UNIVERSITY OF AMSTERDAM

CUS CENTRE FOR URBAN STUDIES

Working Paper Series No.27

Gentrification of the changing state

Wouter van Gent & Willem Boterman

Gentrification of the changing state

Wouter van Gent & Willem Boterman

Abstract

Taking Jason Hackworth and Neil Smith's seminal paper on the 'changing state of gentrification' as a starting point, this paper argues to reconceptualise state-led gentrification to advance our understanding of urban transformation. Rather than seeing class dynamics as auxiliary to subservient to capital, we contend that class relations may feed into state dynamics in two related ways: representative politics and State hegemonies. To illustrate, we present a brief historical and geographical overview of the transformation of Amsterdam from 1982 to 2015, based on policy documents, media reports, archival data, policy interviews and secondary literature, as well as social and political data at neighbourhood level. As the gentrification frontier advanced and working class voting blocs diminished, new electoral politics took hold, which permitted a new middle class hegemony to institute policy and institutional changes to further push gentrification and capital interests.

1.   Introduction

It is hard to overstate the importance of Hackworth and Smith's article for gentrification studies (Hackworth and Smith 2001). Their political-economic analysis decidedly shifted focus to how capital-intensive urban redevelopment has increasingly been curated, safeguarded, and sometimes even initiated, by the State. It added to an increasing awareness that gentrification cannot be reduced to actors and actions at the neighbourhood level, but should be seen as a spatial outcome of a historical and multi-scalar transformation. Since publication, many gentrification researchers have analysed policy, plans and formal strategies to explain and understand urban development. A growing literature on state-led gentrification has revealed to the means, rationales and discourses by which policy-makers and administrators justify and implement the class-based production of urban space across the globe (e.g. Davidson and Lees 2005; He 2007; Visser and Kotze 2008; Van Gent 2013; Doucet 2014; Kadi and Ronald 2014). Often, class change is analysed as an outcome, but, if studying state-led gentrification implies interrogating the trialectics between state, class and space, conceptualizations of these relations have been fairly limited. Some accounts tend to treat the State as an autonomous rationalizing entity which stands mostly detached from society, space and class relations. In such cases, state action is often portrayed as misguided or ill-informed, and policy may be remedied. Gentrification processes are in effect separated from the State. As noted, critical gentrification scholarship has mostly moved on to acknowledge State involvement. However, instead of absence, there has been a tendency to reduce the state apparatus to dominant class power. It is conceived as a tool, appendage or instrument 'owned' by ruling elites and financial

capitalists who use its apparatus to secure interests.[1] Such an imagination makes class largely a moot point. In their work on 'planetary gentrification', Lees and colleagues (2016) emphasise the logic of capital and largely dismiss spatial class analyses as largely irrelevant to understanding gentrification in the 21st century. While noting that middle classes are required to act as real estate consumers, or it may be mobilized to voice capital interests, Lees et al. confidently state that the 'key actor in planetary gentrification is the state – neoliberal or authoritarian' (p.109), which courts '(trans)national developers, financial capital, and transnational institutions' (p.110, also Davidson 2007). However, policy does not always service the needs of these actors and, in constitutional democracies, there is no class dictatorship. Furthermore, as we shall argue, class relations do not disappear when shifting focus to the State.

This commentary is a plead to reconceptualise state-led gentrification to advance our understanding of urban transformation. More specifically, we contend that, rather than seeing class change as an outcome of state interventions, class relations also feeds into the process in two related ways: representative politics and State hegemonies. Despite globalisation and capital mobility, local social relations and local politics remain important in spatial planning, particularly in high-demand urban regions. Furthermore, the state apparatus and its policies cannot be reduced to political domination; its institutional materiality functions as a secondary field of class relations.

After introducing our conceptual framework, the case of Amsterdam will serve as an illustration for how we may conceive middle class urban transformation as being interdependent on the architecture of state power. Amsterdam is a critical case, because it has gone through a particularly striking change. Whereas the city was once held up as an epigone of social equity and justice, recent housing developments cater to millionaires and international investors. These changes have been conceptualized as state-led gentrification (Uitermark 2009, Van Gent 2013, Hochstenbach 2017), yet it is less clear how socio-spatial, political and institutional changes have mutually pushed the frontiers of gentrification.

2.   The importance of local social relations

There has been ample debate on how the economic and the political interrelate and produce urban space. Most notably, while acknowledging representative politics and influential politicians, the New Urban Politics (NUP) literature has emphasised how private sector and business interests have penetrated and shaped urban politics, through partnership, growth coalitions or urban

---

[1] This is a modulation of Poulantzas' critique on Miliband (Laclau 1975).

regimes, leading to a shift away from distributive policies towards courting the private investments in development and lowering taxes (see Hall and Hubbard 1996; MacLeod and Jones 2011). As such, the politics of urban (re)development, including gentrification, are the main subject of study. Yet, there has been ample debate on how we may conceptualise urban politics in relation to the urban scale (e.g. Cox 1993, Ward 1996, MacLeod and Jones 2011; Pierre 2014). Two important issues arise from the fact that urban politics and economic activities are not necessarily located and defined by local conditions, but are multi-scalar and interrelational. First, the nature of international capital questions the extent to which local social conditions matter. As capital is (hyper)mobile, the argument goes, both city and national governments have no choice but to shed collective provisions and redistributive policies and chase urban development and gentrification (cf. Lees et al. 2016). Second, rather than local political constellations (and class relations), dynamics in other cities and particularly at the central state may be more salient when analysing the production of urban space (McCann and Ward 2010, Ward 1996).

However, the importance of the processes outside or beyond the urban territory does not mean that local conditions are less relevant to the formulation of urban policies. In an early critique, Cox (1993) argues that developers and firms are limited to and dependent on local conditions. Capital should not only be viewed in terms of exchange but also in terms of relations. To illustrate his notion of 'spatial nonsubsititutability', he uses housing as an example. To maximize profits, housing developers are dependent on local demand. When demand is high, firms and developers have to adhere to local housing market structures and State policy. Simply put, capital cannot replicate another New York, Tokyo, or Mumbai to develop housing if it doesn't get its way. Dependency on the local is a problem for capitalism as it gives local politics more power over capital than suggested. Furthermore, housing, being a fixed facility, also ties landlords, housing associations and homeowners to the urban. These actors have capital interests that cannot be reduced to exchange value alone. Lastly, the urban population of 'workers', working class or middle class professionals, consists of more than just sellers of a commodity (labour skill) or consumers (housing) but take on roles that are related to family, education and leisure time, meaning that locally embedded popular interests and social relations expand into these domains as well (see Aalbers and Christophers 2011).

As for the state hierarchies; while it may dictate policy on occasion, local states can be very influential in shaping policy, depending on policy domain. Rather than functioning in a command structure, central and local state actors may co-operate strategically to achieve a similar or aligned set of goals. This is particularly the case for spatial policies, as the central state depends on the

local state to execute its directives and policies, produce knowledge on local conditions, and build local coalitions. Uitermark (2005) develops this point to understand the establishment of urban policy which target Dutch disadvantaged neighbourhoods. Rather than a national project, these policies were the outcome of local state actors who operated in their own political and social context but had 'jumped scale' to achieve their objectives (manageable neighbourhoods). Likewise, local state actors may also strategically utilize national policies for their own agenda. As such, policy and planning is an amalgamation of local and national state policy (also Cox 1993, Pierre 2014). However, also at their territorial scales, State apparatuses are not unitary, autonomous and rational entities. To explain, we move to class relations and State.

3.   Class, state and institutional materiality

To conceptualise how popular-democratic dynamics feed into the capitalist state, we refer to the conceptualisation of Nicos Poulantzas, as put forward in *State, Power, Socialism* (1978). Building on Gramsci, he proposes that class relations and the state are autonomous but, as the State is socially-embedded, heavily related. The State is not the 'primary field' for class relations but these primary field relations, or struggles, have primacy over the state. The state is a factor which incarnates and concentrates class relations – like those found in the housing market (above). Poulantzas' does not always present a consistent argument. His level of abstraction and his tendency to glance over theoretical issues can make his arguments difficult to translate into social inquiry (see e.g. Laclau 1975; Hall 1980). Yet, he does not design a grand theory but seeks 'to grasp a mode in which class struggle, and especially political struggle and domination, are inscribed in the institutional structure of the State' (Poulantzas 1978, p.125). So, struggles and hegemonies in the primary field (related to mode of capitalism) also drive transformations of the State through its institutions. Understanding policy and changes therein requires understanding context-dependent shifts in the institutional materiality of the State. Here we may see internal contradictions as apparent in its various branches and apparatuses at different scales. These may be controlled by -or at least favourably disposed towards- different fractions, and function as power bases for these fractions. Apparatuses at various levels are themselves divided in distinct circuits, networks, vantage-points, all of which may function as representatives of diverging interests of one or several fractions of the dominant classes. There is a 'strategic field of intersecting power networks' (p. 136) where representatives and personnel of the dominant classes may take on political projects (e.g. collective provisions, liberalization of housing, economic development). Contradictory and shifting tactics are obstructed or find their way, mapping out a general line of force: policy.

So, policy is not only a result of strategic calculation and national projects, but also a conflictual co-ordination of explicit and divergent micro-policies and tactics. Depending on the hegemonic factions (in neo-Gramscian sense), some institutions may be made more central and more dominant in decision-making. This is a reinforcing tendency; those apparatuses which serve class or fraction interests as a power base, also tend to become the privileged seat of those interests. This dynamic underlies the transformation of the State over time. In his strategic-relational approach, Jessop (1990) adds that new hegemonic projects have to strategically navigate earlier discourses, organisations and structures, leading to context- and place-specific outcomes. Furthermore, while hegemonies may shift, power tends to remain fragmented. For Poulantzas, this fragmentation of power, leading to internal contradiction, allows the State her organisational role (meaning organising the contradictions of class interests), and its relative autonomy. Drawing from Foucault he argues that internal conflicts are subdued by an ideology of neutrality which is the institutional cement of state apparatuses.[2] As the State is seen as a neutral arbiter and representative of the general interest, this ideology serves to quell struggles and gives a notion of the need for some equilibrium, or equality of opportunity, which opens the way for social policies.

The primacy, or importance, of class relations in State structures allows us to reconceptualise gentrification policies as well. Loopmans (2008), for instance, conceptualised how gentrification of Antwerp has been a hegemonic project which, through social, electoral and political struggles, instituted new state structures and slowly adapted urban policies. Ghertner (2011) has suggested that such class-based adaptations amount to the gentrification of the 'state spaces'. In the context of class formation in Delhi, he shows how middle class politics and their interests with regard to urban space required a "reconfiguration of urban governance structures (…) to gain traction and become hegemonic"(p.526). These new networks of institutions allowed the circumvention of electoral politics dominated by the poor and cleared the way for slum removal and gentrification (Ghertner 2011).

4.   Spatial feedback to class and state

In addition to the relation between class and state, spatial dynamics may also feed into new politics. Pierre Bourdieu's *The Social Structure of the Economy* (2005) offers us an insight into how class-based institutional politics may produce socio-spatial dynamics that feed back into politics by way of

---

[2] To avoid fragmentation, the central state may intervene, take control or place censorship in the local field. Bourdieu (2005) adds that civil servants may identify themselves with the departmental organization (and work to defend it), and that the logic of bureaucratic careers which whose direction will gravitate towards the centre.

social base and political representation. When analysing French 'housing policies' originating in the 1970s, he also conceptualizes the State as fragmented, as consisting of fields, intersecting with other fields (those of firms, builders, finance),[3] where class relations play out.

Looking specifically at the policy shift from building subsidies to individual housing allowances was preceded by a struggle between moderate reformers (notably Ministry of Infrastructure, social housing providers, local politicians) and radical liberal reformers (notably Ministry of Finance and private banks)[4]. The liberal reform camp succeeded in introducing new regulations that stimulated ownership of single-family housing. The shift away from providing housing collectively was because the interests of finance and large construction firms traversed into the field of state bureaucracy. Bourdieu does discusses the local bureaucratic field to explain spatial outcomes (suburban development). Within the confines of State organization (see above), local elites enjoy considerable leeway in adjusting central policy and in directing housing development. In many cases, the local elites along with central departments allocated development to large construction firms, leading to similarly designed suburban areas.[5]

Important here is that these new housing policies and their social outcomes have had reinforcing tendencies, meaning that the changes in housing regulation created a new 'demand' for single family housing, fuelling new political dynamics. Bourdieu describes a *petit-bourgeoisie* living family-oriented lives in suburban homes, a long commute away from wealthy urban centres, with little sense of political and social community. This suburbanism represents political disenfranchisement, as ownership, debt, pressured time schedules and spatial dispersal have has effectively undercut collective organizing. Moreover, this new socio-spatial order feeds back into liberal political dynamics. Suburban homeownership undercuts the stake of lower middle classes in collective provisions (also Ansell 2014). Conversely, Bourdieu contends that, for middle classes, the rise of home ownership in cities has assuaged political tensions (left-right) leading to homogenization. Middle classes, as found in well-connected suburbs and cities, are growing more alike in their interests and perhaps their dispositions. These socio-spatial shifts have been preceded by a change in housing policies, yet also feed new rounds of policy reforms, as political, electoral and administrative stakes shift as regional geographies do.

---

[3] Bourdieu does not refer to Poulantzas though, but it is likely the influence of Louis Althusser. A notable difference between them is the conceptualisation of class. Also, Bourdieu does not only engage in theoretical exercise but presents a sociology.

[4] The moderates, while in favour of social policies, were not socialist and advocated welfare state restructuring.

[5] It is here that class relations matter as well; Bourdieu stresses the importance of 'affinities of habitus' in the interaction between bureaucrats themselves and in the interaction with their 'subjects'.

Such socio-politico-geographical analyses, focusing on the interplay between representative politics, state structures and policy may also be conducted on the urban scale, which would illuminate part of the urban political (see Dikeç and Swyngedouw, 2017). To illustrate, the remainder of this paper will focus on class politics and state-led gentrification, and more specifically on the reinforcing tendencies between social change, politics and state transformation in Amsterdam in the past 35 years.

5.   Class, politics, state and gentrification in Amsterdam

In the 2014 municipal elections, the social liberal party (D66) won 27% of the vote, doubling its seats in the council and becoming the dominant party. This was significant as the social democratic party (PvdA) had been the largest since 1950. The social liberals ran on a platform against the ruling PvdA, and after the election it formed a governing coalition with the conservative liberals (VVD) and Socialist Party (SP) as junior partners. This was an historic occasion because it meant that for the first time since 1917, the social democrats were not represented in the administration. While momentous, their hegemonic demise has hardly been surprising. The electoral decline of left-wing and the rise of liberal politics had been in the making for thirty years and continues today, and has been the outcome of spatial policies that facilitated and, later, accelerated processes of gentrification.

Our historical overview is based on policy documents, media reports, archival data and secondary literature, as well as public social and political data at neighbourhood level. Our analysis of the most recent political changes also draws upon interviews with 11 officials in municipal departments working on urban development.

A red past

Urban politics in Amsterdam has been dominated by social democracy for almost a century. While the social democratic parties never ruled alone and always had to broker a coalition consisting of two or multiple parties, social democratic ideals have been firmly imprinted on the social and spatial institutions of the city. After a period of intra-party turmoil, the 1980s saw a confident and ideologically inspired social democratic party. Under the leadership of Jan Schaeffer, a working-class hero, the party with its progressive and radical left-wing partners successfully lobbied for housing and renewal subsidies to combat the housing shortages the city was dealing with. Housing need was particularly high among the city's remaining working class and the growing population of young and small households (often higher-educated) and students. To address the need, the city

directed its resources to building and renovating social housing for these groups. The Public Works department, which had been dominant in the previous era, was broken up and the housing department, led by Schaeffer himself, became the dominant state apparatus (De Liagre Böhl 2010). Likewise, the departments of social affairs and of education were completely geared to developing and executing policies that bore the mark of social democratic thinking (emancipation and social reproduction). The process of gentrification was mostly restricted to the 17th-century city-centre. Because at the time, average incomes in Amsterdam were below national average, the city did embrace it as a life buoy and also facilitated by allowing loft conversion (Terhorst and Van der Ven 2003). Yet, it remained fairly limited compared to the large-scale renewal.

New populations, new politics

While social democratic class politics has a strong imprint on policy and state structure, the social and political landscape began to shift in the late-1980s and 1990s. The Netherlands had already been going through political changes for a few decades: depillarisation had caused the slow demise of religious voting blocs (Lijphart 1968). Also, economic growth and the emancipation of working classes resulted in an expansion of the middle class. In Amsterdam, a fading of the demographical and political importance of traditional working classes became apparent after the municipality failed to retain shipping wharfs and industry with subsidies. In addition to deindustrialization, skilled workers continued to suburbanize to single-family housing in suburban developments. Simultaneously, growth in higher education and the emerging service economy caused an influx of young, relatively poor, but increasingly higher educated households. This influx had already started with the babyboomer generation, but continued through the decades. These young residents fuelled the city's subsequent youth movements, from PROVO to the Squatter movement of the 1980s (Mamadouh 1992). The progressive and left-leaning youth movements had been a radical influence but a lot of higher educated newcomers began to mature, both in age and in means of politics, as the 1990s were coming around. They climbed the party ranks of the dominant PvdA, but also aligned themselves with new political parties such as the social liberals (D66) and progressive and green parties (merging into Groenlinks in 1986).

In addition to a growing middle class, the city's population saw a larger growth from the immigrant workers and their families, many from Turkey and Morocco and the former Dutch colonies. Electorally, these new Amsterdammers and their children would be drawn to PvdA (Tillie, 1998; Van Heelsum et al, 2016). For the social democrats, the immigrant vote would compensate for the disappearing native working class base.

With the population change, the dominant PvdA increasingly became a centrist party seeking to service the new middle classes and immigrant communities. As a result, the party effectively shifted its focus from class antagonism to integration politics (see Uitermark 2005).[6]

New demand, new policy

The city's class transformations, - more higher educated households and gradually also more higher income households – began to resonate in politics and policy. After winning the 1990 election, the social democratic party formed a coalition with the conservative liberals, social liberals and the green party. Governing with the conservative liberals was particularly ground-breaking. While the mixed structure of the city's economy had ensured also that bourgeois elements were represented both in the population and in representative bodies, the conservative liberals were mostly side-lined in local government for decades. Their inclusion marked a gradual shift towards a more liberal Amsterdam, culminating in the 2014 elections.

In line with national ownership housing policies (Aalbers 2004), the governing coalition started to highlight the need for more owner occupied housing to meet existing demand of expanding middle class. This new direction constituted a radical break with the previous decade, which focused on social housing. The liberal parties had been advocating this shift, but it required the consent of the leading social democrats. It led to quite heated debates within the PvdA, yet a new generation of local politicians, led by Louis Genet, Schaeffer's successor, successfully argued for housing market transformation. Within the planning department, a project team 'market' was set up to plan for private developments to accommodate the city's middle class households who were less able to access social housing.[7] While initially the municipality referred to existing population, its focus quickly shifted to accommodating demand from outside the city as well. Consequently, large new areas such as New Sloten and later the Eastern Docklands saw the construction of more private housing than during the renewal of the 1980s (Kahn and Van der Plas 1999).

Meanwhile, the regeneration of older neighbourhoods, did continue under the auspices of the housing department, but would take on a new form. National housing policies had curtailed subsidies and changed the *modus operandi* of housing associations: they were required to operate as market-oriented social landlords (Van Gent 2013). More importantly, urban concentrations of marginal groups had become increasingly problematic for local state apparatuses, who were struggling with managing the areas and their populations. For the city centre, this meant policing public space and the displacement of unwanted groups (homeless and drug users, see Smith 1996).

---

[6] This change was also happening nationally and internationally, known as a Third Way politics.
[7] The group also had representatives from departments of housing and land use.

Public fear of ghettos and segregation led to integration policies which sought to alter the social composition of poor neighbourhoods ('social mixing', see Uitermark 2014). To achieve this, area-based interventions would demolish or sell social housing units and add owner occupied housing to attract or retain middle class. These regeneration efforts would help non-native middle class to buy housing in the postwar periphery, and would facilitate the expansion of gentrification into the nineteenth century neighbourhoods, adjacent to the historic centre.

While gentrification gathered pace in the nineties and early years of the new millennium, the PvdA had become a party that openly supported and encouraged homeownership, individual emancipation and embraced the privatization of the electricity and public transport companies. Ideologically, the social democratic party had thus become much closer to liberal parties.

Remaking Amsterdam

The rise of liberal parties and the more middle class orientated politics of social democrats are interlocked in a feedback loop with processes of urban transformation, which are closely related to the changing structure of the housing market. The changing housing structure is largely the result of changing policies at the national and local level (see above). Initially, the policies that emphasized private housing in new developments were a response to changing demand related to the maturing babyboomer generation. Yet, with rising housing demand in the early 1990s as well as the integration policies that focus on social mixing, the governing coalitions became more determined to aim for a more structural social change. In 1998, the planning department, under PvdA control, released the 'Undivided Amsterdam' memorandum, which sought to meet demand while also maintaining a level of social mix throughout the city. While the title and wording suggest social equity, this memorandum aimed to double the share of owner-occupied housing in 12 years, from 13% to 26% in 2010. To accomplish this, each new project would be dominated by private tenure with a 30% minimum of social housing. Renewal projects in deprived would continue to rely on tenure restructuring. Additionally, a year earlier, the municipality and housing associations signed the first of several agreements to convert social rental units into owner occupied dwellings. While sales were slow at first, they picked up after the dotcom crisis in 2002 (Hochstenbach 2017). Strong economic growth, new development and housing market changes facilitated a demographic shift. While the previous decades saw years of growth as well, Amsterdam saw a consistent growth the years from 2005 to today. More people moved in from the rest of the Netherlands and abroad for study or work, while suburbanization rates slowed down and more middle class families chose to remain in the city (Boterman et al. 2010).

The growth in population and economy sparked confidence in the municipality. Planning documents were marked by economic boosterism and stated the need to compete internationally (Peck 2012). To achieve further economic growth, these documents underlined the need to restructure the housing market. As homeownership already stood at 24% in 2005, the municipality raised its targets to 30% by 2010.

These policies were the outcome of several coalitions with liberal parties, led by PvdA. Interestingly, the 2007 housing memorandum was published by under a PvdA-GroenLinks coalition. While the leftist Green party heavily protested homeownership policies in 1994, it no longer was an issue in 2006. Rather, its leader and alderman for spatial planning, Van Poelgeest, reiterated a familiar discourse of gentrification; celebrating the city as a diverse emancipation machine, where young people should be able to develop their talents and make progress. The 2007 housing memorandum, drawn up by the housing department to match spatial planning goals, would literally cite gentrification as a strength, and frame it as a policy goal (Gemeente Amsterdam 2008: 33). While before, the dominant political discourse stressed that Amsterdam had too much social housing for its changing population, this memorandum envisioned 45% owner occupation by 2020, effectively working towards decreasing the absolute number of low income households in the city (Van Gent 2013). The memorandum would prove to be the highpoint of gentrification as policy goal; the crisis would transform it into an imperative.

Post-crisis restructuring

The 2008 crisis hits Amsterdam hard as financial turmoil threatened the immediate solvability of municipality and housing associations. On the longer term, the crisis would transform the municipal apparatus and introduce a financial straightjacket to urban development and produce a step away from the old state-led developmental model (Savini et al. 2016). Before the crisis, the municipality financed urban renewal and development as well as the construction of new social housing through a revolving fund (*Vereveningsfonds*) and the Investment Fund Social Housing. Owning most of the land, the municipality's revolving fund creates revenue from leasing land to developers and users. The fund acts as a mechanism through which profits in private development projects could be offset against projects with negative return). The fund, managed by the land and development department (OGA), traditionally operated with long term financial planning, yet the crisis threatened its immediate solvability. In order to alleviate the most immediate problems development and renewal projects with only long term and insecure gains were promptly cancelled. The building stop meant a sharp drop in new construction, from 6,500 units in 2006 to 2,000 units in 2011. Another financial solution was sought in charging housing associations market-rate prices

for land leases. This was averted, but instead housing associations had to contribute more to the revolving fund per sold dwelling. Also, the investment fund for public housing was abolished and merged into the revolving fund. As most housing associations were struggling to remain solvent themselves, this meant more sales. To make this happen, *Bouwen aan de Stad II* memorandum (2010) allowed for more conversions in total, but also for more sales in already gentrified central areas, which had been protected before. Also, the 30%-rule for social housing in new developments was abandoned, yet was reinstated in 2014.

More significant though, are the changes in how the local state managed urban development. An OGA letter to the municipal council summarized it as follows:

> "Compared to the period before 2009, we shifted focus from initiating large-scale urban development to transformation projects <of existing real estate>, the completion of existing plans and the allocation of already-prepared building plots for which gains are higher than costs" (Gemeente Amsterdam, 2014).

As suggested by an accountancy report on the performance of the revolving fund, OGA was given control over all development projects in 2011. From then on, risk management would trump any long-term planning (see Savini 2017). A newly-found team (*Team GO!)* led by OGA would dictate urban development assessing new developments on a case-by-case basis, only developing and issuing plots of land of which profits were guaranteed. This piecemeal planning that was in practice between 2011 and 2014 would undermine long-term planning and reducing opportunities for social developments. The crisis and a new financial regime affected state materiality and thereby the mode of urban development. Power clearly shifted to the Land and Development department and as one of its senior officials eloquently remarked: "one of the key lessons the crisis taught us is that we now have a flexible development strategy that allows us to follow market trends. This means that when it's not going well, we simply don't develop" (interview senior official OGA, 2016).

From 2013, Amsterdam's housing market was booming once again, topping pre-crisis prices in 2015. The cancelation of projects immediately after the crisis has arguably contributed to a housing shortage in Amsterdam. Low interest rates, short-term rental ('AirBnB'), buy-to-let housing and speculation have also put further pressure on the housing market. The 2014 liberal coalition has seized this opportunity to expand Amsterdam. The 2016 *Koers 2025* memorandum seeks to develop 50,000 dwellings within the municipality. For a large part, these will be constructed on former industrial land and in post-war housing estates, along the gentrification frontier at Amsterdam's pre-war ring and along the IJ riverbanks (termed 'Ringzone' in policy). These

developments will feature new social housing but the goal is to keep the amount of social units stable, meaning more the continuation of sales elsewhere and a relative decline. Conversely, new projects are characterised by expensive private tenure housing in tower blocks with luxury penthouses for the superrich on top.

While the boom may restore some coherence to municipal planning, the financial logic of OGA remains dominant in spatial planning and housing policy. Long-term anti-cyclical planning, speculating on growth, has been severely curtailed and social housing development remains problematic from a financial point of view. The department of housing, once a bastion of social-democratic renewal politics, has now largely been made subservient to land, development and planning departments, whose senior staff members have publicly expressed their resentment against social equity in urban planning.

Table 1. Summary of Amsterdam's transformation

Period	Social change	Dominant party	Dominant state apparatus	Hegemonic project in spatial and housing policy	Gentrification frontier
1982-1989	Working class decline due to deindustrialisation and suburbanisation. Young higher educated population increases.	PvdA together with progressive and radical left-wing parties	Housing department	Housing development to meet demand of low income and small households. Social reproduction.	The 17th century historic centre
1990-2001	More higher educated residents remain in city, migrant communities gain in electoral importance	PvdA together with social and conservative liberals, on occasion augmented by Green Party	Housing department (renewal) and planning department (new development)	Integration policies and meeting a growing demand from middle classes within the city	19th century ring south of IJ river
2002-2009	More dual-earners, domestic and international housing demand increases.	PvdA with Conservative Liberals and Christian Democrats. later with Green party	Planning department	Urban boosterism and attracting middle class	Early-20th century neighbourhoods south of the IJ river
From 2010	High middle class demand augmented by demand for buy-to-let (short- and long-term)	PvdA with Green party and conservative liberals	Land and development department	Financial austerity and logic of capital accumulation in municipal development.	The northern banks of the IJ river and high-density postwar neighbourhoods near the ring road.
		From 2014: Social and Conservative liberals with Socialist Party		Meeting housing demand by developing the 'Ringzone' with a particular focus on middle income groups as well as superrich.	

6.   A liberal middle-class city

The shift from canal-view social housing to infinity-pool urbanism has been the direct outcome of intertwining dynamics of class, state and political change. Table 1 summarises Amsterdam's transformation in four periods, each starting in times of economic crisis. As the gentrification frontier advanced and working class voting blocs diminished, new electoral politics took hold, which permitted a new middle class hegemony to institute policy changes to further push gentrification. Our account has primarily emphasised how party politics shifted along class lines, leading to shifts in the institutional materiality of the state. An important mechanism is ultimately related to changes in social base and political representation. Here, spatial dynamics join the class-state dynamic.

The spatially-specific social and political changes are illustrated by Figure 1, which shows the average income and electoral changes in four decades. New developments brought more owners to new built areas in the former docklands, on new islands and in the new-built periphery. The conversion of social housing in the central areas introduced a population which is generally younger, more affluent and more often native Dutch (Boterman and Van Gent, 2014). Whereas most districts were decidedly poor and working class in the 1980s, the average income of the centrally-located districts had become above national average in 2013. During this period, the post-war periphery – where much of the future development will take place - has seen a relative decline. As gentrifying owners are more likely to vote liberal (Ley 1994; Ansell 2014), gentrification may change the social base and cause political displacement (Martin 2007, Hyra 2015). This is reflected in the rising support for liberal parties in central districts and in newly developed neighbourhoods at the periphery. So, as gentrification progresses from the city centre outwards, so did support for liberal policies, increasingly making Amsterdam a middle class city.[8]

In their analysis of New York, Hackworth and Smith seem attuned to the transformative interplay between State and physical space: they highlight that the shift from second- to third-wave meant a change in State power, at multiple levels. The legacy of neighbourhood resistance and the New Deal institutions had to be neutralized or converted in order to have the State effectively accommodate urban development. Yet, while the second wave period is defined by a fragmented State with various class interests being represented by elements of the State (notably HUD), we

---

[8] This change is not wholesale but decisive. While the alderman of housing department in the 2014-2018 coalition is a socialist, his influence on urban development is curtailed by the land and development and planning departments, which are under the control of a conservative liberal alderman, who reportedly does not want to go down in history as the Jan Schaeffer of his time, but rather fancies himself a present-day Samuel Sarphati, an Amsterdam proponent of 19th century bourgeois urban development (Van den Boomen 2017).

get less sense of institutional arrangements in the third wave era. More generally, they assert that the local state is inscribed by politico-ideological relations associated with the constitution and reproduction of the dominant mode of production: real estate investment in the era of financial capitalism (see Kaika and Ruggiero 2013, Aalbers,fc).

The four periods in Table 1 seem to neatly fit the waves of transformation in New York (see also Wyly,fc). It would, however, be a mistake to conflate these and other cases into one model. Our case has some traits, typical for Western European cities. These include the demise of social democracy after the Third Way, national housing policies promoting ownership, fading welfare state arrangements that still manage to assuage social inequalities, extant tenant protection, and the impact of immigration from the 1970s onwards. We should particularly note the importance of urban policies in Western Europe. In contrast to the US, the governance of urban marginality has typically resulted in integrative, rather than segregationist, spatial policies (Uitermark 2014). Also in Amsterdam, politics and policy continue to stress that polarisation and segregation are unacceptable. Indeed, while spatial restructuring is taking place, Amsterdam municipality has also been adamant in its anti-poverty policies and its egalitarian education funding, and new social housing is still being developed. Anti-segregationist sentiments seem to become increasingly stronger among the populace as well. In recent years, as housing affordability is threatening the middle classes, political parties are advocating new housing regulation. This is no social revolution, however. New policies are suggested to protect and cater to middle income groups, who struggle to find housing. Hence, the housing department's new 'social' policies focus on providing rental housing with regulated rents for 'middle income' groups[9]. Meanwhile, for the poorest residents, the share of social housing and its affordability remain in decline. The contrast between social policies and catering to capital investment reveal paradoxes in Amsterdam's politics and policy, which imply multiple struggles in State structure.

---

[9] About €750-€1200 p/m.

Figure 1. Amsterdam's social and political transformation in four periods.
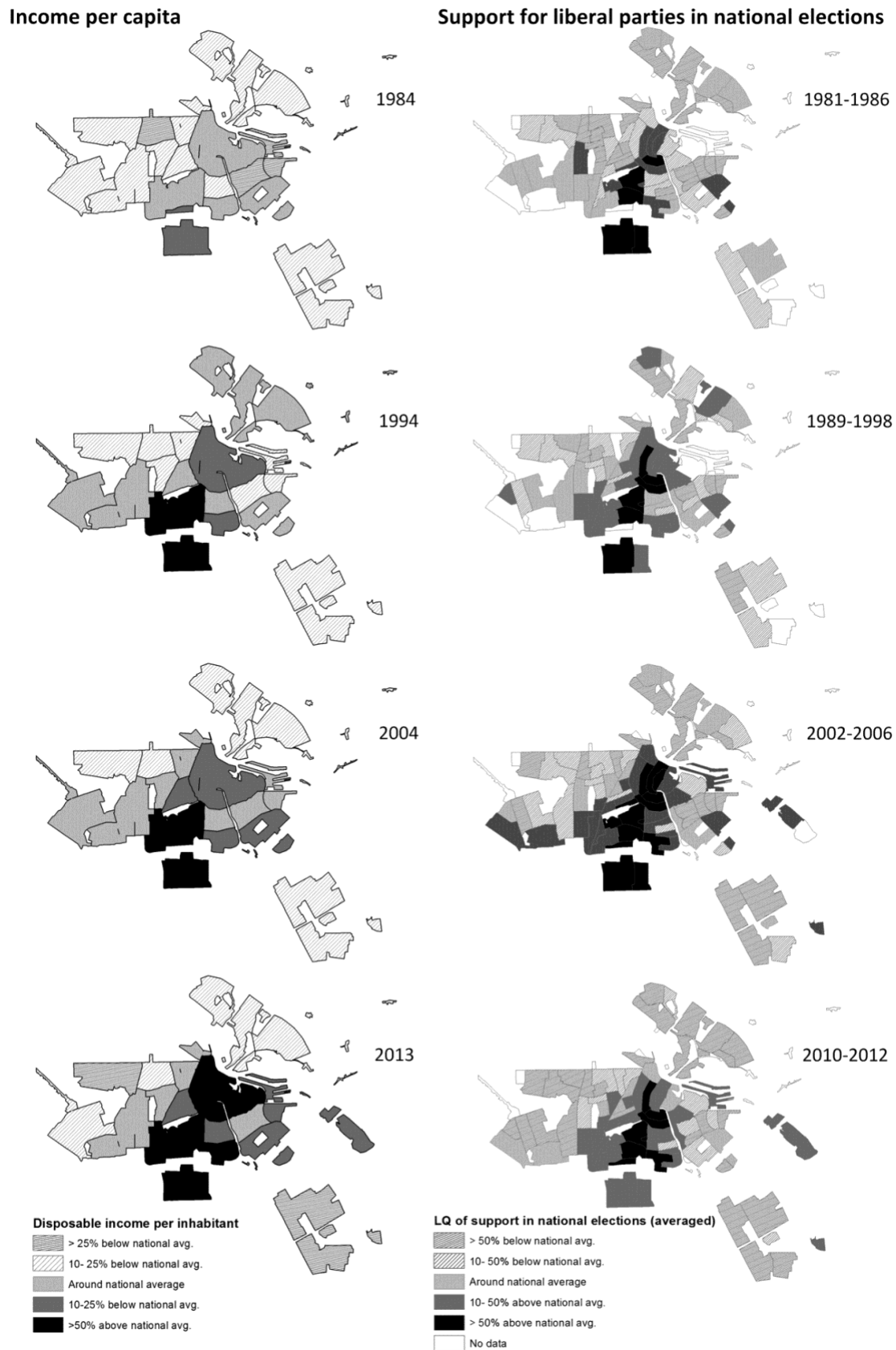
Source: Authors' adaptation of public data from Research, Information and Statistics Amsterdam. Support for liberal parties is based on % votes for VVD and D66 in elections of 1981, 1982, 1986, 1989, 1994, 1998, 2002, 2003, 2006, 2010 and 2012.

7.   Conclusion

In abstract terms, the process of urban gentrification is the spatial expression of class differences and therefore deeply political (Smith 1996). Hackworth and Smith (2001) were influential in analysing the role of the state in that process. Their efforts and that of many others have made the case that we should theorise state-led gentrification as a dynamic trialectic of state, class and (urban) space. There are multiple ways to engage with this triad. Arguably the most common way is to implicate the state in relation to a logic of capital and treat spatial class change as an outcome of nebulous policy processes. However, we contend that there are multiple ways to analyse state-led gentrification by refocusing the trialectic. Our approach sought to frontload class in the production of space within the political economic framework.

Building on Hackworth and Smith's original thesis, our starting point was that class relations should not vanish in the conceptualization of state-led gentrification. Class struggles traverse the state's materiality and representation politics. The point of our case is not that our lens is superior, but that it revealed different social dynamics, allowing us to analyse class politics within the institutional and political framework. Our line of approach may contribute to political studies on the interaction between representative politics and institutional materiality of the State (e.g. Mollenkopf 1994; Ghertner 2011, Hyra 2015). Our findings also raise questions on how class positions of politicians, civil servants and policy makers. Bourdieu argues that 'functionaries "fulfill their functions "with all the characteristics, desirable or undesirable, of their habitus' (Bourdieu 2005, 131). So, within state frameworks, policy analyses may study how class dispositions and interests may impinge upon strategies (e.g. Van den Berg 2017, Van Gent el al. 2018).

These implications point to the importance of state theory in gentrification scholarship. When implicating the state, conceptualizations should transcend notions of an autonomous rationalizing entity and avoid reducing it to an appendage of capital (cf. Poulantzas 1978, Jessop 1990). In a word, regardless of theoretical foundations, understanding the state is a key challenge to analyse urban transformation.

References

Aalbers, M.B. (2004). Promoting home ownership in a social-rented city: policies, practices and pitfalls. *Housing studies*, *19*(3),483-495.

Aalbers (fc), introduction commentary section on Hackworth and Smith's 'the changing state of gentrification', *Tijdschrift voor Economische en Sociale Geografie.*

Ansell, B. (2014). The political economy of ownership: Housing markets and the welfare state. *American Political Science Review*, *108*(02),383-402.

Boterman, W.R., Karsten, L., & Musterd, S. (2010). Gentrifiers settling down? Patterns and trends of residential location of middle-class families in Amsterdam. *Housing Studies*, *25*(5) 693-714.

Boterman, W.R., & Gent, W.P.C. (2014). Housing liberalisation and gentrification: The social effects of tenure conversions in Amsterdam. *Tijdschrift voor Economische en Sociale Geografie*, *105*(2),140-160.

Bourdieu, B. (2005) *The Social Structures of the Economy* Cambridge: Polity.

Cox, K.R. (1993). The local and the global in the new urban politics: a critical view. *Environment and Planning D: Society and Space*, *11*(4),433-448.

Davidson, M. (2007). Gentrification as global habitat: a process of class formation or corporate creation?. *Transactions of the Institute of British Geographers*, *32*(4),490-506.

Davidson, M., & Lees, L. (2005). New-build 'gentrification'and London's riverside renaissance. *Environment and planning A*, *37*(7),1165-1190.

De Liagre Böhl, H. (2010). Amsterdam op de helling: De strijd om stadsvernieuwing. Amsterdam: Boom.

Dikeç, M., & Swyngedouw, E. (2017). Theorizing the politicizing city. *International Journal of Urban and Regional Research*, 41(1), 1-18.

Doucet, B. (2014) A Process of Change and a Changing Process. *Tijdschrift voor economische en sociale geografie*, 105(2),125-139.

Hackworth, J., & Smith, N. (2001). The changing state of gentrification. *Tijdschrift voor economische en sociale geografie*, *92*(4),464-477.

Gemeente Amsterdam (2008) *Wonen in Een Metropool, Woonvisie Amsterdam tot 2020*. Amsterdam: Dienst Wonen.

Gemeente Amsterdam (2014) *Grondprijsbrief 2015*. Amsterdam: Ontwikkelingsbedrijf, Gemeente Amsterdam.

Ghertner, D.A. (2011). Gentrifying the state, gentrifying participation: Elite governance programs in Delhi. *International Journal of Urban and Regional Research*, *35*(3),504-532.

Hall, S. (1980). Nicos Poulantzas: state, power, socialism. *New Left Review, 119*,60-69.

Hall, T., & Hubbard, P. (1996). The entrepreneurial city: new urban politics, new urban geographies?. *Progress in human geography*, *20*(2),153-174.

He, S. (2007). State-sponsored gentrification under market transition the case of Shanghai. *Urban Affairs Review*, *43*(2),171-198.

Hochstenbach C (2017) *Inequality in the gentrifying European city. PhD thesis.* Amsterdam: Universiteit van Amsterdam.

Hyra, D. (2015). The back-to-the-city movement: Neighbourhood redevelopment and processes of political and cultural displacement. *Urban Studies*, *52*(10), 1753-1773.

Jessop, B (1990)*State Theory* Cambridge*:* Polity.

Kadi, J., & Ronald, R. (2014). Market-based housing reforms and the 'right to the city': the variegated experiences of New York, Amsterdam and Tokyo. *International Journal of Housing Policy*, *14*(3), 268-292.

Kahn D.,G. van der Plas (1999) Amsterdam. *Cities*, 16(5),371–381

Kaika, M.,& Ruggiero, L. (2016) Land financialization as a 'lived'process: The transformation of Milan's Bicocca by Pirelli. *European Urban and Regional Studies*, 23(1),3-22.

Laclau, E. (1975). The specificity of the political: the Poulantzas-Miliband debate. *Economy and Society*, *4*(1),87-110.

Loopmans, M.(2008). Relevance, gentrification and the development of a new hegemony on urban policies in Antwerp, Belgium. *Urban Studies*, 45(12),2499-2519.

Lees, L., HB Shin, E. Lopez-Morales (2016) *Planetary Gentrification*, Cambridge: Polity.

Ley, D. (1994). Gentrification and the politics of the new middle class. *Environment and Planning D: Society and Space*, *12*(1), 53-74.

Lijphart, A. (1968). *The Politics of Accommodation*. Berkeley: University of California.

MacLeod, G., M. Jones (2011). Renewing Urban Politics *Urban Studies*, *48*(12),2443–2472

Mamadouh, V (1992) "Three social movements in Amsterdam: Young households in the political arena between 1965 and 1985" In H van der Wusten, ed., *The Urban Political Arena*, Utrecht: KNAG, 105-127.

Martin, L. (2007). Fighting for control: political displacement in Atlanta's gentrifying neighborhoods. *Urban Affairs Review*, *42*(5),603-628.

McCann, E., & Ward, K. (2010). Relationality/territoriality: Toward a conceptualization of cities in the world. *Geoforum*, *41*(2),175-184.

Mollenkopf, J. H. (1994). A Phoenix in the Ashes: the rise and fall of the Koch coalition in New York city politics. Princeton University.

Peck, J. (2012). Recreative city: Amsterdam, vehicular ideas and the adaptive spaces of creativity policy. *International Journal of Urban and Regional Research*, 36(3),462-485.

Pierre, J. (2014). Can urban regimes travel in time and space? Urban regime theory, urban governance theory, and comparative urban politics. *Urban Affairs Review*, *50*(6),864-889.

Poulantzas, N. (1978 [2014]) *State, Power, Socialism*. London: Verso.

Savini, F. (2017). Planning, uncertainty and risk: The neoliberal logics of Amsterdam urbanism. *Environment and Planning A*, 49(4):857-875

Savini, F., Boterman, W. R., van Gent, W. P., & Majoor, S. (2016). Amsterdam in the 21st century: Geography, housing, spatial development and politics. *Cities*, 52, 103-113.

Smith N (1996) The New Urban Frontier: Gentrification and the Revanchist City London: Routledge.

Terhorst, P. and J. van de Ven (2003) The economic restructuring of the historic city center. In S. Musterd and W. Salet, W.(eds.), *Amsterdam Human Capital*. Amsterdam University Press, Amsterdam.

Tillie, J. (1998). Explaining migrant voting behaviour in the Netherlands. *Revue européenne des migrations internationales*, *14*(2),71-95.

Van den Berg, M. (2016) The discursive uses of Jane Jacobs for the genderfying city: Understanding the productions of space for post-Fordist gender notions. *Urban Studies*, online, doi: 0042098016680519.

Van den Boomen, T (2017) Een blokkenstad met torens. *ArchiNed*. Available at https://www.archined.nl/2017/04/sluisbuurt-amsterdam (accessed 4 April 2017).

Van Heelsum, A., L. Michon, L.,& J. Tillie (2016) 'Local Political participation of immigrants in the Netherlands: A Look at Amsterdam and Rotterdam', in: Antoine Bilodeau, *Just Ordinary Citizens? Toward a Comparative Portrait of the Political Immigrant*, Toronto: University of Toronto Press: 29-45.

Van Gent, W.P.C. (2013). Neoliberalization, housing institutions and variegated gentrification: how the 'third wave' broke in Amsterdam. *International Journal of Urban and Regional Research*, *37*(2),503-522.

Van Gent, W., W. Boterman, M. Hoekstra (2018, fc) "State-sponsored gentrification or social regeneration? Symbolic politics and neighborhood intervention in an Amsterdam working class neighborhood." in: K.B. Anacker, M. T. Nguyen, D.P. Varady (eds.) *The Routledge Handbook of Housing Policy and Planning*. London: Routledge.

Visser, G., & Kotze, N. (2008). The state and new-build gentrification in central Cape Town, South Africa. *Urban Studies*, *45*(12),2565-2593.

Uitermark, J. (2005). The genesis and evolution of urban policy: a confrontation of regulationist and governmentality approaches. *Political Geography*, *24*(2),137-163.

Uitermark, J. (2009). An in memoriam for the just city of Amsterdam. *City*, *13*(2-3),347-361.

Uitermark, J. (2014). Integration and control: The governing of urban marginality in Western Europe. *International Journal of Urban and Regional Research*, *38*(4),1418-1436.

Ward, K. (1996). Rereading urban regime theory: a sympathetic critique. *Geoforum*, *27*(4),427-438.

Wyly, E. (fc) Contribution to commentary Hackworth and Smith's 'The changing state of gentrification'. *Tijdschrift voor Economische en Sociale Geografie*