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City Marketing in Amsterdam

An organisation-based anthropological study of public-private partnership in the field of city marketing in Amsterdam

1 Amsterdam on the World Stage: reason for and background to the marketing and promotion of Amsterdam

This dissertation discourses on how collaboration in the area of urban policy between public and private parties in Amsterdam comes about and develops. The discourse focuses on the collaboration in a specific policy area, namely in the field of city marketing. The central question posed is the following:

In what way do different public and private actors interpret and give significance to the Amsterdam city marketing process and what consequences does this have for relationships in the types of collaboration and administration found in today's urban policy processes?

Worldwide, people increasingly are living in urban areas rather than rural areas. This urbanisation is closely related to developments in ICT, increasing globalisation and the development towards a network economy in recent decades. Companies are following their essential cultural and human capital, which is primarily centred in attractive cities. As a result, cities are competing intensively with one another to attract sufficient numbers of inhabitants, companies and visitors. One of the instruments or strategies that they use to do this is city marketing.

City marketing is a complex process that has only recently come upon the scene and, both in practice and in (academic) literature, is still unexplored ground. In this dissertation, city marketing is described as 'a complex policy process consisting of different, yet connected activities that are focused on keeping and attracting specific target groups with which several stakeholders with diverse interests are involved'.

Amsterdam, too, is confronted by increasing competition from other cities and a competitive position that is under pressure. This is why it launched a city marketing effort in 2003. This dissertation looks back over the course of the city marketing process and sketches an often shocking picture.

2 Consultant, Lecturer and Researcher – the author in her research: a review, reflections and justification of the methodological choices made

My personal *involvement* in the city marketing field is a theme that runs throughout my research. As a PhD student, I conduct research in the field in which I also work as a lecturer and consultant.

Therewith I employ an ethnographic approach. I conduct research into a network of organisations that are involved and/or have interests in the Amsterdam city marketing. My research can be characterised as organisational ethnography that is ‘focused on’ organisations, which is to say my research is primarily focused on the organisational process and the interaction between the players and interested parties involved in the Amsterdam city marketing. Organisational ethnography is a fairly recent specialisation within the field of ethnography. Due to my close involvement in the field, a certain auto-ethnography is also involved, which means I describe the city marketing process as I have experienced it and have expounded on it. I then substantiate what the advantages are afforded by my knowledge of my research subject and field.

Next I describe my research field. The explorative and iterative course of my research has contributed to there being two clearly identifiable phases in the research. In the initial phase of my research, the research domain encompassed the tourist industry. I gave particular attention to business tourism, the so-called MICE¹ sector. In the second phase, my research focused on the city marketing field. In both phases, the stakeholders from the public and private sectors were a part of the research. Some of the data obtained has been anonymised and some has not. This depends largely on the degree to which the statement in question can place the person interviewed in a difficult (business) position. When this could be the case or when the interviewee did not wish to grant permission, the decision was taken to anonymise the data or to work with vignettes – personalised accounts of data and fragments from the research. After this, I give extensive attention to the research process itself. First and foremost, I explain what my desk research consisted of in order subsequently to discuss my participating observations and observational participations in the field. Then I delve further into the interviews I have conducted, a total of 39 in the summer of 2005 up to the end of 2007. I then explain how the different processes of data analysis, interpretation and written description have taken place. I conclude this chapter with a reflection on my own role and, in particular, my close involvement with my research field, which is also my field of work as a consultant. I consider the dilemmas and challenges which I encountered during my research, such as aspects in the areas of power, authority and representation. Finally, I conclude that, due to the different roles I have fulfilled in the field, I am bound to the field.

¹ MICE stands for meetings, incentives, congresses and exhibitions.

3 Theoretical Context: influence and interests of stakeholders and actors in policy processes and complex collaborations

The purpose of this research is to make the policy process that plays a role in the marketing and promotion of cities transparent. For my research into city marketing as an urban policy process, I start from the so-called *new institutionalism*. The new institutionalism provides a stepping stone for studying complex policy processes because it provides a more sociological view of institutions and institutional processes. Moreover, it distinguishes the increasing interaction and the mutual dependence between these institutions.

The rise of organisations and the evolution of organisations into institutions, as well as the associated growing influence of institutions on urban policy, requires a more interdisciplinary view of urban policy processes. It has become clear that contemporary policy processes are increasingly being influenced by both those to whom the policy is directed and whose interests are affected, as well by those that are involved in the policy process. This wide range of stakeholders can be divided into three levels, i.e. the *community* level, the network level and the organisation/participant level. The difference between these three levels is primarily in the degree of involvement or the extent to which the stakeholder can exercise influence on the policy. For example, at the level of the *community*, though stakeholders have an interest in what happens, they have little or no influence on the policy processes. At the last level, the organisation/participant level, the individual organisations and the people directly involved are the players that are the centre of focus and that exercise influence on the collaboration.

Proceeding from the increasing institutionalisation and its consequences for policy processes, I next delve deeper into different forms of administration. The changes in the area of urban policy seem to be very economically inspired. The central point of focus is the period starting in the 1970s that was ushered in by the financial crisis that dominated Western Europe at that time. Privatisation, deregulation, becoming self-sufficient, public-private partnerships and other types of collaboration between public and private actors occurred increasingly often in the municipal administration as a result of a receding government. This led to a government that was forced to operate in a more market-oriented fashion. This development is known as neo-liberalism. The increasing interaction between the state and the private sector brought about a shift from governing to governance. I make a distinction here between two forms of administration, i.e. on the one hand, a form based on the *New Public Management (NPM)* philosophy and, on the other, a form oriented towards the notion of *governance*. This distinction is reinforced by the interrelationships between the two forms of administration, their differences in focus and the way in which they obtain their legitimacy. Policy that is based on the *NPM* philosophy displays characteristics such as striving for effectiveness, acting on the basis of rules, laws and protocols, and proceeding according to formal power structures. There are also clearly defined authority structures, job descriptions and roles in policy processes. Policy that is based on the

notion of *governance*, on the other hand, is based on other points of departure which are based on the assumption of equality and shared convictions and work methods.

After describing the developments in the policy process and the different forms of governance, I discuss the new forms of collaboration that have come about, such as strategic alliances, strategic networks and public-private partnerships (referred to as PPP hereafter). I first consider the difference between *cooperation* and *collaboration*, a distinction expressed by the different connotations carried by these two concepts that does not exist in Dutch because both words are translated into Dutch as ‘*samenwerking*’. I give special consideration to the various motives and arguments for entering into a collaboration and then, finally, introduce two types of collaboration. On the one side, I mention the classic PPP, whose characteristics correspond with a form of administration such as *NPM* and, on the other side, the alliance inherent to PPP, which seems to be more democratic in nature and therefore fits in better with a *governance* form of administration.

Furthermore, with the help of a number of aspects in the area of relations between the different stakeholders (relationships/interactions) and their separate interests (interests/resources), which are important in public-private partnerships, a conceptual framework was set up. This conceptual model visualises the connection between the previous theoretical explorations and the following practical explorations in the area of institutionalisation, forms of administration and collaborative situations. With the aid of this model, an assessment is made to determine to which forms of administration and collaborative situations the Amsterdam city marketing corresponds.

4 The Amsterdam Context: the field of Amsterdam City Marketing

In this first empirical chapter, I outline the Amsterdam (competitive) position on the world stage. In a number of ways, a picture is provided of how Amsterdam is performing in comparison with other cities. For years the city was at the top of the city rankings. At the start of this millennium, it appeared that Amsterdam was dropping behind in these rankings. Competing cities were performing better than Amsterdam. To monitor its competitive position, the city has chosen to concentrate on four important rankings, all of which indicate the attractiveness of the city economically and as a place to run a business or to live. The choice of these particular four rankings is tied to the five economic sectors that are important for Amsterdam: financial and business services; Schiphol Airport; the port (of Amsterdam) and the related industries; the cluster of creative industries, ICT and new media; and tourism and congresses.

After I outline the economic context, I introduce Amsterdam Partners, the Amsterdam city marketing organisation, and I discuss how this organisation started and who was involved in this start-up. This concerns a broad network in which both public and private parties are represented. Based on an organigram of the city marketing organisation, the most important groups of stakeholders are discussed in turn, namely the various municipal departments involved, the surrounding municipalities

and the business community. Slightly more consideration is given to the covenant partners, the public-private organisations that are active in the marketing and/or promotion of certain sectors in Amsterdam.

5 Amsterdam Partners: the development of the city marketing organisation

The organisational and management aspects of the Amsterdam city marketing are decisive for operating an organisation such as Amsterdam Partners. Firstly, I look into the organisation and funding of the city marketing organisation. This includes a focus on aspects such as the organisational structure, the financing, the vision and mission, and the support for the organisation. We see, for instance, what the income accounts of the city marketing organisation are, yet we also see that there is a lack of transparency with respect to funding. I then focus on how the city marketing organisation is managed and run. I do this based on five factors that are essential for the organising capacity that is necessary for collaborations that exist for the promotion or marketing of cities to be successful: the presence of a formal institutional framework (the administrative organisation); the existence of strategic networks; the creation and maintenance of support; the presence of leadership and; finally, the presence of a vision and strategy. Different stakeholders enter discussion on all of these different aspects, such as what Amsterdam Partners stands for and what the organisation wants to achieve. We can also see on paper that, in the initial phase of the city marketing process, the division of responsibilities and delineation of roles were not consistently clear for all of those involved. More than three years after the founding of Amsterdam Partners, a new council is introducing changes to this and initiates a new council programme called *Topstad* (Top City). Some of the stakeholders interviewed think that the *Topstad* programme provides greater clarity, direction and focus. Others do not share his opinion at all, as is clear from the range of different experiences among those interviewed.

6 Daily practice within the Amsterdam city marketing: projects and activities to profile and position the city better

In this last empirical chapter, we see how the Amsterdam city marketing process has unfolded over time. It is the collaboration around the city marketing that has become particularly difficult. This is expressed in daily practice within the different projects and activities that the partners take up together. The opinions of the different stakeholders involved concerning each other come clearly to the fore here and they are not always positive. What is particularly remarkable is the position of the ATCB (Amsterdam Tourism & Congress Bureau), which is repeatedly named in interviews and other types of discussions. Many stakeholders do not exactly praise the role that the ATCB is playing in the city marketing process.

Based on various projects from the city marketing process, we see how the policy took shape and is carried out. The collaboration is progressing with difficulty and the discord within the collaboration is

primarily taking place between several municipal services and covenant partners. The poor collaboration reveals itself in different projects in which the partners are working together. The setting up of a shared Internet site is one example of this.

7 Reflection on the city marketing policy of Amsterdam

The findings obtained from daily operations in the Amsterdam city marketing have been related to my theoretical framework. Four periods mark the course of the process in which the roles, interrelationships and interests of the stakeholders change. I have described these four phases in succession as the stock-taking phase, the implementation phase, the new start-up phase and the stagnation phase. For each period, I looked at three parts of the city marketing process. I first analysed which resources have been used, such as authority/legitimacy/support, power/influence, urgency/intensity, and other available resources. The manner in which resources are employed is an indicator for the method of administration used, with an *NPM* approach on one side and a *governance* approach on the other. Secondly, I studied which stakeholders are involved and what interests they have in the city marketing. Sometimes interests coincide with the influence, power or deployment of the other resources of stakeholders. At other times interests are the reason why stakeholders become actors. Interests can also have an influence on how actors work together. So interests occur in all three parts for each period. Thirdly, I ascertained whether a collaboration has been entered into and what shape this collaboration has been given. Here I make a distinction between a classic PPP and an alliance PPP. To ascertain what the collaboration looks like, I studied both the relationships between the different players involved and the city marketing organisation, and the relationships between the stakeholders themselves. I furthermore studied the possibility of working together and the degree of willingness to work together.

In the stock-taking phase, we clearly see the increasing institutionalisation at the urban policy level, which is expressed in the Amsterdam city marketing process. No longer is the government the only party to determine what happens in the area of policy; from now on also other entrepreneurs, civil society and even residents are involved in the urban policy process. At the beginning of the city marketing process, a wide range of stakeholders with diverse interests were involved who, together, seemed to be working towards the development of the city marketing process. In the next phase, the implementation phase, an *NPM* approach to administration was used, certainly at the start. At the end of this phase, neither an *NPM* approach nor a *governance* approach to administration occurred. At the last moment, just before the city council elections of 2006, we can see that all control was gone, as was any form of leadership. This slowly crept in. It is related to the diverse interests that stakeholders have among themselves. In the subsequent new start-up phase, the city marketing process was linked to the economic policy programme, the so-called Top City Programme. The Top City Bureau that must implement this programme quickly gained control over the entire process that was intended to

lead to a better economic position for Amsterdam. This new policy and the new players provided a new impulse to the city marketing policy.

Yet this new élan was granted only a short life. Following the period of regeneration, a period of decline again ensued, christened the *stagnation phase*. There was another change in the alderman responsible, the fifth change since the start of the city marketing process. The Top City Programme also came to an end. Or perhaps even more importantly, new elections approached which, in all likelihood, would change the make up of the bench of mayor and aldermen. The consequences for both the city marketing and the Top City Programme were noticeable.

Looking back over the last eight years, considerable time, energy and money has been invested in the Amsterdam city marketing process. A range of different parties were involved from both the public and private sectors. An organisation was set up whose purpose is to profile and position the city better (internationally). Towards this end, the organisations that were already focused on one or another form of promotion and marketing for Amsterdam joined forces to achieve more through greater synergy than they would by each of them operating individually. This collaboration has had a varied result. During two periods, the stock-taking phase and the new start-up phase, the collaboration was reasonable to good. During two other periods, the implementation phase and the stagnation phase, the collaboration was difficult if not downright poor. It is remarkable that during the period that the collaboration was reasonable/good, the form of administration had most of the features of an *NPM* approach to administration. This is a form of administration that is not exactly known for being extremely democratic. This method of administration is primarily expressed in contacts with the public and semi-public organisations. The private parties were involved in these phases because support and legitimacy are important to implementing the city marketing policy. The type of administration used in the other two phases is unclear, there was little if any collaboration. Involvement and support among the private parties was minimal. This applies particularly to the last phase, the stagnation phase.

8 Conclusion and considered opinions on the city marketing policy in Amsterdam

City marketing is politics! This dissertation makes this much clear, i.e. that city marketing in Amsterdam is a political instrument. The findings in this dissertation provide insight into which and how different stakeholders are involved in this city marketing process. It clarifies how collaboration comes about, can thrive or can stagnate. It shows what conflicts take root and flourish when there is a lack of control. And it sketches a picture of how contextual aspects and situational factors can influence developments. Not only the local and regional context, but also the national and even the international context can influence the Amsterdam city marketing policy. Not only political and economic aspects, but also particularly social and cultural aspects seem to influence developments within the Amsterdam city marketing.

A limited number of stakeholders are actually involved in the city marketing process that is primarily taking place at the organisation/participant level of the city marketing organisation. Stakeholders at other levels, the *community* and network levels, are consulted only incidentally. It is primarily at the organisation/participant level that the collaboration in the field of city marketing takes shape. The partners that are closely involved in the collaboration primarily come from a number of Amsterdam municipal services and promotional and marketing organisations (covenant partners). The public-private partnership Amsterdam Partners set up for the city marketing has features of both a classic PPP and an alliance PPP. That is why this public-private collaboration is designated as a hybrid. And although the city marketing process has been underway for several years, a formal organisation has been set up and a clear joint objective has been defined, the partners have apparently not been successful at the organisation/participant level in moving beyond their own organisational interests. The Amsterdam collaboration in the field of city marketing therefore reveals a tarnished image in the area of mutual collaboration. The administrative influence has left a large stamp on the course of the city marketing process in the Amsterdam city marketing. The largest problem in the Amsterdam city marketing policy is not the existence or co-existence of the *NPM* and the *governance* approaches to administration, but primarily the lack of continuation and firm grounding in the city marketing policy. The local government should be held responsible for this. This inevitably leads to the conclusion that existing types of administration in contemporary complex policy processes such as city marketing are inadequate to guarantee the success of these complex policy processes.

Next, I share several of my reflections on the question of whether city marketing should be one of the administrative tasks and responsibilities of an (Amsterdam) alderman. Arguments presented to justify city marketing being made a part of the government's range of duties include the general interest of the city, the common and social good, and the historical embedding or background of city promotional organisations. Reasons given for not including city marketing under the responsibilities of an alderman are the political volatility at the administrative level, the perceived political self-interests involved and the inexperience of the government (or administrators) in the field of (city) marketing.

But there are even more aspects that have played a role in the Amsterdam city marketing process. As an example, I point to the mismatch between the manner of administration and the form of collaboration that has confused the city marketing organisation. A number of factors that are inextricably linked have contributed to the complexity of the (Amsterdam) city marketing.

I conclude this chapter and dissertation with two discussions. The first discussion is of a general nature. Before the city marketing process is continued, in my view a more structural discussion must first be held on the current relationships, expectations and interests between the public sector, the business community and civil society. It is a discussion that should be held particularly in Amsterdam, but certainly not only in Amsterdam. A part of this discussion are the new and broader perspectives on legitimisation, justification and grounding. The call for other ways of legitimisation and justification,

for the grounding of organisations and their activities, and for the contextualisation of processes and players indicates that the era of 'economising' policy is ripe for change.

A second discussion is of a personal nature. I have said that I could never leave the field due to my close involvement in this field. I hope for now to be able to continue participating as a lecturer and consultant in the discussions held on urban policy processes and, in particular, on city marketing.