time, there are plenty of things happening in the countryside: aside from population decline, there is also the energy transition, changes in agriculture and increasing concern about liveability and accessibility (Bock, 2018). But how exactly do urban and rural areas differ? Dictionaries generally describe the countryside and the ‘less densely populated land outside of cities, with fields, woods and so on’. On the one hand, landscape aspects are at play: the countryside is the wide-open space outside of the city—a rural environment. On the other hand, population density plays a role too: in relative terms, you’ll encounter fewer people in the countryside than you would in a city. Regardless of how useful these definitions are, they remain fairly general. To further explore the relationship between city and country, we need more clarity. On this point, Platform31 and the P10 (2017)—a partnership of rural municipalities that has now grown beyond its initial ten members—make a distinction between three levels of urban-rural relations (see also Figure 1):

I  local
II  regional
III  national
The local level (I) revolves around a city and the surrounding countryside within the boundaries of a single municipality. One good example is Enschede and the village of Lonneker, which is just on the outskirts of the city. These types of villages are often highly prized by city dwellers who want to live in a more rural area or who want to see their children grow up in a more tranquil setting. On a wider level, urban-rural connections within a region (II) are also relevant. The town of Steenwijk, for example, serves as a hub for the villages in the surrounding countryside, especially in terms of retail, employment and healthcare. In turn, the inhabitants of Steenwijk are more inclined toward Zwolle when it comes to non-daily purchases, specialist care and higher education. In other words, ‘urban’ Zwolle forms part of the daily urban system of Steenwijk and its surrounding area (Tordoir et al., 2015). This is the intermediate level; the ‘daily life’ region with its roots in commuting and commercial flows. Finally, there is a connection between city and countryside at the national level (III): the Randstad area versus the rest of the Netherlands (‘Randland’). This is an abstract relationship that mainly plays in the minds of the media and policymakers, such as to explain aberrant behaviour in the ‘provinces’ (e.g. ‘blokkeerfriezen’: the Frisian phenomenon of citizens organising roadblocks to prevent Randstad activists from protesting against certain aspects of local traditions). This urban-rural relationship is similar to the ‘centre-periphery’ thinking of old.
This essay mainly turns the spotlight on the second level: the interplay between city and countryside within a region. This interplay may be based on a functional urban-rural connection (in terms of amenities or the economy, for example), a shared landscape or social and cultural similarities. The Dutch language has a specific word for this type of area with embedded notions of commonality: 'streek' (Hospers, 2013). Take North-East Twente, for example, with the city of Oldenzaal as its focal point—an area with a landscape that is typical for this part of the world. Urban-rural relations play out on a perfectly manageable scale in this area—a scale that aligns seamlessly with the lives of its inhabitants. However small an area may be, there is usually some type of ordering by bordering (Van Houtum & Van Naerssen, 2002); even within the same region, cities and the countryside will define themselves 'against' each other, often to better shape their own identities. In Oldenzaal, for example, the prevailing image of the surrounding cows in fields and 'tentfeesten' (parties/festivals in large marquees). In smaller towns and villages in North East Twente, on the other hand, Oldenzaal is associated with particular 'urban quirks'. Few preconceptions are as hard to shed as those about cities and the countryside: when we think of cities, we think of modernity, energy and fun, and when we think of the countryside, all we see is nature, agriculture and traditions. This 'silo mentality' is not only widespread among the general population; it also affects journalists and policymakers. But to what extent do these clichés stand up to scrutiny? In 2019, city-versus-country thinking is no longer a match for reality—the talk these days is all about 'coinciding challenges across the region' (Council for the Environment and Infrastructure, 2019). On top of that, the countryside is adopting an urban mentality, while cities are becoming more 'rural' due to the drive for sustainability (just think of urban farming). It is essential to look beyond these clichés, especially in the face of the major social challenges ahead. What does the declining countryside have to offer growing cities? There are four specific topics that deserve a closer look:

1. living and liveability;
2. the economy and the labour market;
3. food and health;
4. climate and energy.
When the term ‘declining region’ is mentioned, many people in the Netherlands will invariably think of empty villages, boarded-up houses and farmers looking for wives on national television shows. Cities are all the rage, the prevailing story goes. Young people are flocking to urban areas en masse, while those left behind are left to rue the deterioration of their living environment. The media keep emphasising that the gap between city and country is growing. This standard image (‘cities are growing, and rural areas are declining’) is begging to be put in context—as far as the Netherlands is concerned, at least. Some young people are ‘intrepid wanderers’, but others are ‘firmly rooted in place’; they stay in the villages where they’ve grown up, provided they can find a suitable home (Haartsen, 2013). At the same time, villages themselves often actively contribute to the notion that they are declining at the expense of cities: take the disappearance of shops, cash machines and post boxes, for example. In truth, this deterioration of amenities is not all the fault of population decline. Instead, it is a sign of growing convergence between city and country: the digital world (online shopping, online banking, mobile communication) is all-encompassing. In our country, even the remotest hamlets can access the global village; thanks to the IT revolution, the world itself has become a village.

There are two trends that matter much more than population decline and concern about the level of amenities in declining rural areas: our ageing population and vacant agricultural properties (Trendbureau Overijssel, 2019). The percentage of over-85s, in particular, is rising steadily in these areas. Because most people prefer to stay in their own homes and villages for as long as possible, certain problems are emerging: the balance between care and independent living is becoming much more important, for example. The fact that more and more farmers are opting to wind up their businesses is also having a major impact on the living environment. To give one example: researchers at Wageningen University expect 3,000 farms to become vacant in Overijssel by 2030 (Gies et al. 2016). They assume that half of these will be repurposed as homes, care homes or solar farms, for example. But what will happen to the rest of these vacant farms? They may become an interesting option for city dwellers priced out of urban areas; after all, they can work from
The deterioration of these amenities is not all the fault of population decline. Instead, it is a sign of growing convergence between city and country.
The deterioration of these amenities is not all the fault of population decline. Instead, it is a sign of growing convergence between city and country home in these places, as even rural areas are digitally well connected. To some people, the countryside presents a perfect opportunity to experiment with new ways of living, such as communal living, multi-generation households or alternative lifestyles. The role of rural areas as testing grounds also applies to innovations in care and other provisions. E-health offers many promising prospects to seniors staying in their own homes for longer. But does remote care actually work, or are city-based mobile care providers a better option? Which factors determine success and failure? And which other smart solutions come in useful to maintain good liveability in villages with ageing populations? Experience with these types of innovations will eventually prove useful for metropolises too: after all, every single one of us in the Netherlands will eventually become part of that ageing population.

Online noaberschap in Olst-Wijhe

In a village, you see a handful of people all of the time, and in a city, you see thousands of people for hardly any time at all—it’s a common view, but it doesn’t quite work like that in reality. Even in Overijssel, the often-lauded concept of ‘noaberschap’ (literally ‘neighbourliness’, i.e. neighbours looking out for each other) does not automatically mean that rural residents have regular contact with each other. Loneliness can be a village problem too, and elderly people living alone are most at risk. They often spend the entire day at home, even though they’d like to do something like head into the nearby town every now and then, for example. To tackle this problem, volunteers in the municipality of Olst-Wijhe have come up with a clever solution. They set up the ‘DaglenDoen!’ project (which translates freely as ‘Hello! Let’s do something!’), a digital tool that enables elderly people to take part in activities away from their homes. Via an app on a loan tablet, users can see what’s happening in their area (Deventer or Zwolle, for example) and sign up to take part. The activities on offer include concerts in the city, walks, board game afternoons and much more. If a certain user doesn’t have transport, there’s no need to worry: a DaglenDoen! volunteer will pick them up in a car, right outside their front door. The project charges a small fee to cover transport and some other costs (such as entry tickets and meals), but all other aspects are completely free.
of charge. Users who are apprehensive about having to use a tablet are assisted by a volunteer who comes round to their home to answer any questions they may have. This removes all obstacles to access the project. The Olst-Wijhe project is certainly proving popular: the participants say it gives them 'something to look forward to'.

Topic 2: The economy and the labour market

What do people in declining rural regions do to earn a living? Most city dwellers would say: well, they are rural areas, so agriculture must be one of the biggest employers. The agricultural sector is a major land user, meaning it has high visibility in the landscape. But in terms of employment, agriculture lags far behind other sectors. Just like in cities, industry and services (retail, health care, hotels, restaurants and catering) are major employers in rural areas. Most rural residents simply work at a company, in an office or in care, in their own municipalities or in towns and cities a little further away. Rural areas themselves are hotbeds of activity too (Hospers, 2018). They host a relatively high number of businesses in the leisure and tourism sector and in transport and construction, as well as lots of cottage industries (small-scale creative businesses that operate from home, such as consultants, architects and IT specialists). The countryside is also where we find lots of long-established specialist businesses in the food and manufacturing industry that are active far beyond the Dutch borders. The municipality of Bronckhorst in De Achterhoek, for example, is the home town of Aviko (potato processing), PB International ( legionella filters) and Reiger Suspension (suspension systems). In Germany, these types of businesses are known as hidden champions. Much the same as across our eastern border, poor accessibility by road and a lack of skilled workers are the main obstacles this rural economy faces. Good connections between cities and the countryside are essential while, due to an ageing population and the growing number of specialist vacancies (see also the essay by Frank Cörvers), calls for suitable staff are growing ever louder.

To city-based entrepreneurs and employees, the countryside offers lots of possibilities—and not just for a rural retreat, a team-building exercise or a conference to brainstorm new business strategies. In Japan, some IT companies send a selection of their most creative employees to declining villages
during the week, as the lack of distractions enables them to really focus on their work. Especially now that more and more studies are showing that a green and tranquil environment does wonders for productivity, the countryside has become a viable option for co-working city dwellers (Johnson Coffin & Young, 2017). Rural areas also offer plenty of opportunities to set up your own business: while business premises are becoming scarcer and more expensive in urban areas, the countryside offers a wealth of space, often at lower prices. A job at a company in the countryside offers benefits for city dwellers looking for internships or work too: reporting lines are shorter, they are more likely to be given greater responsibilities, and secondary employee benefits are often very good. How come? Due to a lack of talent, employers realise they need to do what's necessary to keep their staff happy. The leisure economy also offers opportunities for greater synergy between cities and the country. Thanks to electric bikes, the action radius of holidaymakers and tourists is expanding: they can cover much greater distances, which makes it much easier to combine a city and its surrounding areas during a single visit (a weekend in Zwolle and Ommen, for example). What's more, as many cities in shrinkage areas are relatively small, urban and rural areas can combine forces to reach the critical mass required to be noticed by The Hague or Brussels.

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'Groundbreaking Landscape' in Twente

Twente’s landscape is no longer being managed by public authorities and nature organisations alone: more and more citizens are also picking up tools to dredge canals, maintain hedgerows and sow flower meadows. In addition to these ‘green volunteers’, a growing number of farmers are also doing their bit to manage nature (nature-inclusive agriculture). The ‘Baanbrekend Landschap’ ['Groundbreaking Landscape'] project organised by Landschap Overijssel goes one step further: it hires long-term unemployed people as landscape managers. The project started as a pilot by Landschap Overijssel, the municipalities of Almelo and Wierden and the education provider Zone.college, but has since expanded to other parts of Twente. Participants from Almelo and Wierden get to grips with nature, settle back into working patterns and gain
work experience. The tasks taken on by the project would otherwise be neglected, so the participants are contributing to the quality of their environment. For example, the project helped create a walking area around a former water treatment plant in the village of Enter. The unemployed participants are supported by a coach and are given a chance to obtain certain qualifications via Zone.college. When the pilot came to an end, nearly all participants managed to find a job; some in the green sector, some in other sectors. As such, the project has a positive effect on the regional labour market and improves the landscape at the same time. On top of that, the exposure 'Baanbrekend Landschap' received is boosting awareness of the fact that two apparently separate worlds (the labour market and landscape management, cities and the countryside) can come together in perfect harmony.

Topic 3: Food and health

More and more city dwellers—mainly younger and highly educated people—are asking themselves where their food comes from and whether what they eat is actually good for them. Mindful eating, exercise and healthy living are becoming increasingly popular. At the same time, it is proving tricky to break certain habits, especially in busy urban neighbourhoods where access to healthy food and spaces suitable for exercise are not a given. Responsible eating and living are not exactly commonplace in the countryside either. To start with food: the lion's share of agricultural production in our country is destined for export—agriculture is the ultimate global business. The Dutch agri-food sector is held in high esteem on the global market: our country hosts countless large-scale agri-food concerns that attach the utmost importance to efficiency, sustainability and safety. Often, these businesses also have a presence in declining rural areas. Nevertheless, it's exactly in these kinds of places that more and more farmers are turning towards small-scale activities (Hospers, 2018). Within a framework of multifunctional agriculture, they are honing in on organic, sustainable and local produce. Some farmers are also making the link between health and their environment: they are setting up an increasing number of care farms, yoga studios and outdoor leisure locations.
It is difficult to escape the global rat race in which food producers find themselves. As long as consumers are not prepared to spend a little more money on their food, the current system of intensive farming will remain in place. The Dutch agricultural sector can only remain competitive by embracing large-scale production and adopting new technologies (smart farming), and farmers who have taken a step back from the global food chain are often faced with all kinds of organisational, logistical and marketing problems. How do they reach consumers as individual producers? Which markets offer the best opportunities? Is it even possible at all to challenge the dominance of supermarkets in our food chain? Again, this area provides opportunities for further development of urban-rural connections. The term 'regional produce' makes it immediately apparent that the regional level is the perfect scale for bringing consumers and producers closer together. It all starts with raising awareness among customers, and there is a lot of work to do in this area. Options include regional produce markets, family and school excursions to agricultural businesses and projects in which students join organic farmers to develop new revenue streams. Public administrations, businesses and institutions can set the right example by maintaining a regional procurement policy for the food in their canteens, for example—as is currently the case in the municipality of Almelo. In terms of health, too, there are opportunities for stronger urban-rural connections. Rural residents are often dependent on city hospitals, but the idea of the countryside as a 'therapeutic landscape' is not yet at the forefront of city dwellers' minds (Williams, 2007). Under the slogan 'get better from the outside in', doctors, personal trainers and health insurance companies could encourage their patients to spend some time out in the countryside—an idea that is bound to work wonders in terms of prevention too. Which begs the question: why have urban hospitals not yet discovered the potential of rural hotels as the perfect setting for patients to get better?
Food cooperatives in Salland

In times gone by, regional produce was the norm in Overijssel. The same applied to Deventer, where farms in the surrounding area produced meat, dairy, grain and vegetables for people in the city. These days, our food is imported from far and wide: food miles for a simple evening meal often run into the thousands. In the past few years, Salland has witnessed a growing number of inhabitants taking an interest in food from their own region. But how do you get more local produce on people's plates? To help well-intentioned consumers get underway, the Deventer-based nature and environment foundation De Ulebelt is encouraging the creation of food cooperatives. The idea behind a food cooperative is simple: a group of people agrees to collectively buy produce from one or more local farmers. One example is the ‘De Autark’ cooperative in the village of Broekland, in which around 25 households take part. They buy their meat, fruit and eggs from six farmers in the surrounding area. The families use a website to submit a weekly list of what they want to buy. On Saturdays, one member of De Autark collects the orders and delivers them to a central pick-up point. In terms of size and market share, food cooperatives remain a minor part of the Salland economy, but that's not the point. As De Ulebelt explains: 'Food cooperatives act more like 'drivers'. They encourage growing interest in local and sustainably produced food and promote direct connections between farmers and citizens'. Which is, of course, exactly what this issue is all about.

Topic 4: Climate and energy

keep our planet liveable, we need a revolution of thought and action. It's no wonder that the energy transition, circular economy and improving the sustainability of our living environment are all near the top of our political agenda; we need to make sure that carbon neutrality becomes the 'new normal'. In shrinkage regions, too, public administrations, corporations and businesses are working hard on projects that contribute to a carbon-neutral
environment. On the one hand, there is plenty of enthusiasm for the cause: renewable energy can be generated locally, with revenue remaining within the region instead of flowing out to anonymous multinationals. On the other hand, the energy transition process will need to overcome one huge obstacle: the so-called ‘NIMBY’ effect, or in other words, the unwillingness of local residents to accept the consequences of sustainable energy provision on the landscape (NIMBY stands for ‘not in my back yard’). The construction of wind turbines, in particular, often encounters strong opposition. Solar farms are faced with less hostility, even though more and more critical voices are cropping up in the media. Conservationists, for example, are issuing warnings about the effect of solar panels on soil life and architects are pointing out the detrimental effects on the landscape. This ‘landscape suffering’ highlighted by various parties currently forms a major obstacle to the energy transition process (De Boer, 2017). It is likely that innovation in the field of sustainable energy generation (such as solar tiles: roof tiles that contain solar cells) will be able to break this impasse, but we're not quite there yet; for now, apprehension has the upper hand.

The countryside has traditionally played a major role in sustaining cities: forests, streams, nutrients and other elements in the natural environment act as suppliers of CO₂ storage, water regulation, pollination, soil formation and other ecosystem services. It is thanks to nature in rural areas that urban ecosystems can remain alive, attractive and resilient. So why is it that declining rural areas are not chomping at the bit to act as suppliers of sustainable energy to nearby cities? There is plenty of open space, vacant agricultural properties need to be repurposed, and renewable energy could act as a promising economic driver. Sooner or later, cities will have no option but to resort to their surrounding areas if they want to achieve their sky-high energy ambitions. At the same time, cities have something to offer to the surrounding countryside: organic waste from urban households could be used as agricultural fertiliser, for example—a development that would eradicate the

**Why is it that declining rural areas are not chomping at the bit to act as suppliers of sustainable energy to nearby cities?**
need for artificial fertiliser (Hackauf, 2017). In theory, circular economies in which all natural resources are reused could be established in declining rural areas in the long term. Admittedly, it remains to be seen whether this circular principle has an equal chance of success everywhere. A self-sufficient economy, in which regions operate more or less independently, is something that’s unlikely to ever see the light of day in our global network society. However, it is obvious that any steps in this direction will require connections between urban and rural areas at the regional level.

Climate Campus in the Zwolle region

Climate adaptation is a challenge that goes well beyond municipal borders: it is a regional issue that demands close cooperation between cities and their surrounding areas. If any place is going to be acutely aware of this fact, it is Zwolle: the Hanseatic city on the IJssel sits right at the lowest point of the IJssel-Vecht delta. If Zwolle’s inhabitants want to keep their feet dry, the city and the surrounding countryside will need to work together. That’s why IJssel-Vecht Delta (an alliance between the municipalities of Zwolle, Kampen and Zwartewaterland, the province of Overijssel, Safety Region IJsselmond and the water board) set up Climate Campus in 2017. Aside from the authorities listed above, more than thirty other parties are participating in the Climate Campus scheme. The partners originate from government, education, the corporate world and civil society: they include the Royal Netherlands Meteorological Institute, Statistics Netherlands, Windesheim University of Applied Sciences, the Taw group of consulting engineers and the Overijssel Nature and Environment Foundation. The purpose of Climate Campus—which is based in Zwolle’s Spoorzone—is to come up with innovative answers on how to handle climate change at the regional level. The initiative certainly doesn’t lack ambition: Ed Anker, a local councillor in Zwolle, even talks about a 'new Delta Works’—a reference to the decades-long series of construction projects to protect the Rhine-Meuse-Scheldt delta from the sea. Back in the IJssel-Vecht delta, around a hundred water and climate-related projects are already underway. One interesting aspect of Climate Campus is that the
parties involved also view climate adaptation as an economic opportunity. The solutions they develop could be exported elsewhere at some point, which would generate new business and jobs for the Zwolle region. If that happens, money might actually grow on trees (or should we say: in Overijssel’s fields) for once!

New opportunities for declining rural areas

Society, policymakers and the media continue to view cities and the countryside as polar opposites. Cities are growing, and the countryside is declining—get used to it!" is a common refrain heard almost everywhere. One of the consequences of this claim is that cities and their neighbouring rural municipalities largely continue to do their own thing. Take the local environmental visions currently being drawn up all over the country, for example; neighbouring municipalities in urban and rural settings are barely speaking to each other to explore how they might complement one another. Even the draft National Environmental Vision—a vision on the spatial planning of our country in the long term—is barely able to shake the silo mentality that separates urban and rural areas (Kuiper, 2019). This is a regrettable and erroneous view, as there is much more that unites urban and rural areas in our country than what divides them. It is precisely by bringing cities and the countryside together on future-oriented topics that we can create exciting windows of opportunity. For example, this essay argues that the qualities of declining rural areas are, in theory, perfectly suited to provide solutions to the main social challenges of our times, such as climate change and an ageing population. Overijssel provides several good practical examples in this regard. Countryside areas are proving to be a valuable resource for urban climate adaptation, while transport options for elderly people to access nearby towns and cities help maintain the liveability of rural areas. As part of this, it's important for us to operate on a level that corresponds to the everyday living environment of residents. This means that when we start identifying urban-rural connections in shrinkage regions, the daily urban system—the region in which residents live their daily lives—is the most obvious scale to adopt.
Most administrators don't know each other well enough to embark on promising projects immediately.
At the same time, most initiatives that bring city and country closer together remain incidental, small-scale and experimental in nature. Once again, we can see this at work in Overijssel, where initiatives of this type are run by volunteers (the DaglenDoen! project and the ‘De Autark’ food cooperative), are aimed at a highly specific target audience (‘Baanbrekend Landschap’) or have yet to prove their worth (Climate Campus). In its advice on coinciding challenges in regions, the Council for the Environment and Infrastructure (2019) reaches the same conclusion: the whole has yet to exceed the sum of its parts. Apparently, connections between cities and rural areas at regional level do not form spontaneously. Especially in the case of declining rural areas, we think that targeted stimuli are needed to align the urban and rural approach to challenges. As administrative bodies that operate at a supralocal level, provincial authorities could act as a connector between the two, for example by asking the people in charge of urban and rural municipalities to identify regional opportunities for synergy. This is exactly what happened in Overijssel in 2018 and 2019 within the ‘Overijssel op Streek’ [‘Overijssel at a Regional Level’] inspiration project (Stad en Regio & Province of Overijssel, 2019). One area for improvement identified by the project is that most administrators don’t know each other well enough to embark on promising projects immediately—they need to put themselves in each other’s shoes first to get a proper idea of how they each operate. It all starts with familiarisation, dialogue and realisation. As such, the one thing that’s needed if cities and rural areas in shrinkage regions want to capitalise their opportunities is patience. Or as the old Dutch saying goes: ‘you move faster on your own, but you can get further together’.
The shrinking city?

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Towards a cohesive country
Population decline and regional equality of opportunity
The essay in three key points

- *Population decline is not only happening in the countryside; it is happening in urban environments too. As such, we need to tackle the problem at a national level.*
- *It is important not to fall back on clichés such as 'the growing city' and 'the declining countryside'.*
- *Regional focus: a diverse population and a diverse regional economy appear to be the main hallmarks of success*

Introduction

Broadly speaking, two contrasting developments are underway on a global scale: some cities, especially in Asia and South America, are growing exponentially, while other cities are shrinking due to population decline. Even though shrinking cities are a common occurrence—in the 1990s, more than a quarter of the world’s big cities got smaller (Oswalt & Reiniets, 2006)—policymakers and researchers are paying relatively little attention to this phenomenon. Philipp Oswalt, who compiled the ‘Atlas of Shrinking Cities’, believes this lack of attention stems from the fact we are too focused on growth: “Growth has become the expectation” (p. 12). Urban planning and economics are disciplines that mainly look at growth processes. As such, we have plenty of models for growth, but hardly any models for shrinkage (Franklin and van Leeuwen, 2018).

In various locations across the Western world, population growth is gradually tapering. The economy is also growing at a slower pace in these places, especially in comparison to many Asian countries. On top of that, while income gaps between countries are narrowing, they are widening within certain countries. This is causing polarisation between population groups, as well as between regions: not everyone is benefiting from economic growth to the same extent, and demographic/economic shrinkage is also not evenly distributed across countries. What's more, within some countries, growth in one place is fuelled by shrinkage elsewhere (see Oswalt, 2006 and Vermeulen et al., 2016). This can lead to strong feelings of dissatisfaction and injustice.
Population decline is not only happening in the countryside; it is happening in urban environments too. Among those left behind, with polarisation and 'anti' votes in result. Or, as Andrés Rodriques Pose (2018, London School of Economics) so poignantly calls it: 'the revenge of places that don't matter'. These 'places' are not only found in a rural setting, but in an urban context too.

The main takeaway from this essay is that population decline is not only happening in the countryside; it is happening in urban environments too. As such, it is not just a rural problem; it is something we need to tackle at a national level. What can urban and rural areas learn from each other in terms of new initiatives and partnerships? Do we need to make more of a distinction between city and country in the shrinkage debate?

A brief history

Growth and shrinkage in early cities
Some cities seem to be built for eternity, but nothing could be further from the truth. Just take the example of perhaps the most famous city of all: Rome. Around 500 AD, this mighty city shrank from a population of over one million people to around 30,000 people in a relatively short time. Aside from endless wars and low life expectancy, the main reason behind this decline was limited availability of food and other agricultural produce (Twine, 1992). It became impossible to feed the vast number of people in the city, and many died or moved elsewhere. It took several centuries, but eventually, Rome's excellent strategic location proved to be the key to the recovery of the city's fortunes from around 1850. Other well-known examples of shrinking cities include:

- Pompeii—buried by the ash of Vesuvius;
- Constantinople—destroyed by crusaders, the city lost much of its significance for a long time;
- Paris—hit by the plague in 1466;
- London—destroyed by an enormous fire in 1666;
- Lisbon—destroyed by an earthquake in 1766;
- Moscow—shrank by a third in 1917 due to food shortages during the October revolution.
Of course, that's before we consider the many cities destroyed in the blink of an eye more recently due to violent conflict.

Shrinkage (and growth) often happened much more gradually. These changes generally had more to do with shifting trade routes and political power. Many early cities formed at the intersection of trade routes or served as centres of power. Strategic geographical locations were often behind the success of these cities. In the Netherlands, for example, this applied to Dorestad in the seventh century. For around 150 years, this city near modern-day Utrecht was one of the most important commercial centres in Northwestern Europe. The reason for this was its location at the intersection of waterway trading routes connecting the German Rhineland with Scandinavia and England, via Utrecht. Coins minted in Dorestad have been discovered as far away as Baghdad and Russia. At present, the city's name lives on in Wijk bij Duurstede, a town of around 20,000 inhabitants. The decline of the city is attributed to both power shifts within Europe, and geographical movements due to the silting of the Rhine (Taverne, 2005).

Examples of other places in the Netherlands that formed along trade routes include the Hanseatic cities of Zutphen and Deventer. Even though these cities had few goods to trade themselves, they made their money from the transit of goods. When newer and larger ships made it possible to travel from north to south via the open sea, the Hanseatic cities lost their share of Dutch goods traffic, and much of their economic importance as a result (Halbertsma & Hulzen, 2008).

During the Dutch Golden Age, the centre of economic and demographic growth increasingly shifted to Holland. Amsterdam and The Hague grew rapidly, as did smaller port cities like Middelburg and Enkhuizen, partly due to trade with our overseas territories. However, from the 15th century onward, the rest of the Netherlands witnessed a period of shrinkage that lasted for as long as 400 years. In Holland, this period of economic and demographic shrinkage lasted 'only' around 200 years (Rutte, 2016). Leiden, for example, lost two-thirds of its population between 1670 and 1805 due to the decline of its industries (de Klerk, 2010).
The urbanisation we recognise today only really started during the industrial revolution, which was preceded by an agricultural revolution and a transport revolution. In the Netherlands, we rediscovered the plough (originally a Chinese invention), which exponentially increased production levels and reduced the amount of labour needed in farming. Elsewhere, canals were dug to transport bulk goods such as construction materials, fuel and grain. This inflow of raw materials and food eventually made it possible for factories to expand—a development that was fuelled further by the amount of labour freed up by developments in agriculture. The towns and villages that hosted these factories grew into so-called industrial cities, such as Liverpool, Leeds and Birmingham in England, or Enschede, Eindhoven, Heerlen and Helmond in the Netherlands. In Amsterdam and Rotterdam too, the population started growing by 100,000 people every decade. The arrival of the railways facilitated the growth of cities that did not have access to waterways. Today, we are acutely aware of the eventual fate of these industrial cities; due to changes in manufacturing methods at first and the shifting of activities to countries with lower labour costs later on, the industries that shaped these places started to disappear, taking the associated jobs with them. This resulted in major economic and population decline and decay almost everywhere. It is evident that shrinking cities are nothing new, but the industrial revolution caused us to stop seeing shrinkage as a normal trend.

More recent periods of urban shrinkage
More recently, urban shrinkage took place in the 1970s. In many countries across the Western world, the 1970s was a decade in which cities witnessed significant population decline: American cities like New York, Boston and Chicago lost no fewer than 10 per cent of their inhabitants. In the 1980s, the populations of New York and Boston started to grow again. Chicago started to see its fortunes improve as late as 1990, and is currently known as a vibrant and dynamic city. However, the decline never stopped in several other American cities. Detroit and Pittsburgh, for example, lost nearly half of their populations between 1950 and 2000 (Rapaport, 2003). Between 2000 and 2010, nearly one in five American cities with populations over 100,000 suffered from shrinkage (Franklin, 2019).

In the Netherlands, the four largest cities lost 546,000 inhabitants between 1965 and 1985. Amsterdam's population alone fell by 22 per cent (Van der
Kammen & De Klerk, 1986). Just like in the United States, the transition from industrial mass production to a service industry resulted in significant job losses in these cities. Factory closures had a major impact on liveability, and these were also the days of the sexual revolution, which led to a significant fall in the birth rate. Cities were particularly affected, as the social revolution started earlier and on a much larger scale than in the countryside. The third reason behind this period of shrinkage was the severance of the link between the economy and population growth due to strong regulation on the housing market: the government decided where large-scale house building schemes could take place. In various locations, commuter towns were built, which were mainly populated by young families. Only single people and immigrants chose to live in cities (de Klerk, 2010), leading to a large number of vacant properties, the infamous squatting and anti-squatting movements, and a certain degree of decay in our inner cities. It’s hard to imagine now that no one was interested in the stunning canalside properties in Amsterdam or Utrecht during that time.

That said; in the 1980s, most cities in the Netherlands started witnessing the first signs of growth. At the midpoint of the 1990s, the Dutch government launched its Big Cities Policy, which was intended to tackle problems such as high unemployment rates and the accumulation of liveability issues in specific neighbourhoods across our four largest cities. The policy went hand in hand with significant investment by central government (van der Wouden et al., 2006). Highly educated people were the main group that returned to cities to make the most of the growing number of jobs in the knowledge economy.

When we look at the period between 2000 and 2015 and focus specifically on cities with more than 100,000 inhabitants22, we see considerable heterogeneity in terms of growth and shrinkage. Table 1 shows the total population change, as well as the natural increase and net migration figures, and how these developed between 2000 and 2015. According to these figures, Dordrecht is the only large municipality that shrank (albeit slightly) in terms of inhabitants (but not in terms of households). Other cities that

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22 For several cities (i.e. Alkmaar, Leeuwarden, Delft, Westland and Venlo) insufficient data are available for this period. As such, these cities were not included.
grew at a relatively slow rate (below the Dutch average of 7 per cent) include Maastricht, Emmen, Apeldoorn and Leiden. One notable observation is that for several cities, the natural increase and net migration figures are negative for 2015 (e.g. Maastricht, Emmen, Enschede, Zoetermeer, Groningen and Almere), and that in many large municipalities, these figures are falling, more so than the average across the Netherlands.

Population decline and growth are dependent on natural processes —births and deaths—that are reasonably easy to predict. Aside from these factors, they depend on population movements, including the arrival of ‘new Dutch citizens’, which are generally much more unpredictable. According to the authors of 'Atlas van de Gemeenten' ['Atlas of Municipalities'], which was themed around growth and shrinkage in 2019, people prefer to live in/move to beautiful and attractive cities with good access to jobs. As these cities also often attract businesses due to their high-quality labour markets, they enter an upward spiral (Marlet et al., 2019). The exact opposite applies to other cities, which risk ending up in a downward spiral. In the short term, this can present such cities with a number of challenges, but as history shows, the factors that determine ‘attractiveness’ can easily change over time.

As we can see, there are major differences between cities—but within cities too, different patterns of growth and shrinkage occur. In Emmen, for example, the Foxel neighbourhood lost 55 of its inhabitants, which equates to a decline of 12 per cent. The Emmen Central neighbourhood, on the other hand, grew by 400 inhabitants; a growth of 12 per cent. In the growing city of Almere, the Waterwijk neighbourhood’s total population fell from 7,725 to 7,470; a loss of 250 people. In this particular neighbourhood, this does not appear to be the result of a natural decrease (i.e. a higher number of deaths). Instead, the fall can be explained by the outward migration of children leaving home, for example. Utrecht has also witnessed shrinkage in several neighbourhoods, including Kanaleneiland Noord, which had 550 fewer inhabitants in 2018 than in 2013, and Queeckhovenplein, which lost 11 per cent of its inhabitants. Average incomes are low in both of these neighbourhoods. Even though no single district in Utrecht is shrinking, the city does appear to contain ‘pockets of population decline’, especially in...
Table 1. Growth and decline factors between 2000 and 2015 in Dutch cities with more than 100,000 inhabitants (source: Statistics Netherlands).

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<td>Dordrecht</td>
<td>-1%</td>
<td>4%</td>
<td>181 -66%</td>
<td>-279 -16%</td>
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<td>13%</td>
<td>-366 307%</td>
<td>502 187%</td>
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<td>-223 -198%</td>
<td>53 -95%</td>
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<td>Apeldoorn</td>
<td>3%</td>
<td>9%</td>
<td>47 -87%</td>
<td>873 1,432%</td>
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<td>Leiden</td>
<td>4%</td>
<td>10%</td>
<td>296 -54%</td>
<td>716 -185%</td>
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<td>Rotterdam</td>
<td>5%</td>
<td>6%</td>
<td>2,301 112%</td>
<td>3,531 169%</td>
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<td>Haarlem</td>
<td>5%</td>
<td>6%</td>
<td>389 3%</td>
<td>1,121 -323%</td>
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<td>Enschede</td>
<td>6%</td>
<td>12%</td>
<td>109 -63%</td>
<td>-304 -148%</td>
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<td>Tilburg</td>
<td>10%</td>
<td>19%</td>
<td>395 -60%</td>
<td>906 -39%</td>
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<td>Ede</td>
<td>10%</td>
<td>19%</td>
<td>445 -31%</td>
<td>397 1,068%</td>
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<td>Arnhem</td>
<td>10%</td>
<td>12%</td>
<td>569 11%</td>
<td>962 54%</td>
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<td>17%</td>
<td>279 -46%</td>
<td>1,258 9%</td>
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<tr>
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<td>17%</td>
<td>282 -39%</td>
<td>756 -668%</td>
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<td>Nijmegen</td>
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<td>19%</td>
<td>448 9%</td>
<td>940 -11%</td>
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<tr>
<td>Amsterdam</td>
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<td>11%</td>
<td>5,650 40%</td>
<td>6,201 -672%</td>
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<td>19%</td>
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<td>450 -18%</td>
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<td>16%</td>
<td>21%</td>
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<td>s-Gravenhage</td>
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<td>'s-Hertogenbosch</td>
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<td>168 -78%</td>
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<td>18%</td>
<td>524 -8%</td>
<td>508 -19%</td>
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<td>22%</td>
<td>684 -38%</td>
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<td>Haarlemmermeer</td>
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<td>35%</td>
<td>341 -54%</td>
<td>23 -99%</td>
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<td>Almere</td>
<td>38%</td>
<td>45%</td>
<td>1,413 -22%</td>
<td>-206 -104%</td>
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<tr>
<td>Utrecht</td>
<td>43%</td>
<td>38%</td>
<td>3,067 104%</td>
<td>1,723 -242%</td>
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<td>Other municipalities</td>
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<td>40,295 -13%</td>
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<td>Netherlands</td>
<td>7%</td>
<td>13%</td>
<td>23,376 -65%</td>
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socio-economically weaker neighbourhoods. This trend has the potential to increase inequality within cities. Research from the United States has shown that neighbourhoods currently going through a period of shrinkage are often the same neighbourhoods that have experienced greater poverty over the long term (Kingsley & Pettit, 2002). This demonstrates that it is the 'better' neighbourhoods that (continue to) grow, and the 'worse' neighbourhoods that (continue to) decline.

Causes and consequences of urban shrinkage

The causes of urban shrinkage are just as manifold as those of urban growth (Reiniets, 2009). On the one hand, external factors might be to blame, such as war, genocide, epidemics or natural disasters. On the other hand, more internal factors might be at play, such as migration due to economic decline or a change in demographic processes (low birth rates or low life expectancy). These internal factors can manifest at a national level as well as at a regional level. In Japan, for example, shrinkage is a nationwide phenomenon caused by an ageing population and extremely low migration. There are differences between the cities and the countryside, but the issue clearly affects the whole of the nation. The United States is following an entirely different path: the population of the country as a whole is growing, but despite that fact, several cities and rural regions are suffering from shrinkage. In the US, this is mainly due to emigration from the former industrial regions, also referred to as rust belt to sunbelt migration (Mallach et al., 2017, p. 103). Cities often grow and decline in line with economic expansion and contraction (see Friedrichs, 1992 and De Klerk, 2010). Changing trade flows or manufacturing processes lead to different winners and losers. Some losers vanish from the world stage almost completely, while others reinvent themselves or simply stay relevant.

The consequences of urban shrinkage are often connected to the causes. Natural disasters and epidemics frequently have a local impact in which
vulnerable groups are disproportionately affected. Floods or hurricanes often strike vulnerable groups who live in places that are at higher risk or that are less well protected; these very same people are also at a higher risk of falling victim to an epidemic (Reiniets, 2009). Take the US city of New Orleans, for example, where it is mainly poor neighbourhoods that are still suffering from the fallout of the 2005 floods, such as uninhabitable housing and a lack of infrastructure.

Economic crises generally affect entire cities, but young people and highly educated people have more options available to them; they can simply up sticks and find a better life elsewhere. Of course, this puts those who stay behind at a disadvantage; in effect, it leads to selective emigration. The relatively vulnerable population that stays behind is at greater risk of poverty and an unsafe living environment. Often, they experience problems at multiple levels (Franklin, 2019):

- unemployment;
- a lack of welfare payments;
- limited education opportunities;
- poor public transport;
- crime.

If shrinkage persists and selective emigration continues, the risk-averse behaviour of those left-behind can end up in the city's DNA: in its institutions, educational facilities and businesses (Rust, 1975). As the local tax base dwindles and more money is needed for welfare benefits, shrinking cities often face an uphill struggle to make the large investments needed for a high-quality business and living environment. The maintenance of transport networks is one good example. Combined with a negative reputation, this leads to a downward spiral which several cities, such as Detroit in the US and Heerlen in the Netherlands, struggle to escape.

**Differences between cities and the countryside**

Population decline is not a phenomenon that only affects the countryside; it affects urban environments too. Does that mean we need to make more of a distinction between city and country in the shrinkage debate?
On a smaller scale—at the level of neighbourhoods and districts—there are many similarities between shrinkage-related problems in urban and rural areas.
Across the globe, we see that urban shrinkage most frequently occurs in old industrial regions. Rural shrinkage mainly happens in more remote (i.e. difficult to access) areas (Franklin & van Leeuwen, 2018). The same applies to the Netherlands: shrinkage is a phenomenon seen on the edges of our country and in regions that are struggling economically. Regardless, some smaller municipalities are also feeling the pinch, such as Bodegraven, De Ronde Venen and Wijdermeren in the Groene Hart region.

On a smaller scale—at the level of neighbourhoods and districts—there are many similarities between problems concerning population decline in urban and rural areas. Places that are less desirable due to lower environmental quality, less well-maintained houses and reduced accessibility to suitable jobs experience population decline more frequently. In both urban and rural regions, this can lead to lower quality of life for inhabitants and a so-called *lock-in effect* for those who’d like to move but are unable to do so. Even though it is often argued that people in cities could easily move to cheaper areas in the countryside—if they wanted to—this is not how things play out in practice. For people with lower levels of education, a social network is often an important reason to live in a certain area. Tenants also often struggle to find places to live elsewhere due to the limited availability of rented properties, including in rural areas. As such, they have little choice but to stay where they are and accept the higher living costs.

Is shrinkage experienced differently in cities than it is in the countryside? Intuitively, we might think so. We often read about successful cities growing and rural areas being deserted due to a deterioration of employment opportunities and amenities. In reality, things are slightly more nuanced. Research covering the period between 1996 and 2000 shows that the socio-economic vitality of cities and rural areas developed in very similar ways (Smaal et al., 2005 and Koomen & Van Wilgenburg, 2006). For the period between 2000 and 2011, Slaakweg et al. (2005) also conclude that changes in the presence of amenities in small population centres (fewer than 8,000 inhabitants) are similar to those in the rest of the Netherlands and greater in terms of growth in the number of jobs. The drive towards economies of scale has affected all areas, and in cities too, the number of bakers and greengrocers has fallen drastically. Between 2000 and 2010, the average drop in amenities...
per 1,000 inhabitants in small population centres is no different to that of the Netherlands as a whole (2 per cent fewer shops, -0.2 fewer schools, -0 per cent fewer doctors). A different story applies to small population centres in shrinkage areas, where the number of amenities is falling faster than in similar population centres in non-shrinkage regions. Unfortunately, there is less data available on shrinking cities. Relatively speaking, it tends to be the more remote villages in declining regions that see their last primary school, supermarket or grocery store disappear (Steenbakkers et al., 2017). The closures of these shops and schools mainly impact those with a history in the village, leaving them with feelings of loss. This phenomenon can also harm local contacts and volunteer work. Newcomers to these places, on the other hand, experience less of an impact (Elshof et al., 2017). As such, the disappearance of amenities does not necessarily have to lead to a downward spiral.

It is often argued that distances are greater in the countryside than in the city and that any reduction in amenities mainly affects vulnerable population groups such as the elderly and households without a car. There is no doubt this is an important point to raise, but it does not only apply to the countryside. In cities too, hospitals can be hard to access without a car or as a result of prohibitive parking charges, for example.

Do cities find it easier to innovate and adapt to changing circumstances? The answer to that question depends on the resilience of both their economy and their population: if they are not too reliant on a few sectors and if they are open to new ideas, then yes. The presence of people with good ideas focused on innovation and change is crucial. Migrants can play a role in this too: in the US, after the period of urban shrinkage in the 1980s, cities with more diverse populations (the so-called *melting pot* cities) recovered much more quickly than cities that were mainly *black and white*, and quicker too than the mainly 'white' cities (Kingsley en Pettit, 2002). Migration not only brings new residents, but it is also a source of new workers and new ideas—a fact that applied as much to the Dutch Golden Age.

**Considering the number of businesses in different sectors, the countryside is actually more diverse than cities. When we look at the number of jobs in these sectors, however, things are the other way round**
(de Klerk, 2010) as it does to the times we're living in now. Traditionally, rural areas were focused on just one sector—agriculture—and rural communities were much more closed. However, this is no longer the case: looking at the number of businesses in different sectors, the countryside is actually more diverse than cities. When we look at the number of jobs in these sectors, however, things are the other way round (see Koster et al., 2019). Many rural communities have become much more open due to urban-rural migration and social media. It has become much easier for typically urban ideas and skills to spread to the countryside, which has led to social innovations being adopted more quickly, often enriched by local knowledge. Combined with greater local engagement and understanding, this has resulted in a greater number of successful long-term local initiatives and projects—something cities can learn a thing or two from.

Empty houses are something you only see in the countryside, right? Even though there are plenty of examples of vacant properties in cities such as Detroit or Leipzig, empty houses are not something we see all that often in Dutch cities. Urban areas have the benefit of diversity, including in terms of their housing stock. That means any shift in the composition of the population—whether it's more elderly people or more young people—can more easily be absorbed. One thing growing cities do sometimes suffer from is housing shortages. Recent research, for example, showed that the number of people who moved away from the Amsterdam Metropolitan Region was higher than the number of people who moved in, due to the overheated housing market. Something else is at play in the countryside, where the composition of the housing stock often falls short of requirements (Haartsen & Venhorst, 2010): many places have a shortage of single-person homes. Another factor that adds to the problem is the fact that proportionally speaking, less development is permitted in the countryside than in cities in the Netherlands. In small population centres, in particular, where the number of jobs has increased by 17 per cent according to Slaakweg and his colleagues (2015), the new housing stock has only grown by 4 per cent, compared to a national average of 9 per cent. Many rural areas suffer from a shortage of homes suitable for young people and (other) new single-person households. There are even instances in which young people join forces to develop and execute a plan to ensure that the necessary new homes are built (see Fabian
de Bont, NRC, 2018, for example). People often speak of a 'surge towards the city', but the situation is slightly less drastic in the Netherlands. Of course, young people do move to the city to study and find their first jobs, but many intend to move somewhere more rural when the time comes to start a family. Good access to the city is highly prized among this group; something that more remote areas are less able to offer.

**Recommendations**

It is often thought that shrinkage is something that mainly happens in the countryside and a few 'unlucky' cities like Detroit, Heerlen or Delfzijl. In reality, things are slightly more nuanced. Population decline occurs in cities too, causing the number of amenities to fall and occasionally trapping people in place even if they want to move. Some cities (such as Emmen) are affected to a higher degree than others (such as Utrecht), but in all places, it is the vulnerable population groups that need extra support to deal with the issue. On this point, cities and the countryside have much to learn from each other. It is essential to stop thinking in clichés such as 'the growing city', 'the declining countryside', 'everyone wants to live in the city', 'cooperation is alien to city dwellers' and 'cities have more than enough amenities'. Instead, we need objective insights and policies that pursue that aspect.

Policymakers need to know and understand the reasons why residents do or do not use and value certain homes, places and amenities (Meijer, 2013). What are the specific housing needs of small population centres? How should we deal with people who want to leave the city but who are unable to do so due to long waiting lists in the rental sector, for example? The Big Cities Policy, which was devised to tackle the problem of shrinking cities, resulted in significant subsidies to spruce up deprived districts in our four largest cities. The criteria used to identify which districts needed this help included unemployment levels and the quality of housing. However, current shrinkage areas face other problems, and central government should
perhaps also take responsibility for accessibility to schools and hospitals, for example. Any policies addressing these problems should take into account local circumstances in shrinkage areas and apply different or even flexible lower thresholds.

In his article *The Theory of Urban Decline*, Friedrichs (1992) argues that the way to solve urban shrinkage is to promote a diverse economy and to subsidise new, innovative sectors instead of continuing to support traditional, shrinking industries. According to Morreti (2012), new, more knowledge-intensive sectors result in greater spillovers to the local economy, as workers seek services from hairdressers, restaurants, doctors and so on. The same applies to the countryside: Slaakweg et al. (2015) mainly attribute the (unexpected) growth of the number of jobs in small population centres in the Netherlands to *cottage industries*, small-scale and often creative businesses operating from home, often with a supralocal operating area. Local networks of these types of businesses could be highly significant to a city, village or even region. As part of this, it is essential for demand and supply of specific skills to align. The available education options play a major role in this. Training programmes in IT and engineering have the potential to increase the supply of workers in sectors that do not necessarily have to be located in the Randstad. This could include online service and technical services that could contribute to the energy transition process at the same time, for example.

As such, research into shrinkage must focus on both cities and the countryside or, better yet, on regions as a whole. It is precisely by taking the power of regions as a starting point that we can prevent certain place-oriented policies from potentially being detrimental to the surrounding small population centres. A diverse population and a diverse regional economy appear to be among the main hallmarks of success (Koster et al., 2019). What's more, when a region is declining as a whole and policymakers only focus on boosting the mid-sized city at its heart, the villages immediately surrounding that city are likely to be negatively affected. As such, regional cooperation and alignment in terms of education, knowledge-intensive networks and mobility are crucial.
Regional labour markets in the 'Randland': unity in diversity
Prof. Frank Cörvers
Prof. Frank Cörvers combines his Neimed chair in 'Demographic transition, human capital and employment' at Maastricht University with his role as Head of the 'Human capital in the region' research programme at Researchcentrum voor Onderwijs en Arbeidsmarkt [Research Centre for Education and the Labour Market] at the same institution. He also holds the 'Teacher labour market' chair at Tilburg University.
The essay in three key points

- Policymakers and the media in the Randstad [the heavily urbanised area around Amsterdam, Rotterdam, The Hague and Utrecht] are largely hampered by a one-sided Randstad view: they fully subscribe to the dominant theory that agglomeration leads to growth, meaning they are not sufficiently aware of problems in the Randland [the regions along the Dutch border].
- It is important for the government and national media to recognise that living and working in the Randland offers good prospects.
- As the Netherlands has a relatively long border and little hinterland, the Randland area is largely situated along those borders. It houses no fewer than one-third of our population, and assistance from central government is indispensable for these people when making agreements with Belgium and Germany about border issues.

Introduction

There isn't really such a thing as regional labour market policy in the Netherlands: legislation and regulation on labour are applied nationwide. Examples include minimum wage laws, flexibilisation of the labour market and self-employment, or legislation arising from pension agreements and collective bargaining agreements. Various ministerial departments and bodies such as the Association of Netherlands Municipalities endeavour to translate national policy to the regional level, while the Employee Insurance Agency and Foundation for Cooperation on Vocational Education, Training and Labour Market maintain overviews of the available labour market information at the regional level. As a result of decentralisation, municipalities have taken on social tasks related to care and support, participation, labour and income, largely for the more vulnerable groups in society. However, there is no such thing as a structural national policy geared toward regional labour market problems. For provinces and large cities, regional labour market policy is largely linked to initiatives to boost the economy or to better align education with the needs of the labour market. The extent to which these policies are prioritised is changeable and mainly depends on the political parties in the
provincial or municipal coalitions. On top of that, economic cycle phases also have an effect: in the event of major labour shortages, regional labour market policy rises up the agenda as it presents an obstacle to economic development. In an economic crisis, high unemployment—mainly among young people, senior citizens, people with disabilities and people with a migrant background—becomes an important social problem that often triggers action at the provincial level. But the same holds true here: there is no consistent national policy geared toward regional labour market issues.

Other important questions that should be considered include whether national policymakers are actually sufficiently aware of the problems affecting the labour markets in different regions and whether Randstad notions present an obstacle to a correct understanding of regional issues outside of the Randstad. After all, Dutch socio-economic policy is devised in The Hague and is largely conducted by and for the Randstad. The national press and media are also predominantly based in the Randstad. The term 'Haagse kaasstolp' [literally 'Hague cheese cloche'] poignantly describes how the implementation of policies made in The Hague is experienced by people outside of The Hague, and mainly outside of the Randstad. Something similar is at play on television programmes such as 'De Wereld Draait Door' ['The World Keeps Spinning'] and the late-night talk shows hosted by Jeroen Pauw and Eva Jinek: the guests in attendance mainly originate from the Amsterdam and Hilversum areas [Hilversum being the epicentre of Dutch TV and radio broadcasting] and clearly move in the same social circles, leaving viewers with a sense they are mainly interviewing each other. The head offices of the main national newspapers also employ Randstad journalists to report mainly on Randstad news.

This has the potential to lead to a situation where policymakers and the media are insufficiently up to speed with the concerns of the so-called 'Randland'; they continue to operate along Randstad notions, in which the
benefits of ongoing agglomeration are seen as an article of faith. 'Randland' is a geographical term for those areas of the Netherlands located outside of the Randstad. There is no agreement on exactly where the Randland begins and ends. Urban areas appear outside of the Randstad—including on the very edges of the Netherlands, near the Belgian and German borders. The Randstad itself also contains rural areas. This essay will explore:

1. growth theory, which has become the standard in the Randstad;
2. the outlines and diversity of Randland regions;
3. the more or less common features that distinguish the Randland from the Randstad, and that should perhaps be considered in national policymaking.

This latter aspect aligns with the three common denominators of regional labour markets in the Randland, which are:

- their thin labour markets;
- their remoteness;
- their location along the Belgian and/or German border.

The Randstad norm

The Randstad norm is rooted in theories of economic and population growth: it is mainly concerned with how investment in things such as education, care, infrastructure, urban amenities and social well-being can ensure growth stays on track. In all of these areas, growth is mainly driven by a positive mutual relationship between population and employment growth. Growth is further pursued by promoting increased productivity and prosperity, which is mainly achieved through specialisation and the benefits of agglomeration. Businesses and employers can achieve infrastructural economies of scale for:

- the business-to-business activities of manufacturers and service providers;
- access to a large and diverse labour pool of creative workers, specialists and knowledge workers;
- potential knowledge spillovers, in which knowledge is transferred 'automatically' through manifold contact between employees of different companies in a densely populated area (Glaeser & Mare, 2001).
Those who can afford to do so financially will cluster in areas with high income and prosperity levels

People looking for work and people in work often both benefit from the broad and diverse job offer in areas with high employment density such as the Randstad. In turn, this often leads to higher productivity and income levels in densely populated areas when compared to more sparsely populated areas (Ciccone, 2002; Ciccone & Hall, 1996 and Groot et al., 2014). Those who can afford to do so financially will cluster in areas with high income and prosperity levels.

As consumers, citizens in areas with high population density—which includes cities in the Randstad—benefit from a large range of amenities (shops, hotels, restaurants, leisure facilities, cultural institutions and education). Geographic concentrations of highly educated people can also lead to consumption spillovers toward more personal services, generating demand for low-skilled workers in the immediate environment of where they live. For example, high-skilled high earners might outsource personal service work to low-skilled workers, such as cleaning and home/garden maintenance, as well as childcare, pet care, catering and leisure. This often leads to stratification—birds of a feather flock together—and selection between regions, cities and neighbourhoods, potentially resulting in areas with a high population density of highly educated people and a higher employment and participation rate containing more young people, fewer elderly people, fewer unemployed people and fewer people incapable of work than the average.

Such stratification of people might occur against a background of job polarisation, whereby jobs in the middle segment of the labour market disappear in favour of jobs for high and low-skilled workers. Further segregation based on socio-economic background may occur between neighbourhoods in cities and between cities and regions in terms of housing, education, sports and leisure. One other important aspect to note is that cities themselves have also offered changing prospects for living and working over the last few decades: from magnet to escalator to sponge (Netherlands Environmental Assessment Agency, 2015). The magnet metaphor refers to the attractive force (for knowledge workers and creatives) and the repulsive force (for families) cities often possess. The escalator refers to the fact that students climb the social ladder and move to places in the same region as the city where
they studied after graduating, or stay in the city if it offers sufficient prospects to start a family. The sponge refers to the vacant properties that may occur in cities and to their demolition or repurposing and renovation, whether or not this leads to rising housing density.

Combined with insufficient awareness of issues in the Randland, the dominance of growth theory in terms of agglomeration benefits among many policymakers and media figures in the Randstad can lead to a one-sided Randstad perspective. A Volkskrant column by the economist Heleen Mees (2015) serves as the perfect example: in her article, she argues that residents of the northern regions of the Netherlands should consider moving to the Randstad. "Cities encourage innovation through personal interaction; they attract and refine talent through mutual competition. Cities encourage entrepreneurship and facilitate social and economic mobility." She contends that the north of the country is important to the Dutch economy due to its gas fields, but unsafe due to the many earthquakes it experiences. According to Mees, the most straightforward solution would be to facilitate a large migration flow in the Netherlands, as a relatively small-scale variant of the huge movements within the planned economy of China, where she was living at the time the column was written. "Without extra government support, Groningen, Drenthe and Friesland will slowly but surely fade away. Making do just won't do any more—it's time to make a virtue out of necessity. The government should be persuading people in the north to move to one of the big cities, as is currently happening in China." The many benefit claimants in the northern Randland would easily find jobs in the Randstad, productivity in the Netherlands would increase, and the north would become an energy-producing region as well as a leisure destination for Randstad residents, Mees claimed.

Mees' column was met with a strong backlash from the Randland, mainly via social media. Most reactions followed a similar pattern: Mees was denying the possibility of living a good life in Randland areas—and maybe even the right to exist on the periphery of the country. She put agglomeration benefits and economic gains above the well-being of people, above the enormous cost that comes with great population movements and investment in housing and infrastructure, and above the negative psychological consequences. Some commenters also pointed out the overpopulation and environmental pollution the Chinese cities Mees held up as examples are currently
The dominance of growth theory in terms of agglomeration benefits among many policymakers and media figures in the Randstad can lead to a one-sided Randstad perspective.
grappling with. Similar problems are already affecting Dutch cities, especially in the Randstad. The National Institute for Public Health and the Environment has demonstrated exactly that, by highlighting the negative effects of poor air quality and noise pollution on the health and life expectancy of the population. Cörvers (2015) claims that the consistent implementation of Mees’ ideas would also mean we should no longer be protecting the Randstad from the rising seas through a series of costly investments and that if we wanted to increase productivity even further, we should instead facilitate agglomeration in Europe’s real big cities, such as London, Paris, Brussels and Frankfurt, which are further from the sea. After all, without extra investment in flood defences, most of the Randstad will be underwater as climate change marches on, and the North Sea would end at the Randland.

Variety in the Randland

'Randland' [literally 'land on the edges', i.e. borderland or periphery] is a term introduced by Neimed (neimed.nl), the Limburg-based knowledge centre for demographic transition (Meier, Reverda & Van der Wouw, 2015). It is intended to act as a counterweight to the Randstad concept [which refers to the heavily urbanised area around Amsterdam, Rotterdam, The Hague and Utrecht]—an area that sets the norm for the whole of the Netherlands, according to the authors who coined ‘Randland’. Randland is more than just a geographic term; it represents a concept and a certain way of thinking. In Meier, Reverda & Van der Wouw (2015), this Randland thinking is explained by pointing out the great variety and potential that can be found in traditional shrinkage areas in Limburg, Groningen and Zeeland. One thing these regions have in common is that they suffer from significant population shrinkage in many areas, but the prospects that persuade people to stay instead of upping sticks vary greatly between them.

South Limburg is suffering from urban shrinkage; it is a densely populated area with several large urban agglomerations. The shrinkage currently seen in this area is caused by the closure of its coal mines in the 1960s and 1970s.

23 See https://www.rtlnieuws.nl/nieuws/artikel/4838361/kaart-lucht-vies-herrie-geluid-lawaai-gezondheid-gezond-ongezond-smerig-rivm

Prof. Frank Cörvers
and the subsequent process of de-industrialisation without alternative employment opportunities being immediately available. Parkstad Limburg (a group of seven municipalities around Heerlen, Kerkrade and Landgraaf) was and continues to be heavily affected by these issues. It is currently exploring innovative physical, social and cultural initiatives that are driven by shrinkage. In other words, plans are being developed in response to population shrinkage to keep the area liveable while it 'scales back' to lower population numbers. These include the careful organisation of demolition and new development, and cooperation between municipalities to determine the amenity levels and housing stock the area needs and can afford. As Cörvers (2014) argues, it is not so much lower population numbers that are the problem—especially given that South Limburg has traditionally been fairly densely populated—but rather the process of transformation towards lower population numbers. The population shrinkage seen in the area has focused attention on social and cultural innovations that contribute to liveability. Examples include the so-called 'Stadslabs' (literally 'City Labs') that provide space for new, experimental forms of living and working, both individually and together. The Parkstad Internationale Bau Austellung [International Building Exhibition] (IBA) is also driving several large-scale building projects. The results of these will be revealed in 2020 and 2021, including their influence on liveability. In addition, the Regional Deal investments shared between central government and Parkstad Limburg demonstrate that a sustainable approach to the socio-economic deprivation of the population of this area is needed. They serve as an extra boost to strengthen infrastructure and the labour market, improve liveability, combat crime and foster regional cooperation.

Shrinking villages are the main problem affecting the province of Groningen and, to an extent, the surrounding provinces. The city of Groningen, which serves as an escalator for young people from these villages to climb the social ladder and move elsewhere after graduating, plays a major role in this. Several citizen initiatives are underway to explore options for alternative provision of care and other services and new revenue models, such as local

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24 For both examples, see: https://www.heerlen.nl/centrum/werken-aan-centrum/stadslab-heerlen-centrum-van-start.html#_blank and https://www.iba-parkstad.nl/

25 See the Ministry of Agriculture, Nature and Food Quality (2018) for an overview of the second tranche of Regional Deals.
energy generation projects, that could offer better prospects to those living
in the villages affected. In partnership with Friesland and Drenthe, Groningen
has also negotiated a Regional Deal. Investment under the scheme focuses
on nature-inclusive agriculture, liveability, sustainable food production,
biodiversity, and improving the landscape in combination with tourism.
Separate Regional Deals have also been concluded for parts of Friesland and
Drenthe. Population decline continues apace in these places, giving rise to
several projects dealing with liveability, a good business climate, sustainable
agriculture and tourism, and the connection between education and the
labour market.

The province of Zeeland is generally included under the Randland moniker
but is actually centrally located between the Randstad and major Flemish
cities such as Antwerp and Ghent. Partly due to the fact that investments have
been made in the accessibility of Middelburg and Vlissingen from the various
islands, the area takes a more regional perspective on amenities. Population
decline, which mainly affects Zeelandic Flanders, has led to restructuring
in education and care. This has created new prospects for the area, aside
from Zeeland’s traditional assets such as its stunning coastline and myriad
leisure opportunities. The Regional Deal between central government and
Zeeland (Ministry of Agriculture, Nature and Food Quality, 2018b) focuses on
improving the living and business environment through:

• improving education (better accessibility, commitment to exact and
  environmental science);
• innovation (energy transition, water management, bio-based/circular
  economy);
• solutions for labour market shortages (marketing and recruitment);
• high-quality industry (better logistics and more efficient use of space,
  especially in port areas);
• better utilisation of the coastline and tourism opportunities;
• increased sustainability of the housing stock (higher quality private
  homes).
Where exactly is the Randland?

Even though the exact boundaries of the Randland are not immediately clear, Meier, Reverda and Van der Wouw (2015) do provide some pointers by designating several labour market regions defined by the Employee Insurance Agency as 'Randland'. These Randland regions are shown as 'national/decentral' in Figure 1. The figure shows that there is heavy urbanisation (indicated in black) in and around the major cities of Amsterdam, Rotterdam, Utrecht and The Hague. The lighter-coloured areas nearby as designated as 'near large cities' or 'around the Randstad'. All Randland

**Figure 1. Employee Insurance Agency labour market regions in terms of urbanisation.**

- Heavily urbanised
- Near large cities
- Around the Randstad
- National/decentral

Source: Meier, Reverda & Van der Wouw (2015)
Figure 2. Netherlands Environmental Assessment Agency classification of municipalities in terms of job supply and metropolitan agglomerations.

Source: Netherlands Environmental Assessment Agency (2019)
regions are located along the border with Belgium or Germany—with the exception of Friesland—but not all border regions are Randland regions. Earlier, we discussed that the Randland contains areas that vary greatly in terms of population density and dynamics, employment composition and developments, and regional and local amenities. This diversity means the Randland contains areas of urban shrinkage in South Limburg, areas of rural shrinkage in Groningen, and shrinkage in proximity to the Randstad and Belgium's large cities in Zeeland.

Figure 2, produced by the Netherlands Environmental Assessment Agency (2019), presents a slightly more nuanced view of where the Randland might be. The figure uses municipalities as units, which are clustered in terms of the Randstad, the intermediate zone of municipalities around the Randstad and the peripheral regions of the Randland.

Each of these clusters contains metropolitan agglomerations, which points toward a certain heterogeneity within them. One thing that is clear is that, of the three clusters, the Randstad has the highest percentage of metropolitan agglomerations by land area, followed by the intermediate zone and the Randland. In absolute terms, the differences in land area between the total metropolitan areas are a lot smaller. The Randland also contains metropolitan areas near the borders with Germany and Belgium; these could not be more peripheral. We can also see that the periphery includes almost all of the north and northeast of the country, as well as all municipalities in Zeeland and Limburg, some municipalities in North Holland and even a handful of municipalities in North Brabant. Despite the variety within the Randland, there are three common denominators in terms of the labour market, which we will explore below.

**Common denominator 1: thin labour markets**

In the Randstad, it is both easier and more difficult to find staff or work than in the Randland. There certainly is a larger supply of people looking for work (with or without a job) and a larger supply of vacancies, but competition between job seekers to find interesting vacancies and between employers to find the best candidates is also greater. All
groups have more choice available to them in the Randstad, which generally leads to more people switching jobs; in other words, the Randstad's labour market is more dynamic. The greater turnover rate of employees per job automatically leads to a higher vacancy rate (number of vacancies per 1,000 jobs). On average, the Randland has fewer vacancies per square kilometre as well as fewer candidates for these vacancies; its labour market is 'thinner'. As such, it is more difficult to match suitable candidates with suitable jobs.

There are other factors contributing to labour market scarcity aside from thin regional labour markets. The growing number of pupils at primary schools in many Randstad areas, for example—driven party by migrant children—has led to greater demand for teachers. The higher employment and population growth in the Randstad compared to the Randland has led to labour market scarcity being generally greater in the former than in the latter. In the Zeeland and Limburg areas of the Randland, an ageing population and the number of people retiring compared to the number of young people entering the labour market (due to lower birth rates and better opportunities for young people elsewhere) has led to a fall in both employment and unemployment. Zeeland has the lowest unemployment rate in the country, and Limburg has also fallen below the national average for a number of years. In the north of the country, an ageing population is leading to a relatively high demand for staff in geriatric care compared to staff numbers in other economic sectors.

Thin labour markets often go hand in hand with low population density and, consequently, more available space. Outside the Randstad, the share of employment in industry is greater than within the Randstad. Industry is often both space-intensive and capital-intensive; something that certainly applies to resource-intensive industry for the production of fossil fuels (formerly coal, and now gas), but also to the installation of solar panels as part of the energy transition. Physical space is needed to grow and to be able to implement high-quality technological innovations. As such, it is no surprise that many innovative companies in the manufacturing industry are based in the Netherlands' spacious Randland, mainly along the eastern border (Cörvers, 2015). This is illustrated further by the separate regional deals concluded

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26 The following section uses data from Statistics Netherlands (2018).
As the Netherlands has a relatively long border and little hinterland, a large share of the population lives in a border area.
with Twente and De Achterhoek, which focus on innovative activities in the manufacturing industry (Ministry of Agriculture, Nature and Food Quality, 2018a). North-Holland and Utrecht may be leading the way when it comes to economic activities in labour-intensive financial services, commerce and in the so-called creative industries, but they lag behind as places of choice for high-capital, space-intensive innovative manufacturing.

**Common denominator 2: remote areas**

There's no doubt that the BES islands (Bonaire, St Eustatius and Saba) in the former Netherlands Antilles (now known as the Caribbean Netherlands) are the most remote areas in the Kingdom of the Netherlands. Due to a lack of higher education training programmes (at universities), the islands struggle to recruit teachers and other highly skilled workers. Young people are leaving the islands to study elsewhere, and many never return (De Hoon & Cörvers, 2016). This type of remoteness is, of course, less of a problem in the European part of the Netherlands, but it certainly applies to many Randland areas, especially in the north of the country. For example, general practitioners are hard to come by in the northern Randland, even though the ageing population has increased demand for region healthcare to above-average levels. Greater geographic distribution of training facilities for general practitioners could serve as a solution to this issue (Batenburg et al., 2018).

Other factors that play a role in attracting suitable employees to remote areas are proper information and meaningful experiences and relationships in such areas. Young people might not know enough about these areas, meaning they might end up thinking in stereotypes. As such, perceptions play a major role. Aside from the fear of social isolation, fear of professional isolation also plays a part. This latter concern might relate to professional growth, the option of a pleasant working environment with a sufficient number of stand-ins and mentors, a challenging intellectual environment with room for creativity, freedom and interaction between colleagues. Solutions might be found in:

- greater geographic distribution of training facilities;
- introductions to remote areas during internships;
- arranging jobs for partners;
- smarter recruitment strategies (targeted at potential returnees, for example);
- proper guidance for working professionals during their career.
These are all solutions that require national coordination and/or cooperation between Randstad and Randland regions.

Common denominator 3: border regions
The Randland areas are largely located alongside our borders. As the Netherlands has a relatively long border and little hinterland, a large share of the population lives in a border area. No less than a quarter of the Dutch population lives within twenty kilometres of the Belgian or German border, and a third lives within thirty kilometres (Cörvers & Van Oosterhout, 2018). Diversity on either side of the border is much greater than between areas within the Netherlands; something that those living in border areas are more than aware of when it comes to daily activities like shopping and traffic. However, cross-border labour mobility is lagging behind. Job seekers in South Limburg, for example, have a huge supply of potential jobs within a reasonable commuting distance, but they rarely take up these opportunities in reality. The same applies to employers: the huge pool of job seekers means they should easily be able to fill their vacancies, but the differences between the countries in question are simply too great. It's not only tax and social security differences and infrastructural barriers that play a role; language and cultural differences also need to be taken into account during the recruitment and job-seeking process, as does uncertainty as to whether qualifications will be recognised (Netherlands Bureau for Economic Policy Analysis, 2016).

Many initiatives are already underway to provide better information about opportunities on regional labour markets on the other side of the border. For example, border information points have been set up in various areas in the Randland. In addition, research institutes such as ITEM (Institute for Transnational and Euregional cross-border cooperation and Mobility) at Maastricht University are exploring all aspects of border obstacles. Workshops, conferences, information and discussion sessions aimed at cross-border information exchange and networking are also being organised in the Meuse-Rhine Euroregion [the area containing the German city of Aachen, the Belgian cities of Hasselt and Liege and the Dutch city of Maastricht]. Pilot projects and court cases to improve cross-border mobility are also ongoing.

Despite the fact that international mobility—given current migration flows—has enormous potential, cross-border social contact may well be
on the wane rather than on the rise. A single quote about the use of the only international ferry in the world that is jointly owned by two countries, the Netherlands and Belgium, serves as an example.\textsuperscript{27} The ferry in question crosses the Meuse, the river that acts as the border between Belgian and Dutch Limburg, near the towns of Dilsen and Berg aan de Maas respectively. The ferry service continues to operate on the basis of an international treaty, even though issues and court cases surrounding toll, VAT and noise legislation form potential hazards to its existence. Based on his experience of the ferry, the person compiling information for its website concludes that the amount of cross-border contact is falling. He has a simple explanation for this observation: “The ferry at Berg is the only border crossing between Maaseik and Maasmechelen, a distance of twenty-five kilometres. The ferry serves a purpose for cross-border workers, schoolchildren and recreational cyclists, but in recent years, there has been a sharp drop in contact between neighbours on both banks of the Meuse and visits to each other’s events. People have become estranged from each other, partly due to the arrival of commercial television—but a good old party near the ferry is still guaranteed to be a success.”

Conclusies

The conclusions of this essay are as follows:

\begin{itemize}
  \item One-third of the Dutch population lives on the periphery of the country, i.e. within thirty kilometres of the Belgian or German border. The Randland is not necessarily defined by these borders; it can be defined in other ways too. Either way, a large group of people in the Netherlands live and work in an environment and in conditions that differ from those of the Randstad. It is important for the government and national media to recognise that living and working in the Randland offers plenty of future prospects, despite the fact that these areas are affected by population growth.
\end{itemize}

\textsuperscript{27} See https://www.hbvl.be/cnt/dmf20171121_03198952/veerpont-hoal-euver-al-meer-dan-700-jaar-grensoverschrijdend

Prof. Frank Cörvers
decline and much lower employment growth (if any at all). In contrast to the Randstad, economic and population growth in the Randland is not driven mainly by agglomeration benefits; in a sense, different economic rules apply than those implied by the growth theory pursued by the Randstad. The necessary demolition of buildings requires an entirely different business model to new development, for example, even though both are aimed at maintaining the liveability of the area. The Randland also offers room for research and experimentation to determine which prospects are most interesting to pursue and what the role or task of the Randland is in the Dutch economy as a whole.

- The Randland areas differ from the Randstad because they have thin labour markets in which supply and demand are not as easily aligned. Pursuing those economic activities in which the Randland excels offers opportunities for specialisation and profiling of the region, and for the attraction of new business and personnel. For example, the Randland could focus on:

  - space-intensive and labour-extensive industry, such as innovative and creative activities in manufacturing;
  - activities related to the energy transition, circular industrial production, sustainable and nature-inclusive agriculture and tourism. After all, agriculture—whether or not combined with nature-based tourism activities—is an example of a space-intensive economic activity.

- Combining different economic activities in the Randland with each other without losing sight of liveability for its inhabitants certainly presents a challenge. The purpose of the Regional Deals is exactly that. The tension between liveability and the economy is apparent in initiatives to spread flight traffic from Schiphol more evenly to regional airports, among other things. The relocation of executive governmental and semi-governmental departments dealing with tax (the Tax and Customs Administration), statistics (Statistics Netherlands), education (the Education Executive Agency) or defence must also always be subject to consideration of the external effects and/or costs for both the Randstad and Randland. Processes like these
should not just seek limited efficiency gains at an organisational level; they should also seek alignment with the existing regional education and employment structure and give thought to liveability and well-being in the various regions.

• It could be argued that insufficient attention has been given to employee recruitment in thin and remote labour markets. To rectify this, cooperation with Randstad regions will be necessary. This could take the form of:
  - the creation of internships at companies in the Randland as part of training programmes in the Randstad;
  - a greater spread of training and internship facilities, including for general practitioners;
  - the branching out of educational institutions. The creation of a fully-fledged university in Zeeland, possibly as a branch of one of the existing technical universities in the Netherlands, serves as one example. An institution of this type could offer master's programmes that align with regional employment opportunities. Generally speaking, a greater spread of higher education amenities across the country, and a shift from the expensive and overcrowded city of Amsterdam to peripheral regions, in particular, seems like an obvious solution.

• One important factor in this is political support in The Hague for amenities in higher education. This does not necessarily need to come in a financial form; it could also be achieved by allowing Randland areas to exploit opportunities that are already there. The creation of a faculty of exact sciences at Maastricht University, including new exact science training programmes tailored to the region's traditionally more industrial employment profile, is one possible example. The government could provide more support for these types of training programmes during the accreditation process; at present, the university has to go through the same procedures as all other training programmes at other universities. In addition, Maastricht University is likely to be disproportionately affected by the government's plans in the wake of the Van Rijn Committee.28 As a university in the Meuse-Rhine Euroregion with two international borders

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28 See https://www.maastrichtuniversity.nl/nl/nieuws/um-reactie-op-kabinetsbrief-commis-sie-van-rijn
less than thirty kilometres away, Maastricht University is also under pressure due to its English-language training programme offer, even though it is seeking to make the most of its unique borderland location by expanding the number of English-language bachelor and master's programmes.

- The Randland areas are largely located alongside our borders. As such, specific creative solutions are required to make good use of the diversity of labour and vacancies on both sides of those borders. Support from central government is indispensable in reaching agreement with Belgium and Germany on border issues. A task force should be created to tackle all issues regarding tax and social security, infrastructure, the recognition of qualifications and language/cultural problems as part of bilateral treaties with our neighbours.

- Central government could also do more in terms of culture and tourism. On the tourism point, in particular, it is unclear why the Dutch government is not putting more weight behind the spread of tourist activities from Amsterdam and its immediate environs to the rest of the country. For example, a much larger part of the collections of Amsterdam's museums—including the Rijksmuseum—could be made available to other museums, such as those in Groningen or Maastricht.
Closing argument for a coherent policy to deal with population growth and decline
In this collection, five academics held up a mirror to the government. Each from their own perspectives, they stressed the need for an integrated policy that bridges the currently predominant model of sectoral policy development: growth, shrinkage, urban and rural development, liveability, the economy, the labour market and accessibility of services are all issues that cannot be regarded separately. In the above essays, they explored this principle in-depth and made recommendations that should be adopted in future growth and shrinkage policies in the Netherlands. This future is starting right now: the disparity between declining and growing regions is becoming ever more visible to Dutch citizens, and urgent action needs to be taken. This action requires a shift in the government’s understanding of and policy for growth and shrinkage. The following is the five academics' plea to expedite that shift.

The government must formulate a policy that benefits the whole of the Netherlands. Policy choices are not without consequence: putting the Randstad first will magnify social inequality.

In our public debate, developments such as population decline and urbanisation are all too often regarded as autonomous processes on which national policy cannot exert any influence. However, research reveals that the policies pursued so far have had a definite impact on the process of urbanisation and population decline. The fact that policymakers and politicians continue to think about progress in terms of economic growth plays a significant role in this. At the same time, they usually take the Randstad as the point of departure, presuming that the opportunities and challenges of this region reflect those of the country as a whole. As such, generic policies are effectively Randstad policies that do not take into account the specific needs of the Randland, the area on the periphery and outside the metropolitan areas in the west of our country (Meier, Reverda & Van der Wouw, 2015). This so-called Randstad thinking has contributed to growing social inequality between citizens in our country, which also manifests itself in spatial terms, with rising spatial inequality. These consequences are unwelcome, as the Randland and the declining areas within those parts of the country deliver a crucial contribution to our national prosperity and play an essential role in tackling the major challenges we will face in the near
future, such as climate change and water management. Regional labour market policies may serve as an example: across the Netherlands, labour market policy is dominated by concepts such as economic and population growth, productivity increases and agglomeration benefits. However, the Randland areas, in which labour markets are by and large much thinner, demand an entirely different approach (Cörvers, this collection). The search for innovative initiatives that offer different prospects for living and working in the Randland, such as Regional Deals, must be continued. We are calling on the government to take responsibility for citizens all across the Netherlands, in both the Randstad and the Randland.

**Rural and urban areas and growth and shrinkage must always be viewed in conjunction, and from a perspective of equivalence**

Few preconceptions are as hard to shed as those about cities and the countryside and their differences. Our plea is to stop approaching rural and urban areas as separate worlds in policymaking as if they are opposites or strangers to each other. When developing policy, urban and rural areas must always be viewed in conjunction. Despite the mutual dependency of urban and rural residents and fruitful and synergetic relations, the two do not develop spontaneously. Public administrations, including central government, have a crucial role to play. Examples include the development of investment instruments that strengthen the relationship between urban and rural areas to put our country in a better position when dealing with challenges, such as climate change, energy transition and an ageing population.

It is also imperative for growth and shrinkage to no longer be viewed as separate issues in policymaking. At present, the government is devising policies to promote urban growth on the one hand (such as the top sector policy and the Urban Agenda), and policies to tackle population decline—particularly in rural areas—on the other (such as the Population Decline Programme). Essentially, it means trying to solve a problem while replicating it at the same time,—it makes much more sense to deal with both in conjunction. On top of that, this approach ignores the fact that shrinkage is not only a rural problem. Population decline also occurs within cities at the neighbourhood level, and some rural areas are witnessing population growth (Van Leeuwen, this
Taking a coherent approach to growth and shrinkage highlights other relevant phenomena, too. For example, inhabitants of cities and rural areas have much to learn from each other when it comes to adapting to growth and shrinkage, finding solutions and pursuing innovation.

We are advocating coherence, but not at the cost of a shared urban perspective. Areas with declining populations need a specific, place-based approach, as do problems in metropolitan areas. What we are saying is that we need both: understanding the interrelation between growth and decline and taking account of its conjunction in policy, while also departing from the unique character of each region when boosting their future potential. The aim is to enable both growing and declining regions to contribute to and benefit from the prosperity of the Netherlands.

**We should aim higher than maintaining the liveability of a region and strengthen its future potential too. The government should invest in regional equality of opportunity across the Netherlands**

The concept of liveability is too abstract, too general and too static to accurately reflect the potential of an area (Bock, this collection). Maintaining liveability is important, but it should look beyond the minimum required to lead a decent life in a region. Can residents find housing easily? Can they access the necessary services? Do they feel safe? We are making a case for government policy to go beyond maintaining liveability and invest in the future potential of an area. In doing so, we are turning the spotlight on the opportunities of an area to contribute to the prosperity and well-being of people across the country. Focusing on future potential points at the task of the government to support development potential and to strengthen resources that have been insufficiently maintained in shrinkage areas, or that might even have been lost. Examples include investment in high-quality education, health care, leisure and mobility, housing quality, employment opportunities and a favourable business climate. Doing so will give current residents and businesses as well as newcomers reason to feel confident about the future. It calls upon the central government to reconsider our national investment agenda and to ensure that investment no longer only or predominantly benefits the most prosperous regions.
In contrast to liveability, the concept of ‘future potential’ implies responsibility on the part of the government to guarantee equal opportunities for all citizens to develop a good life, both at present and in the future. The objective of regional equality of opportunity is also important in relation to social cohesion and may be considered to be rooted in the fundamental social rights of citizens. We also argue for the implementation of an instrument similar to ‘rural proofing’ to ensure that generic policies do not disadvantage declining areas or contribute to their decline.

**Interconnected challenges demand coherent solutions: demographic growth and shrinkage must be approached in conjunction with social issues**

Even though terms such as ‘integral’ and ‘multidisciplinary’ have been part and parcel of policy strategy and official recommendations for years, the situation on the ground is rather slow to change. In many municipalities, provincial authorities and ministries, housing, healthcare, the economy and education are still looked after by separate departments, each with their own jargon, experts, financial flows and policy instruments. This is a rather unfortunate situation, as the challenges we face are often interconnected, and there is significant crossover between fields such as housing, employment and the economy. Demographic developments are also treated as a separate ‘silo’ by central government, even though trends like an ageing population affect every single policy area. We urge policymakers to adopt a more coherent approach to shrinkage and other social challenges, such as energy transition, housing market issues and the review of the healthcare and pension system.

**Central government, provincial authorities and municipal authorities must work together to devise policies tailored to the ‘region in which we live our daily lives’**

The use of general concepts such as liveability may well lead to problems being created where there were none in the first place. If we take ‘our daily lives’ as a starting point, we will soon realise that the ‘normal’ distance to travel to services in peripheral areas differs from the ‘normal’ distance in metropolitan agglomerations, for example. We believe it is best to keep the
level at which policies and their associated measures are made as close as possible to the region in which people live their daily lives (the *daily urban system*) (Hospers, this collection). After all, the dynamics of growth and shrinkage largely play out at this level, and the *daily urban system* is the level that corresponds most closely to the spatial orientation of citizens, who often spend their time in both urban and rural areas rather than in one or the other. As such, we are calling for policies concerning population decline to focus more on people (*people-based*) than on specific places (*place-based*).

_We must develop different principles for the redistribution of agglomeration benefits across the Netherlands, taking into account the social discontent that often results from 'go with the flow' policies._

It occasionally feels like we no longer aspire to internal solidarity within our country. It cannot be denied that urbanisation and the ‘go with the flow’ principle in economic policy, which gives free rein to the ‘natural’ effects of agglomeration forces, has increased prosperity in the Netherlands. Regardless, it has also fanned the flames of growth and shrinkage dynamics. The pie has undoubtedly grown much bigger, but not all citizens and regions are getting an equal slice (De Groot, this collection). The issue of growing social inequality—and the associated spatial inequality—urgently demands our attention, and we must not shy away from unorthodox solutions to find a way out. One example is a partial redistribution of the Randstad’s agglomeration benefit surplus to the Randland. We must start talking about this problem, not least because growing spatial differences between growing and declining regions in the Netherlands may eventually lead to social discontent and political protest voting. As such, we believe that new instruments based on the redistribution principle must be explored to spread agglomeration benefits across the different areas of our country according to their individual needs. After all, even areas that have seen no agglomeration benefits or have benefited less directly, including areas with declining populations, have made some contribution to growth in other areas.

_In brief: we urge central government to take a coherent approach to growth and shrinkage, with a specific focus on regional equality of opportunity._
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