

# SELF-ORGANISATION IN OOSTERWOLD, ALMERE: CHALLENGES WITH PUBLIC GOODS AND EXTERNALITIES

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## ABSTRACT

Attention to self-organisation and spontaneous order in urban development is growing both in academia and in planning practice. One of the current academic discussions centres around the desirability of self-organisation. This paper evaluates the case of self-organisation in Oosterwold Almere in the Netherlands – an atypical case as it is a large-scale experimental project of organic urban development. We analysed how this case deals with traditional welfare-economic justifications for urban planning by the government. Several challenges of self-governing communities in dealing with public goods and negative externalities are identified. The case of Oosterwold highlights the continued importance of collective action, both in the provision and management of public goods and services, and in the prevention of free-rider behaviour and inefficient use of space. In Oosterwold, collective solutions are being established to deal with challenges concerning institutions, common costs, and the liability of replacing the urban planning by the government.

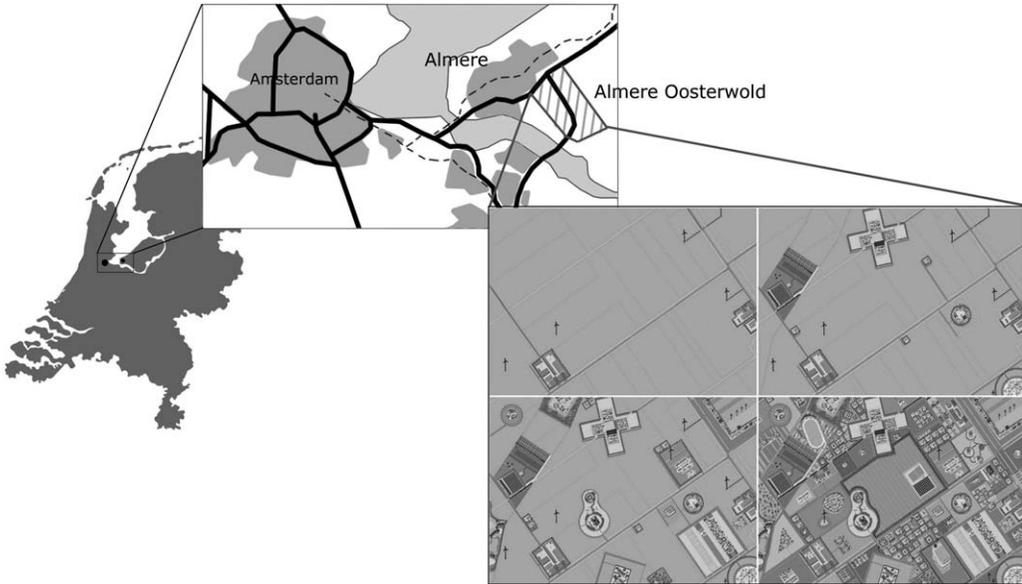
**Key words:** Self-organisation, Oosterwold, justification, public goods, externalities

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## INTRODUCTION

There appears to be a growing global interest in academic literature and planning practice for the concept of self-organisation and spontaneous order in urban development (Alfasi & Portugali 2007; Teisman *et al.* 2009; Andersson & Moroni 2014). Self-organisation refers to practices of active citizenship, autonomous community-based networks (outside governmental control), or organic development and the spontaneous emergence of order (Hillier 2007; Boonstra & Boelens 2011). The emerging interest is partly pragmatic, as self-organisation has sometimes been put forward as the answer to urban developments that were recently halted because of the financial

crisis, economic recession, and the public austerity measures that followed (Buitelaar *et al.* 2014). But there are also more fundamental political-philosophical discussions about the desirability of self-organisation (Uitermark 2015; Moroni 2015). For instance, discussions focus on the arrangement of self-organisation and whether it means governance without any governmental rules or if it abides by certain general rules (Boonstra & Boelens 2011; Moroni 2015). Furthermore, several scientists address the instrumental way in which active citizenship and self-organisation might be deployed (Ostrom 2000; Verhoeven & Tonkens 2013). Verhoeven and Tonkens (2013) speak of seducing citizens to emotionally engage in active citizenship, describing



Source: adapted from RRAAM *et al.* (2012).

Figure 1. Location and development options of Oosterwold.

different strategies of governments to trigger positive or negative feelings to allure citizens to engage. Uitermark (2015) warns scientists not to assist governments in exploiting self-organisation.

In the tradition of Jacobs (2000), self-organisation is often advocated to use the knowledge and creativity of civil society, to use existing features and strengths of society and space, and to allow for socio-spatial diversity. Similarly, politicians promote active citizenship and the creative society to strengthen social cohesion and make use of local knowledge and skills. As governments allow for, or actively stimulate, collective citizen initiatives, self-organisation gains greater importance in the planning domain (Healey *et al.* 2008; Shove *et al.* 2010; Meijer *et al.* 2014). Hence, experimentation with civil initiatives has been increasing in planning practice (e.g. Boonstra & Boelens 2011). Examples of commonly owned land or commonly managed spaces include land trusts in the UK and Canada (Gerber 2012), neighbourhood management such as the cultural free-haven ADM in Amsterdam and the Golf residence in Dronten (Van Dam *et al.* 2008),

and collective private commissioning (Qu & Hasselaar 2011). Still, these examples only include partial management of provision of public goods via civil initiatives. Experimentation remains scarce concerning far-reaching self-organisational processes of urban development in which all public goods are provided via civil initiatives.

Currently, one of the largest experimental projects is the organic development of Oosterwold: an urban-extension area of over 40 square kilometres in the city of Almere, northeast of Amsterdam (Figure 1). In Oosterwold, the local government has provided initiators with a large degree of freedom over land development, urban design, and utility provision. Internationally, the case of Oosterwold is particularly interesting as it is sometimes referred to as an extreme example of self-organisation, as people do not just build their own homes but are also responsible for the provision of utilities, including road infrastructure (Moroni *et al.* forthcoming). It is atypical within the Netherlands – known for its strong government control of urban development and its integrated-comprehensive planning style (Nadin *et al.* 1997) – as well as abroad.

The aim of this paper is to explore the case of Oosterwold and its form of self-organisation based on how it deals with traditional welfare-economic justifications for urban planning by government, most importantly concerning externalities and public goods (see Klosterman 1985). It is questioned whether processes of self-organisation can provide for public goods and prevent negative externalities in a similar way that government-controlled urban development would. The empirical analysis is based on 23 in-depth interviews held in 2015 and 2016 (including initiators, area directors, municipal officers, local council members and developers) and an analysis of Oosterwold policy documents. Together, the interviews with different stakeholders and the policy document analysis provide an in-depth overview of the case, the provisions of public goods, the possible (negative) externalities, the establishment of rules for development, and the experienced freedom of initiators. In our analysis, we focused on the initiators' perspective first, as Oosterwold is a self-organisational process and initiators are supposed to act. The role of government (e.g. area directors and municipal officers) is seen as responsive towards the actions of these civil initiators and are presented as such, even though the initial agreement and outline for development was drawn up by local government. In the next section, the Oosterwold case is described in more detail. Afterward, the justifications for urban planning are outlined to provide a theoretical background to the analysis. The next section presents the analysis of the case according to the justifications for urban planning. The paper concludes with the challenges of self-organisation in providing public goods and dealing with externalities.

## THE CASE OF OOSTERWOLD

Since its establishment about thirty years ago, the city of Almere has been rapidly expanding, allowing it to become one of the five largest cities in the Netherlands. In Almere, experimental urban developments are by no means new; Almere has been experimenting

with smaller civil initiatives such as individual and collective self-built homes. Although experiments were allowed, up until 2012, urban expansions of Almere were strictly controlled and designed by the city's urban planners. For the 4,363 hectares of greenfield development in Oosterwold, the municipality of Almere aims for an organic form of development, allowing initiators in the area to provide for their own space (including free choice of plot location, size and form) under a generic set of basic rules and principles. The initial agreement to develop Oosterwold was signed in September 2012 by local and national governments. Although there is no masterplan or blueprint for the new development, a zoning plan has been presented to provide guidance for development of the area. The zoning plan is not location-specific, but is based on an urban code consisting of generic regulations. For example, any plot of developable land would be a maximum of 20 per cent built-up area, 50 per cent urban farming (i.e. small-scale food production in an urban setting), and 30 per cent public roads, greenery and water. Initiators may also opt for less built-up area and more public greenery (Gemeente Almere & Gemeente Zeewolde 2013).

Meanwhile the development of the area has already begun. Interestingly, farmers (who own land in the area) have and will not be advised (or forced) to leave the area. As such, initiators will share the space with farmers – at least for now – which simultaneously guarantees a rural living environment, as was envisioned by local government with the specification of 50 per cent urban farming. For most initiators, this rural lifestyle is the main reason to be involved in the project. Before initiators can buy land, they must obtain planning permission from the area director by submitting an application, which includes a building plan. The development must comply with the urban code for Oosterwold. If it does, planning permission will be granted in conjunction with a jointly agreed development and cost recovery agreement between local government and the applicant. At the time of this writing, 150 development and cost recovery agreements between the local authorities and initiators (mainly

individual households) have been signed to start development in Oosterwold.

## JUSTIFICATIONS FOR URBAN PLANNING

The practice of self-organisation in urban planning introduces challenges to some aspects of urban planning that are traditionally perceived as governmental responsibility, notably dealing with public goods and externalities. Drawing on the work of Pigou (1920), many working on the interface between planning and economics have translated the notion of externalities and public goods, as welfare-economic justifications for public intervention, into the sphere of urban planning (e.g. Klosterman 1985; Webster & Lai 2003; Oxley 2004; Needham 2006).

**Public goods** – In economics, going back to the work by Paul Samuelson, it is common to distinguish between private and public goods on the basis of the way they deal with rivalry and excludability (e.g. Webster & Lai 2003). Private goods are rivalrous to an extent that they obtain a value that makes it worthwhile for entrepreneurs to assign property rights to them to allow a good to be traded. Pure public goods, on the contrary, are non-rivalrous, which means that the usage of these goods by one person is not at the expense of others. As a result, such goods have no value and do not render any property-rights assignment and private provision (Webster & Lai 2003). Think of fresh air as an example. There is a demand for such goods, however, so their provision is needed. In reality, though, pure public goods rarely exist. Few goods are entirely non-excludable. In practice, there are hybrid or alternative types of goods such as common goods or club goods (Webster & Lai 2003). In the case of urban development, goods that come closest to pure public goods are infrastructure and open-access green space (such as parks). How are such goods provided in the case of self-organisation? Especially in the case of Oosterwold, where the government is not actively supplying public goods, who will

deliver these and how? And what role does government play here?

**Externalities** – Spill-over effects or externalities attached to urban development can be both positive and negative. These include, for example, costs of congestion, noise, impact on privacy of properties after construction of high-rise buildings next to them, but also increasing land values due to provisions for amenities such as nature, heritage, shops, and public transport. These external effects are generally unpriced and therefore not internalised in individual development decisions. Therefore, diminishing (i.e. internalising) negative externalities and stimulating positive externalities are traditional arguments for public urban planning and are still in contemporary developed societies (e.g. Webster & Lai 2003; Needham 2006). But how does this occur in a situation, such as in Oosterwold, when the local authority wants to refrain from doing this as much as possible? Does this lead to one-on-one negotiations between neighbours and voluntary internalisation, such as is assumed in the famous Coase theorem (Coase 1960)? Often it goes further by also promoting positive externalities. In the case of self-organisation, civic initiatives, private planning or organic urban development, and even those ‘traditional’ government activities are largely taken care of by private or citizen initiatives (Alfasi & Portugali 2007; Moroni 2010; Boonstra & Boelens 2011). How does that work in Oosterwold? How do initiators and government overcome collective action dilemmas?

## DEALING WITH PUBLIC GOODS

In Oosterwold, public goods are intended to be developed by the initiators themselves. Public goods which are necessary in the beginning of the development will be developed by each individual or in cooperation between initiators. Initiators must assign two metres around their plots for the development of public space such as roads, water facilities and public greenery. Other public facilities (such as road expansions) will be

developed after a large part of Oosterwold has been urbanised. As Oosterwold is just beginning this process, development of basic public goods (roads, water facilities, and so on) has commenced, but has not yet been completed. However, three challenges have already surfaced.

First, initiators face high costs for providing public goods and implementing the archaeological research necessary to gain a building permit. Only after forming a collective were initiators able to reduce these costs. The initiators reflected on this as part of the learning curve, but wished the local government would have provided more insight into costs and procedures as they set the initiators back in their budgets for and timing of development. Often the high costs for archaeological research were not included in the original budget and some initiators even left the project when these costs proved to be too high to carry. By contrast, government authorities explained that part of the changing role of government, (enabling rather than being active) entails initiators providing for public goods and covering the costs themselves.

Second, initiators had to organise themselves to communicate with utility organisations. For example, the water company refused to service the land for each individual plot or even to communicate separately with each individual landowner. There is conflict between the nature of organic development, the dispersed character of development (in both space and time), and the utility companies' desire to know in advance the route of the main cables and tubes before connecting each individual plot. Still, some initiators refuse to be a part of communal development, which is creating friction between utility companies and individual landowners. Furthermore, some initiators even question why the local government demands connections for water and electricity at all; they feel capable to provide for themselves via other means such as water purification or solar panels on their own plot. On the other hand, other initiators indicate that connections to the main electricity network is cheaper than investing in solar panels (including maintenance)

individually. Similar to the previous challenge, the government sees this as a learning process for initiators in dealing with service management. Nonetheless, the government is providing more information sessions to better prepare the initiators. For instance, the water board provides monthly information sessions to initiators with questions concerning the water system on their plot of land.

Third, initiators experience challenges with risks and accountability. If accidents were to happen on common roads, landowners of abutting plots could personally be held responsible for hazards and damages (depending on the state of management of the roads). Most of the initiators, therefore, start or join a homeowners' association. Each individual initiator pays the association for management of roads and public services and waives the risks to the association, rather than being held privately accountable. Nonetheless, initiators again feel limited in their individual freedom and complain about the necessity of forming collectives, which are in fact mini-governments. Furthermore, initiators question the necessity of having all the sides of their plot accessible to the public and the need for attached buildings (separate buildings elsewhere on the plot are not allowed). The (later added) rule to have attached buildings forced collective initiatives to divide a large plot of land into smaller individual plots, thereby increasing the number of publically accessible roads surrounding the plots and the liabilities attached to these roads. The impact of such regulations on the collective plot designs is visualised in Figure 2, where the larger rectangular plot is subdivided into multiple individual plots but, as a result, all plots also reserve a buffer area of two metres for public accessibility (i.e. the thin inner lines in the figure).

## DEALING WITH EXTERNALITIES

Via generic rules, which takes the form of an urban code rather than a zoning plan, the government has options to regulate developments and reduce certain negative externalities such as noise nuisance, air pollution



environment. As the area director explains, the motive of Oosterwold has always been: 'free, but not non-committal'.

Second, externalities emerge from the freedom within organic development itself. As each individual has the freedom to choose the location and plot size, some less desirable pieces of land may remain left-over. These plots could be developed later or could ultimately remain vacant. The question is who should manage these vacant plots of land and what should the land use of these plots become? This question is especially relevant if national government owns these specific plots or if inefficient allotment prevents urban farmers from profitable land management (e.g. because of incompatibility with their automated farming equipment). Initiators and local government agree that additional rules or protocols need to be installed to deal with left-over plots of land and to prevent these situations. This could mean that the freedom in choices of plot size or location will be reduced.

Third, externalities could exist through over and/or under-production of public goods. As initiators have the ability and freedom to provide for services on their own plot of land, cumulating effects can occur in the long term. One example is the cumulative effect of the development of public utilities, like sanitation. Negative side effects of individual sanitation systems, such as the effects on water quality, are unknown and will only become clear in the future when a large part of the area has been developed. Local government does not want to intervene and impose communal provision of this facility. Furthermore, issues of under-production arise in relation to goods with submarket prices, such as affordable or social housing. To buy and develop a plot of land, initiators invest a considerable amount of money.

## DISCUSSION AND CONCLUSION

This paper has evaluated the case of self-organisation in Oosterwold based on how this case deals with traditional welfare-economic justifications for urban planning, most importantly with externalities and public goods (see e.g. Klosterman 1985). As Oosterwold is experimental, trial and error are inherent to the

process. Local government made a list of simple rules for landowners to comply with when developing their land. Because of the steep learning curve for both initiators and local government, this list is constantly under revision. Initiators, as they mentioned in in-depth interviews, are frustrated by the changing rules of the game. Initiators explained that the rules are contradictory, still impose control, and are generally unclear. These experiences are largely in line with critiques on the role of government in governance networks as found elsewhere in the literature (see e.g. Lester & Reckhow 2011; Nuissl & Heinrichs 2011). Also in Oosterwold, there is tension between initiators that are attracted to living in individual freedom and self-control, and the local government, which is trying to solve free-rider behaviours and inefficient land use through more regulation and formal organisation.

Opportunities as well as problems have been examined when dealing with public goods and externalities. When considering the provision and management of public goods, the main conclusion is that collective action seems inevitable, both to provide for services and to waiver risks. These collectives operate as a new (mini) tier of government, as they provide public goods. As for externalities, further regulation on plot size or location could be necessary to allow for effective use of space. Vacant (undeveloped) plots of land could soon become a management problem, taking up either governmental or initiators' budgets. Additionally, questions remain about over and underdevelopment of goods, such as sanitation and social housing.

Oosterwold provides a clear insight into the possibilities and restrictions of self-organisation in the Netherlands. Regulation by government, via national law (nuisance, pollution, etc.) or local government (development restrictions) could guide civil initiatives and help to prevent collective free-rider behaviour or inefficient use of space. Yet, certain externalities might not be internalised by individual initiatives. To deal with large (semi-public) organisations, joint costs, management, and liability, collectives seem a necessity (cf. Webster 2001). *De facto*, mini-governments – collectives operating as a new (mini) tier of government – are constructed

and replace traditional governments (see also Van Dam *et al.* 2008). Thus, in organic land development, the traditional justifications for planning remain, but the shape of urban planning might be quite different and maybe even innovative.

Nevertheless, one could also take a more critical stance in relation to self-organisation. Almere Oosterwold proves how local government, even in an experimental process, still finds the need to provide rules rather than opt for total self-control by initiators without any prior set of regulations. As such, Almere Oosterwold hangs between a 'regular' governmental controlled development and a process of self-organisation (although these two need not necessarily be mutually exclusive). As such, we could also conclude the experiment as failed or that pure self-organisation is not possible in the Netherlands. Van Dam *et al.* (2008) also provide evidence to support such a claim, as the civil initiators of the Golf residence – a private housing development in Dronten – view maintenance of their space (roads, lamp-posts, sewer systems, etc.) as obligatory. As such, they also asked the municipality to integrate the management of the Golf Residence in the regular municipal maintenance schedules and budgets, rather than managing the spaces themselves.

The formation of new mini-governments also poses questions for further research about institutionalisation of initiatives and legitimate democracy. This applies to how responsibilities are transferred to new tiers of government in various civil initiatives and how this influences the formation of collectives. Also, the role of representative democracy (i.e. the municipal board) in providing regulation (simple rules, urban code) for initiatives, the provision of public goods, or the prevention of externalities is of interest here. This seeming necessity of rules to allow for a liveable environment reinforces the motto of Oosterwold: 'self-organization in urban planning is free, but not non-committal'.

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