Legitimacy Dilemmas in Direct Government Intervention: The Case of Public Land Development, an Example from the Netherlands

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Abstract: The current paper examines the legitimacy dilemmas that rise from local governments’ direct policy instruments and market interventions. It takes the case of public land management strategies. The paper argues that current societal challenges—such as energy transition, climate change and inclusive urban innovation—require planning practices to be more effective. Direct government instruments such as direct market interventions have proven to significantly reduce the implementation gap of planning practice. Looking at significant urban challenges, municipalities worldwide could be urged to apply such direct government instruments on a larger scale in the future. However, although direct government intervention in markets can be very effective, it is also controversial in terms of legitimacy. It explicitly and inevitably introduces financial incentives to the organization of government. Balancing these incentives against spatial planning interests unavoidably causes dilemmas. Based on eight Dutch case studies, this paper develops a framework to systematically spell out the legitimacy dilemmas that stem from public market intervention. It facilitates an explicit discussion on varying instrumental rationalities and improving the legitimacy of public action.

Keywords: urban planning; effectiveness; public land development; dilemmas in planning practice; urban transformation; land market

1. Introduction

Cities worldwide face pressing societal issues, such as decarbonization, digitization, inclusive urban development and climate robust design [1,2]. This parallels the growing trend of decentralization and the increasing importance of ‘the city’ as the primary level of scale. Together these challenges defy the prevailing powers and division of roles and responsibilities between public and private sectors [3]. This is particularly the case in urban energy transition processes. Decisions to privatize energy, grid, and utility companies in past decades have increasingly come under scrutiny. It is doubtful whether “competition” as a primary coordination mechanism will result in the required coordinated transition investments. This changing balance leads to continuous debate and reconsideration of public interests and the set of public norms which underly the current public-private order.

The increasing importance of cities strongly appeals to the international planning community. Ongoing societal challenges again underline the importance of the well-coordinated distribution of spatial functions and robust, integrated and societal based planning content, substantiated by effective implementation instruments in order to avoid policy implementation gaps [4]. It is exactly this combination of a well-established planning process and the quest for effective implementation...
that has proved to be complicated in the past [5,6]. The widespread ideas of neo-liberal government and New Public Management have pushed authors in the planning community to critically comment on the tensions that arise between economic-political influences and normative planning theories reflecting inclusive, integrated and collaborative planning ambitions [7,8]. Amongst others, they point at pressing legitimacy dilemmas of government intervention [7,9].

In their search for policy implementation instruments, municipalities may find direct government instruments increasingly tempting, due to their proven effectiveness [10]. However, these forms of direct government intervention should be carefully legitimized [11], for at least two reasons. Firstly, direct government instruments and market interventions do have a significant impact on individual property rights and freedom. “[It] has special salience in a democracy because of the fears that often exist about unbridled governmental power and the potential it creates for infringement of citizen rights. Indeed, the real concern about direct government is not its ineffectiveness, but its potential overzealousness, its propensity to take tasks to excess” [11] (p. 72). Secondly, such strong policy instruments tend to create their own instrumental rationalities [12]. Consider, for instance, the lively debate within the energy domain on the market structure of heat provision in cities [13]. Some cities have their own public heat company. Cities probably chose this particular governance arrangement to provide their citizens with sustainable energy. However, for instance, due to long term contracts with heat providers (incineration plants) and large investments in infrastructure and expertise, cities become less flexible in choosing alternative energy infrastructures and governance models. For example, embarking upon innovation and transition projects that reduce energy demand, may negatively impact their long-term contracts and the business case of public heat companies. So, direct policy instruments can create significant side effects. Although they might be effective in terms of implementing public policy—normative planning ambitions to answer societal challenges and urban transitions—they will most likely increase the tension that may exist between financial-economic rationalities and public goals.

This tension also shows that local government does not act as a single entity. Different municipal departments (for instance planning versus finance) have their own (sometimes conflicting) ambitions, rationalities and incentives. Due to the application of direct government instruments with their own instrumental rationalities and dedicated departments, tensions will become much more prominent as municipalities have to deal with them “in-house” as they arise between different teams and departments. This requires careful discussion and decision making so as to not negatively impact democratic legitimacy. “There can be contradictions and not just complementarities within, as much as between, approaches to legitimation” [14] (p. 3).

Legitimacy dilemmas cannot be avoided. However, the extent to which the application of effective private law (land) market interventions can be part of the planning toolbox for urban transitions, depends on the way in which municipalities deal with these tensions. Inherent tensions should not be a reason to not adopt effective planning implementation instruments as, for instance, proposed by Lefcoe [15]. We would rather go with Mäntysalo et al. [7] and Plöger [16] in stating that these tensions should be presented as dilemmas to be better understood and discussed in organizational “places” that take care of disagreement and different values. Such a standpoint resonates with ongoing debates on different forms of democratic legitimacy such as those brought forward by Hartmann and Spit [5], Kang and Korthals Altes [17], and lately in more profound terms by Salet [9].

The complexity and significance of the potential interplay between policy instruments and policy aims is often overlooked. It is essential to collaboratively develop a systematized way to better understand this interplay and thence discuss the (sometimes hidden) conflicting values [12,18,19]. This paper puts central the following question: what are the key considerations to recognize and ultimately reduce those legitimacy dilemmas that arise from the application and optimization of direct government policy instruments? The paper develops an analytical framework that characterizes and interprets the dilemmas that arise in balancing conflicting values as a consequence of applying direct government instruments. It considers the case of the planning implementation instrument of public
land development. The strategy of public land development has long been one of the most defining, direct and effective elements of the Dutch and also some Nordic countries’ planning systems [20]. However, its application bears the potential risk that planning considerations and economic incentives will effectively militate against each other [15,21].

Although the empirical analysis in this paper focuses on the Dutch situation, its relevance to international audiences is threefold. Firstly, the Dutch case provides valuable insights as to how to deal with the inherent tensions of conflicting values in planning practice, strengthened by decades of experience and profound discussions on the reorientation of the Dutch system [22,23]. There are several countries and cities that have also considered using public land development strategies [10,24] based on the analysis of this paper these countries could make more substantiated decisions on how to apply such strategies. Secondly, the interaction between financial incentives and planning values is not limited to the Dutch land use planning system and direct government instruments. As noted earlier in this introduction, for instance, the UK system of planning obligations has also the objective to balance financial-economic rationalities [25]. Thirdly, the added value of the generic insights that this paper offers for dealing with societal challenges in the urban context is reflected upon in the conclusion.

The paper is structured as follows. The next section presents a theoretical reflection of relevant planning and policy theory literature, and as a result discusses various legitimacy dilemmas. The theoretical section is followed by an elaboration of the methodological choices which underly the case study analysis. Section 4 presents the empirical insights gained from eight Dutch case studies in which cities’ public land development bureaus have been analyzed as to the dilemmas that they face and the ways in which they deal with them. Finally, the concluding section discusses the theoretical and practical implications of the empirical findings and suggests avenues for future research.

2. A Theoretical Framework

2.1. A Framework to Structure Legitimacy Dilemmas

All forms of government action and state intervention to structure social order need to be carefully legitimized. Some authors regard legitimacy as just one criterium to assess public action against (together with, for instance, effectiveness, fairness, transparency, manageability) [5,26], others regard legitimacy as the primary criterium by which to assess the merits of public policy and action, the master criterion encompassing many other sub criteria such as effectiveness and accountability [14,27,28].

The concept of legitimacy has a long history and has been applied and elaborated upon in a wide range of disciplines including public policy, politics, organizational studies and management [29]. In general, legitimacy can be seen as the congruence of an organization, entity or behavior with social laws, norms and values. More precisely, based on the work of Suchman [30] it is defined as “the perceived appropriateness of an organization to a social system in terms of rules, values, norms, and definitions” [29] (p. 9) or, in the words of Meyer and Scott [31] (p. 201): “a completely legitimate organization would be one about which no question could be raised. [...] Perfect legitimation is perfect theory, complete (i.e., without uncertainty) and confronted by no alternatives”.

Many authors have developed useful operationalizations of the concept of legitimacy. A basic understanding stems from March and Olsen’s [32] distinction between the “logic of appropriateness and the “logic of consequentiality”. “Decisions [made in governance] should be evaluated in terms of their normative content as well as their costs and benefits” [33] (p. 41). Related to this is Scharpf’s classification of input-based and output-based legitimacy [34]. If the appropriateness or quality of an organization or particular social or political order is assessed through analyzing its procedural characteristics (inclusive representation, open to public scrutiny, transparency, accountability) it is legitimized via “input” or the logic of appropriateness. On the other hand, if it is assessed on its problem-solving capacity, effectiveness and efficiency, it is legitimized based on “output” or the “logic of consequentiality” [35,36]. This resonates with the general distinction that is made in policy, and planning, evaluation literature between positivist, or utilitarian, approaches and more
post-positivist, deontic, normative and ethical analyses that focus on processes and underlying values: policy evaluation as policy learning [33,37,38].

Schmidt [14] was among the first scholars to bring up a third category of legitimation, namely throughput legitimacy, with a particular focus on what is called “the black box of governance” [14] (p. 4). Throughput legitimacy includes the quality of internal considerations and the interactions that occur among engaged actors. In general, terms such as, efficacy, accountability, transparency, inclusiveness, and openness to interest mediation are constituted throughput legitimacy. Although several authors have come up with even more dimensions to legitimate action, the divisions between input, throughput and output legitimacy seem to be very robust. Baldwin, Cave and Lodge, for instance, distinguish between (i) the existence of a legislative authority or mandate for action; (ii) the existence and appropriateness of schemes of accountability; (iii) the fairness, accessibility and openness of procedures (due process); (iv) the degree of expertise of regulators; and (v) the efficiency of the action or regime [27]. Here, number (i) clearly parallels input and appropriateness considerations, whereas numbers (ii), (iii) and (iv) further operationalize the “black box” of throughput variables, whilst v equals output. Deephouse et al. [29] use four key dimensions: regulatory legitimacy (appliance and conformity with formal rules and standards), pragmatic legitimacy (show adequate performance), moral legitimacy (show fit with social values), and cultural-cognitive legitimacy (conform to meaning of systems). Here, moral legitimacy refers to the input side, cultural-cognitive and regulatory legitimacy refers to the throughput of governance systems, and pragmatic legitimacy appeals to output considerations.

2.2. Legitimacy Dilemmas

Direct public involvement introduces legitimacy dilemmas. Firstly, direct policy instruments have their own rationality and own legitimacy considerations. In other words, their legitimacy can be argued in terms of input, throughput and output. What we will call here “first order dilemmas” result from inconsistencies within the legitimacy of direct government intervention itself; for instance, through competing input and output considerations. Secondly, dilemmas may arise if direct government legitimacy considerations (whether input, throughput or output) compete or intervene with legitimacy considerations from other (relevant) policy domains such as spatial planning. This is what we will call “second order dilemmas”.

2.2.1. First Order Legitimacy Dilemmas

Input in general deals with participation at the start of policy processes and decisions [14]. It relates to whether different “holders” of stakes, shares and interests have a say, whether represented in public bodies or through direct involvement and non-parliamentarian participation [36]. Input legitimacy stems from a well-elaborated decision to use the instrument, based on the (local) knowledge provided by partners that may have an interest. This also touches upon the question as to whether the same (public) service can be delivered by other (private) partners; in the case of public land development by private landowners and developers. Is public intervention really necessary?

Another relevant aspect is whether a well-elaborated discussion on the necessity of direct government intervention can, indeed, lead to changing decisions. In this respect, theoretical notions on tool choice and path dependency are interesting. Lascoumes and Le Gales [12] suggest instrumental rationalities may lead to path dependency in terms of layering [39]. Layering means that the use of specific policy instruments creates a situation in which it is very hard to choose other available instruments, even if their use would be more appropriate to the specific situation. In an earlier analysis of public land development, the authors concluded that the choice to use public land development is based on the fact that the municipality is not able to choose differently, based on instrumental rationalities [22].

Direct government intervention may also ensure its legitimacy through throughput aspects, such as clear governance rules on accountability, transparency, internal rules pertaining to mandates and discretion, and a well-equipped bureaucratic apparatus to get the job done [27]. Some authors point
to the importance of reflexive responsibility and institutional morality [28] to “thicken” throughput legitimacy. Salet [9] points out the importance of normative guidance through values embedded in institutions. Institutions, as explicit and tacit public norms and values, require continuous debate. Legitimate policy actions stem from thorough and explicit affirmation and reaffirmation of normative guidance which is, often, hidden in institutions. Throughput legitimacy of direct government intervention would benefit from continuous reflection on the instrument itself and its role (and the perceptions it causes) in the regulatory regime it comprises.

Output relates to the results of policies: public services that are actually delivered in an efficient and effective way. If we look at direct government interventions from an output-based perspective there are two main questions: (i) does the direct government intervention effectively and efficiently deliver the policy aims; (ii) is the potential rationality of the instrument effectively optimized? The significant focus of government on efficiency and effectiveness has risen since the wave of New Public Management reforms and the emergence of neo-liberal thoughts. This has also led to a vast amount of literature on policy evaluation and various approaches towards monitoring, evaluation and learning [38]. It should be noted that, despite the focus on effectiveness and efficiency, still significant parts of public action remain unevaluated. Moreover, it is too simple to suggest that if local authorities immediately acted like businesses or went even further, that civil servants would be able to function as entrepreneurs. Firstly, public choice scholars have increasingly pointed out that governments do not have sufficient information and personal incentive structures to effectively correct for market failures [40,41]. Secondly, the concept of “soft budget constraints” is often used to point out the behavioral and opportunistic consequences of dealing with money (and efficiency) in a “safe” government context. There are three behavioral consequences within organizations that face a context of softened budget constraints: (i) Attenuation of managerial efforts to maximize profits or to reduce costs; (ii) dulls the price responsiveness of organizations and thereby the effect of price signals, there is less need to attend to relative prices on the output and input sides if the difference between revenue and expenditure is no longer critical; (iii) augment of demand for inputs, serious shortages and overinvestment in risky ventures [42].

2.2.2. Second Order Legitimacy Dilemmas

The close link between planning and market processes has been predominantly analyzed in one direction: how does planning affect property markets [43]? There is less academic literature on the opposite causal relation: to what extent do property market processes affect planning [25]? Here the logical follow-up question is: to what extent do property market instruments, such as public land development strategies, affect planning outcomes? In other words: what is there to affect, and how can such impacts be legitimized (if at all)? This question on the intricate connection between planning and economics challenges the often-made dichotomous distinction between state and market; namely, to what extent is planning practice oriented towards the market, market processes and prices?

The primary question at the input of planning processes is; to what extent are the financial-economic consequences of plans and projects taken into account and seen as one of the relevant “interests”? Campbell and Henneberry [25] argue that many planners (in Britain) are uninterested in price data and the planning system does not take into account price or other economic indicators. They make the point that “the market orientation of the planning system” [25] (p. 38) has increasingly become the subject of analysis due to the inherent consequences of “the incorporation of a market-driven financial calculus into the set of principles underpinning planning” [25] (p. 54) for the professional ethos of planning scholarship. The significant focus on economic growth is part of the neo-liberal turn in societies [44] and is paralleled by the transformation of “planning bureaucracies of many countries in line with principles of competitiveness, market-orientation, and economic accountability” [8] (p. 65). Some authors suggest that cities would benefit from an improved consideration of economics during planning processes [45], in terms of optimizing (tax) revenues from the specific distribution of spatial functions. Others have researched existing land ownership structures as important input considerations for planning [46–48].
Input considerations closely relate to output legitimacy. Several planning authors [49,50] have argued that planning performance is more and more assessed against economic indicators, such as infrastructure provision, marketing, economic growth and so on.

This results in two throughput aspects: (1) the role and expertise of planners; (2) transparency and guidance on how to deal with dilemmas, conflicting values and disagreement. Neo-liberal thinking and New Public Management is characterized by aspects such as entrepreneurialism, depoliticization and agencification. Adams and Tiesdell [51] (p. 187) argue that planners have to realize that they are in fact “market actors”. Sager [8] focused his analysis on a typical throughput aspect. He asked: Does the role of planners change (or need to change) in order to facilitate, or compete with the entrepreneurialism turn? Should planners move to process managers or should they focus on advocating the technical planning interests to balance powers within their organizations. Mäntysalo et al. [7] suggest that planners should be the people who enable a political debate on conflicting values.

Such openness and deliberative decision making should be based on full transparency and information provision [7]. “In Planning offices, conflict is normally regarded as an obstacle and not seldom the professional response is to conceal the conflict […]” [7] (p. 2122). In other words, does the way in which municipalities deal with the inherent dilemmas affect the acceptability of the consequent outcomes and their legitimacy? Is balancing different logics, conflicting values and incentives sufficiently institutionalized within the public bureaucracy and democratic processes. This is, in turn, related to a growing body of literature in planning theory on conflict and agonism [16], that seeks to find ways in which planning practice can better address disagreements and conflicting values. Authors within this critical planning theory tradition see, in general, a trend wherein cities prefer consensus-based decisions over the existence of disagreement. That said, to different extents, authors within this theoretical strand also argue that governments—and planning practitioners—should be much more open to ongoing disagreements and dissensus. Some of the leading authors claim that planners should act more as mediators and facilitators, whereas others focus on the organization of cities and the public planning process to improve trading between interests and improve communication. Others are more radical and suggest that “planning should learn to live with incompleteness, inconsistencies, and contradictions” [16] (p. 269).

2.3. Synthesis

From the relevant theoretical notions, dilemmas are summarized in Table 1.

<table>
<thead>
<tr>
<th>First order dilemmas</th>
<th>Second order dilemmas</th>
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<tbody>
<tr>
<td>• Relevant stakes transparent before applying direct government intervention</td>
<td>Importance of financial/economic considerations at the start of planning processes</td>
</tr>
<tr>
<td>• Liberty to decide to use other policy instruments</td>
<td>Role of planners as planning experts or entrepreneurs</td>
</tr>
<tr>
<td>• Necessity to use the direct government intervention</td>
<td>Institutionalization of discussing dilemmas within the organization</td>
</tr>
<tr>
<td>Originates in input legitimacy considerations</td>
<td>Efficient and effective plan development/implementation versus spatial quality/ordering</td>
</tr>
<tr>
<td>Originates in throughput legitimacy considerations</td>
<td></td>
</tr>
<tr>
<td>• Institutionalization of internal and external reflection on the normative guidance of direct government intervention</td>
<td></td>
</tr>
<tr>
<td>Originates in output legitimacy considerations</td>
<td></td>
</tr>
<tr>
<td>• Optimizing the financial/economic potential of the direct government instrument</td>
<td></td>
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</tbody>
</table>

These dilemmas serve as a basis to analyze the Dutch practice of “public land development”, presented in Section 4. This direct policy instrument refers to local authorities’ practice of acquiring land and properties (sometimes ahead of need) in order to stimulate urban (re)development activities.
Local authorities service the land, put in the infrastructure, and sell re-parceled, ready-to-build-on plots to developers. The net income from this transaction should provide sufficient resources to cover the costs of servicing the land and putting in the infrastructure. For many decades, this strategy has been very popular among local authorities for three primary reasons. Firstly, it provided local governments with better control over urban development projects. Secondly, it was used as mechanism to cover the costs of public infrastructure expenditure and earn at least a part of the development gain. Thirdly, local authorities could make sure that enough land was available for (re)development. Public land development, however, is not without financial risks [20]. That is the main reason why the strategy is continuously under heavy debate [22,23].

3. Materials and Methods

The empirical basis of the study presented in this paper draws from eight Dutch case studies. The goal was to gain in-depth insights into various municipal two-heat dilemmas, potential conflicting values and complementing considerations.

A three-step approach was used. This research started with the organization and chairing an explorative expert workshop at the yearly conference of the “Collective of Dutch Municipal Land Development Departments” in September 2014. Together with 20 attendees (municipal employees responsible for applying the public land development strategy in their municipalities) the initial thoughts on performing an analysis of the “two-hat dilemma”—the term is well-known in this regard—through the lens of legitimacy was discussed. The outcomes of the workshop were threefold. (i) An analytical perspective on legitimacy could indeed shed light on the mutual interactions between conflicting incentives. For, very often the “two-hat” dilemma is perceived as planning outcomes impacted by financial considerations. The bureaucrats pointed at the dominant—and according to them misleading—perception that the public land development department often dominates the internal discussions. (ii) In discussing this further it became clear to all participants that the way in which municipalities are internally organized significantly differs. This has great impact on the openness of the dialogue between departments/Aldermen and the organizational level at which dilemmas are being discussed. (iii) A rather fundamental discussion took place on the question whether the “two-hat dilemmas” still would exist if municipalities no longer pursue a public land development strategy, as most of them did during the financial downturn. The participants pointed at the relevance of financial incentive structures and how they change if municipalities only pursue a passive or facilitating land development strategy. These outcomes of the workshop were used to create an interview guide to be used in the third step of the research (see Appendix A).

The second step consisted of a thorough document analysis of the relevant policy documents of eight Dutch municipalities. Municipalities are (legally) obliged to reflect on their strategic land policy decisions in the annual budget and the annual report. Moreover, most municipalities develop a land policy memorandum in which they elaborate on these decisions and set their own “rules of the game” regarding public land development. These documents are also subject to discussion in the local democratic Council. These documents, including the minutes of relevant discussions in the Council were studied carefully. This desk research helped to contextualize and validate the outcomes of the in-depth interviews in step 3.

In the third step of the research the authors conducted semi-structured interviews with the eight case study municipalities (the structure of the interviews can be found in Appendix A). Rich—and sometimes hidden and sensitive—insights can only be obtained via interviews with people who are directly engaged in these processes and experiencing potential conflicts of interest. The interviewees were asked to reflect on the legitimacy issues they dealt with in implementing a public land development strategy. As the goal of this research was to analyze the perspective of land development experts for the choice was to interview the director of the land development department in each municipality.
Case study research is particularly useful in “illuminat[ing] a decision or set of decisions” [52] (p. 17) made under such circumstances. The cases studies conducted in this research were mainly of an exploratory character. An exploratory approach offered the best insights at this stage for understanding the issues at stake. The authors used an information-oriented selection based on the strategy of securing “maximum variation cases” [53] (p. 396). From earlier studies [22,54] we learned that the type of land use strategy adopted does not depend very much on the size of the municipal organization or its location within the country (i.e., high or low demand for new urban developments). Rather, it is historically determined. However, in order to find a critical condition to determine “maximum variation” we argued that balancing interests within municipal organizations might be influenced by the potential profits of urban developments (location within the country might be a good proxy to measure the “pressure” on the land market) and the size of individual municipalities (as a proxy for informally or formally institutionalized internal organizational rules and culture). Please see Table 2 for an indication of the variation of the case studies according to the two criteria. An important aspect to finding cooperating municipalities was our own networks. As the research required a significant degree of openness on the part of the interviewees (regarding potential conflicting values within their own organizations) and a significant level of seniority and strategic overview, we relied on cities within our own professional networks. However, there is no reason to expect this caused any bias in the selection of cases.

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Size</th>
<th>Location</th>
<th>Date</th>
<th>Name</th>
<th>Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>City A</td>
<td>Mid-size</td>
<td>South</td>
<td>27 March 2015</td>
<td>Interviewee 1</td>
<td>Team manager land development</td>
</tr>
<tr>
<td>City B</td>
<td>Mid-Size</td>
<td>West</td>
<td>30 March 2015</td>
<td>Interviewee 2, Interviewee 3</td>
<td>Team members spatial projects and land development</td>
</tr>
<tr>
<td>City C</td>
<td>Big</td>
<td>North</td>
<td>8 April 2015</td>
<td>Interviewee 4, Interviewee 5</td>
<td>Team manager real estate development and land development</td>
</tr>
<tr>
<td>City D</td>
<td>Mid-size</td>
<td>Centre-west</td>
<td>29 April 2015</td>
<td>Interviewee 6</td>
<td>Team manager spatial projects</td>
</tr>
<tr>
<td>City E</td>
<td>Big</td>
<td>East</td>
<td>1 April 2015</td>
<td>Interviewee 7</td>
<td>Team manager land development</td>
</tr>
<tr>
<td>City F</td>
<td>Small</td>
<td>Centre-east</td>
<td>24 March 2015</td>
<td>Interviewee 8</td>
<td>Team manager land development</td>
</tr>
<tr>
<td>City G</td>
<td>Big</td>
<td>Centre</td>
<td>28 April 2015</td>
<td>Interviewee 9</td>
<td>Team manager land development</td>
</tr>
<tr>
<td>City H</td>
<td>Small</td>
<td>North</td>
<td>28 April 2015</td>
<td>Interviewee 10</td>
<td>Team manager land development</td>
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4. Results—Evidence from the Netherlands, a Legitimacy Assessment of the “Two-Hats Dilemmas”

This section presents the results of eight Dutch case studies. It is structured as follows. The following sections discuss input 4.1, throughput 4.2 and output 4.3 related legitimacy dilemmas. In each section a clear distinction is made between first and second order dilemmas.

4.1. Input Legitimacy Considerations and Their Potential Dilemmas

The case studies revealed various input-related first order legitimacy dilemmas. Democratic legitimacy in its basic form is guaranteed by the formal role of the democratic council in the process of urban land development. According to the Local Government Act [Gemeentewet], the councils have the formal power to approve the budget. This means that if municipal executives do want to acquire land—and financial means accordingly—this acquisition needs approval from their councils.
However, the case studies do not indicate the existence of profound discussions within councils on the intrinsic value of the public land development instrument and the ways in which it either normatively shapes the extensive role of government in urban development or perceives land ownership as an institution. Such input legitimacy considerations resonate with three other input issues that were often mentioned by the interviewees: the (in)flexibility to choose alternative land development strategies, the expertise of private developers, and the competitive advantage that municipalities have on land markets due to adjacent policy instruments.

Public land development creates serious path-dependencies which prohibit a well-elaborated choice of land development strategies in particular cases. Due to the economic downturn in the past decade, most municipalities have changed their primary strategies into less financially risky ways to facilitate land development [22]. However, such changes very often only resulted in a tentative decision to not acquire additional land. Most municipalities own serious amounts of potential development land. Interviewees 7 and 8 indicated that their particular municipalities own building land to facilitate urban developments for at least the next 20 years. As will be further elaborated under output legitimacy it seems to be economically unwise to facilitate other private development partners and landowners in their urban development ambitions if that results in a given municipality postponing development of its own land.

Adjacent policy instruments, such as pre-emption rights and the Expropriation Law provide municipalities with instruments to facilitate their market involvement. Critically rephrased: they provide municipalities with competitive advantage. The question highlighting the dilemma here should be: to what extent should they fully exploit this competitive advantage to create better outcomes? Due to their planning primacy, municipalities know first—and decide upon—where new urban developments will take place. In order to secure the implementation of their plans they have the “first right to buy” due to their pre-emption rights. Moreover, municipalities dispose of the right to expropriate. The Expropriation Law states that municipalities can buy land to develop in the public interest in those cases where the original landowner cannot develop the land according to the new plan. The information advantage, together with the pre-emption rights give municipalities a competitive advantage over private developers. If they want to implement the plan themselves, in principle they can. The interviewees suggested two main legitimacy dilemmas here. Firstly, the crux is in the label “public interest”. Interviewees 4 and 5 stated that their internal policy is to not use their expropriation power to implement private houses. They want to avoid a discussion on competitive advantage. The public interest is quite fuzzy in the case of private houses. Very often, developing private houses is a beneficial activity, which could also be done by the private sector. Other interviewees (8,9 and 10) indicated that they perceive integrated plan development (either or not including private houses) to be in the public interest. Secondly, a dilemma may arise if municipalities shape spatial plans in such a way that they better position themselves to use their instruments “in the public interest” [pestplanologie]. The interviewees indicated that such behavior was quite common in the past. However, they feel it is no longer politically acceptable, as private landowners nowadays easier go to court if they feel they are treated in an unfair way. Moreover, interviewee 7 indicated that it is no longer necessary. In 2008, a change in law provided municipalities with better instruments to recover the costs of infrastructure investments and recover parts of the financial benefits of private developers.

The empirical evidence suggests several other ways whereby potential competitive advantage can be gained: the redevelopment of public real estate and the exchange of plots [ruilgrond]. Firstly, inner-city redevelopment often involves public real estate (such as schools, libraries, service buildings). This public estate can be financially included in the development against book value (and not market value). Relocation and redevelopment of these public real estate buildings may often include subsidies from sectoral policy budgets. The cities within this research indicated that such financial arrangements are indeed being made. However, from a municipal overall budget perspective, it is not important which part of the budget faces a loss and which part earns revenues. More and more cities, such as city H, have an internal formal arrangement stating that public real estate will be included in
redevelopment projects valued against market value. Other cities, such as city C, have an internal formal arrangement whereby the land management team is obliged to always include public real estate from other sectors against book value. Experience has shown, however, that sometimes these book values are unrealistically high and, as a result, they have changed their formal rules. If the land management team is—for some reason—not willing to (internally) buy the sectoral (education, health, sports . . . ) public estate, they cannot be obliged to do so. Sectoral policy maker can sell to market partners if they wish.

This leads to the final questions related to the input perspective on first order legitimacy dilemmas caused by public land development. Namely, why does local government undertake direct intervention at all? Would a private developer have done better or, at least, would he have done “good enough”? Also, perhaps a hidden question: to what extent does public land development keep market expertise and creativity unexploited? The interviewees indicated that the decision to pursue a public land development strategy are nowadays well institutionalized, both in formal land policy memoranda as well as in discussions in the democratic councils. This has especially been the case since 2008, due to the earlier discussed change in law. However, it seems that such decisions are just partly based on the question: “is this a purely public task?”. Several municipalities indicated that the significant profit potential provides a legitimate argument to pursue a public land development strategy.

Regarding second order input dilemmas, various municipalities indicate that due to the technical/financial complexity of (public) land management, discussions of public land development issues in the councils are often inadequate and unsatisfactory. Interviewees 2, 3, 8 and 10 explicitly stated that it is a challenging task to explain land development activities to municipal executives and the council as a whole. To some extent this is worrying, because they see political discussions as not often touching the elements that the civil servants would like to see discussed. Interviewee 9 stated that every time it is challenging to determine which elements from land development processes should be transparently discussed. Although the interviewees did not state this explicitly, it can be concluded that within the technical and financial details of (public) land management budget sheets, it is easy to pragmatically “hide” things. For instance, interviewee 8 stated that, to avoid pressure in political discussions, it is wise to “defensively” estimate financial benefits to create some margin and liberty during the process. Likewise, interviewees 4 and 5 indicated that during decades of economic growth the civil servants (and their Alderman) had, in some ways, “bought” political independence. By providing the municipality (and the Council) with financial benefits, political control and democratic deliberation on the very substance of public land development and its application were not highly prioritized.

Interviewee 6 made the argument for a macro-economic urban business case. In (re)positioning spatial functions the economic revenues of land (selling prices) and real estate tax should, according to this interviewee, be taken more into account. “There is lots of financial earning potential that we do not exploit”. In his municipal organization this person sees that spatial planning experts are hesitant to take financial incentives into account. This creates a controversy that would perhaps, in practice, be much smaller than is often perceived.

Another example of this way of reasoning came from interviewee 10. The Council for which he works wanted to increase the share of social housing in the city. As a consequence, the planning civil servants looked for locations where they could facilitate this political wish. The land development team argued that social housing could be better accommodated in those plans that promised financial profits. Lower profits were, it was felt, politically easier to “sell” than projects facing a loss. Moreover, by adopting this course of action no concessions had to be made with regard to the quality of public space. This shows an alternative costs argument: positioning of spatial functions where they provide the most financial benefits as the primary planning criterium. The interesting thing is that the actual outcome was good in terms of the quality of public space and this persuaded the planning experts to agree with these locational choices. According to the interviewee, this was a good example of discussing various interests at team levels.
4.2. Throughput Legitimacy Considerations and Their Potential Dilemmas

In general, the interviewees indicated that public land management does not lead to accountability problems. The rules for municipalities, especially related to the book values of acquired land and the moment when financial benefits can be monetized, were tightened in 2012. This led to very strict moments of accountability reporting to councils. This was the Dutch Commission on Budgeting and Accounting’s (Commissie BBV) reply on the severe financial problems that municipalities faced due to the economic downturn, falling real estate prices and delayed development projects.

However, in terms of throughput related first order legitimacy dilemmas, the interviewees indicated several other issues; the institutionalization of profit-making incentives and the expertise necessary to apply public land development strategies in an orderly fashion.

Public land development provides municipalities with additional income (and also with financial risks and potential losses), due to the fact that they capture the unearned land value increment caused developing the land. Municipalities deal with this ability to generate additional revenues in different ways. In general, civil servants of the land management team are financed from land development benefits. Some municipalities (interviewee 9) used to work with structural remittance which was transferred from the land development department to the general municipal account, either formally or informally tasked. Others (interviewee 4, 5, and 10) work with incidental remittance, based on the financial stability of the land development department. Municipalities are relatively free to decide how they budget their land development activities and whether they balance positive and negative financial results at the scale of individual projects or a combined portfolio of projects.

Interviewees 2 and 3 presented practices that the municipality used to apply. They conditioned their statutory planning permissions to private developers. Planning permission was given if private developers paid a contribution to the municipality to cover specific costs. In the Netherlands, such practices have been common since the 2008 change in law; however, the legitimate contribution is based on a list of costs that can be recouped. This particular municipality used to bargain in order to get more money from the developers than was formally prescribed.

With a tight coupling of organizational costs (civil servants) and the urban development dynamics (the number of (beneficial) projects that are being developed), some cities (for instance city B) indicated that it is a challenge to ensure that the necessary expertise is always available to apply public land development strategies and to counter balance the expertise of private developers. The former is especially relevant given that more and more urban development is taking place in complex inner-city configurations, which has evident public interest but fewer financial benefits.

Throughput related second order legitimacy dilemmas were widely recognized, especially regarding the question how to balance competing interests within the municipal organization. Positioning of public land development teams within municipal organization is crucial. This is also true of the organizational level at which potential two-hat dilemmas are discussed, including formal rules to deal with these dilemmas. The empirical evidence shows that the studied case cities do not have formal rules, or rules of thumb, relating to how to deal with two-hat dilemmas. Moreover, practices within individual municipalities are very different from each other. One aspect which all municipalities agreed upon, however, was that they see the land management teams, and expertise, as the driving force within the organization to provide entrepreneurial and financial information on spatial decisions. They often see themselves as facilitating spatial developments, as well as being a counterbalance to spatial planning teams. In all municipalities spatial development projects have an integrated and multi-faceted team. The land management civil servants are part of this team and look after the financial-economic interests. Often, they use scenarios to confront other team members with the financial consequences of their policy ambitions for a particular development. Interviewees indicated that their team members often firmly negotiate within project teams, however, they also know that there are limitations to what you can achieve financially.

An important question is: is someone within the municipal organization really wearing two hats? In most cities the project team discuss the trade-off between spatial and financial optimization. If teams
do not feel comfortable, they can discuss this at a higher management or political level. There are several ways to “escalate” such issues and to ask for political statements on any trade-offs. Some anecdotal evidence is worth mentioning here. For instance, interviewee 8, is the team manager of land development and is in the same unit as the team manager for spatial planning. In principle their shared director is allowed to ask for political statements from the Aldermen. However, the land development team manager has a special status within the department. As a result, he is allowed to directly contact the Aldermen in those cases where he thinks that financial considerations have not been taken sufficiently into account by the project teams. In another city, interviewee 7 felt that his team was significantly backed-up by a strong Alderman who was responsible for financial affairs and land development.

Municipalities differ in how they have divided responsibilities amongst Aldermen. In some cities, spatial planning and finance is the portfolio of one Alderman. However, in most cities these responsibilities are separated, so as to ensure discussion within the municipal Executive Management. Every four years, after the elections, political responsibilities are again divided. Interviewee 9 explicitly stated that, in those times where indeed one Alderman is wearing two hats, it is really important to organize discussions at a civil servant level.

The question also rises as how optimizing financial gains militates against procedural and normative planning considerations, such as integrated, flexible and participatory planning. Most interviewees agreed that integrated area planning results in high spatial quality. However, interviewees 4 and 5 indicated that integrated planning holds the risk of private developers going for the profitable elements and the municipality being responsible for developing the other parts. The municipalities indicated that the practice of planning in such a way that profitable functions are developed on public land and less profitable functions on private plots is no longer pursued, although it was recognized that this approach had often been used in the past. Municipalities now use the idea of ownerships constraints to engage in what they call “cadastral planning” (interviewees 4,5 and 10). Plots that they think are hard to acquire, are not taken into account when planning particular developments. Interviewee 9 indicated that he should do this a lot more in the future to avoid lengthy processes.

In terms of flexible plans some interviewees (2 and 3) indicated that they preferred fixed plans and fixed conditions under which to perform their public land development job. The argument behind their statement was that, according to them, this way the role division between spatial planning rationalities and financial incentives was most transparent. The other interviewees indicated that they preferred flexible plans that allow them to optimize in a financial way. Another interesting finding was that the municipalities did not see public land development as an opportunity to improve participation in planning processes. They did not see participation as being better guaranteed with public land development than with private developers. The interviewees pointed to the fact that participation always costs time and money. However, “you have to organize your resistance somewhere in the process. It is better to do that at the beginning” (interviewees 4,5 and 10).

4.3. Output Legitimacy Considerations and Their Potential Dilemmas

Public land management is known for its effectiveness and quick implementation periods [5,23]. If a municipality uses its statutory planning powers (public law) as well as its private law powers to actively intervene in the land market by buying and selling land to achieve planning goals, it explicitly introduces financial incentives to the process of urban planning and development. Although the instrument is meant to facilitate planning endeavors and is closely related to planning processes, being a market player simply introduces a direct government instrument and visible public role that needs careful, independent, legitimization. To simply facilitate planning endeavors might actually result in inefficient and non-transparent use of public money, which introduces first order legitimacy dilemmas.

All interviewees indicated that they always try to lower costs of acquiring and servicing the land and increase revenues of selling the land. Within boundary conditions, they try to financially optimize phasing, spatial quality and building programs. During the economic crisis they all felt that their
financial interests were better taken into account. However, the interviewees noted differences in the ways in which finance was optimized. Most interviewees stated that spatial quality was under pressure (for instance interviewee 8) with interviewee 10 indicating that his city always tried to use phasing and programming first, before cutting spatial quality.

Another aspect here is the question; why should municipalities make a profit? The profits were used to cover the losses of expensive inner-city redevelopment projects. Very often, the latter projects were not picked up by private developers. However, the question remains as to whether this is a legitimized way to earn money in those cases where it is not strictly necessary to cover other spatial costs. A relevant question here is whether municipalities should engage in strategic acquisitions (well ahead of need, without any formal spatial plans). Such acquisitions are often cheap (with lots of financial potential), however they create path dependency. In the end, strategic stock (and interest payments) considerations require land development teams to develop “something”.

Output-related second order dilemmas were also widely acknowledged. These dilemmas, in essence, deal with the extent to which statutory spatial planning interventions are influenced or shaped by the fact that municipalities dispose of, and indeed use, public land development instruments. The first level where such influence might take place is the level of urban spatial visions (structure plan). A Structure Plan roughly spatially translates sectoral claims and ambitions. The plan includes a determination of the potential development area and an indication of where spatial functions will be located in the future. Almost all municipalities that were interviewed indicated that the land development team is heavily involved in the policy making phase of developing a Structure Plan for three reasons: (i) (in an instrumental way) to directly anticipate location decisions made and see whether land acquisitions should be started, and whether pre-emption rights should be posed or infrastructure costs captured in a different manner; (ii) (in a knowledge provision role) to assess whether acquisition risks would arise and eventually suggest other spatial/locational choices based on property structures and potential ownership constraints; (iii) (in an economical way) to steer locational decisions and building volumes. Interviewee 9, for instance, indicated that office space was primarily located upon municipal strategic land plots. This practice became more pressing during the economic downturn (2008–2016). The building programs and planned developments that took place during these years were reconsidered and downsized. Several municipalities (interviewees 1,2,3,7,8 and 9) indicated explicitly that the slogan “own land first” was used. They allowed implementing plans and consequent sale of their own land and downsized or cancelled development plans on privately owned land (even though the private land plots were sometimes spatially better positioned). Most cities indicated that accepting developments from private developers (although, during these times there were very few), would have explicitly resulted in undesirable competition. However, some municipalities (interviewees 4,5 and 10) indicated that in times of downturn their cities also wanted to formally separate the statutory planning and land development roles: “If an initiative of a private partner fitted the structure plan or overall sectoral programs, we will change land-use plans, even if we have our own (to be developed) land adjacent to the private plots.” Despite this statement interviewees 4 and 5 indicated that the land development team is often searching to increase revenues from publicly owned land and (re)develop those strategic municipal land plots that are currently “earning” too little money. An alternative to developing publicly owned land is to lease such land. Interviewee 9 indicated that his council preferred leasing over selling strategic plots that no longer fitted the reprogrammed urban development vision. The Council argued that their continued land ownership could be of benefit in the future, even though this was estimated to be only in the very long term.

Interviewee 7 stated that, due to public reforms, his land development team was no longer logically involved in the strategic urban planning policy making phase as consequence of positioning in the implementation department. According to this interviewee it, again, required extra effort to build the internal networks and confidence needed to be invited to the strategic policy making “tables”.

There are several examples of cities that use the financial opportunities of land development strategies to pursue spatial aims. For instance, interviewee 1 indicated that his city lowered the selling price of industrial land to improve the attractiveness of the site for industrial companies. In contrast, interviewee 8 spoke of an example in which the economic department was asking to lower the land price for an industrial plot to facilitate and persuade a company to move to the city. However, the land development team wanted to earn more money from that particular plot and hesitated in lowering the price. This stimulated a discussion on the importance of public land development strategies as a facilitating instrument.

Dutch municipalities got used to setting high spatial and sectoral ambitions due to the fact that they disposed of the instrument of public land development. The first argument is that in the past Dutch municipalities earned significant amounts of money by capturing land value increases. This money was either invested in the project itself to improve spatial and architectural quality, or it was used to recover the costs of infrastructure investments, or it was used to increase the general income of the municipality. Dutch municipalities got used to this cashflow and raised their (spatial and sectoral) ambitions accordingly. The second argument is that the new Spatial Planning Act (2008) provided municipalities with an instrument to better recover infrastructure costs without using their public land development strategies. However, this current Spatial Planning Act does not fully support municipalities in their endeavors to force private developers to develop spatial plans in an integrated, holistic and sustainable way. Municipalities still want to keep orchestrating spatial developments via public land development, despite the fact that they now have disposal of alternative instruments to recover public infrastructure costs. Setting high ambitions, in terms of sustainability and sectoral integration, would still legitimize active public interventions.

Interviewee 7 illustrated the existence of high sectoral ambitions. He reported that policy domains such as “education” pose high ambitions upon land development teams. This is especially true in those cases where new sectoral public real estate is built (schools, other public service buildings), and the old plots can be (re)developed by the land development team. Often the sectoral policy departments set high and expensive ambitions for their new locations and expect the land development team to earn significant money by redeveloping the old plots. Another example was given by interviewees (4, 5 and 8). They noted that even in those cases where the land management team and the city executives were hesitant to acquire land (due to the crisis) the City Council still had high hopes of the instrument and suggested that the City’s Executive should acquire specific plots.

Based on their financial rationalities, all interviewees indicated that they do not like “improper” subsidies from the land management team to implement municipal ambitions. For instance, interviewees 4 and 5 said they were very keen on budget neutrality in their strategic land stock. Temporary spatial uses and functions (often supported from social or economic policy domains) should pay market rents. The team does not allow for “implicit land subsidies from our team”. The question here is; to what extent should public owned land—and public land development—be instrumental to sectoral policy aims (such as stimulating societal initiatives), instead of pursuing a strictly financial-economical strategy? Commenting further, interviewee 9 was very clear on the role of implicit subsidies from land development and noted, for instance, that they pay for additional sustainability measures. Indeed, according to the land management team such additional measures should be paid by direct subsidies from the City Council. Furthermore, interviewee 8 stated that “we do not give presents to the spatial planning department”, whilst interviewee 7 explicitly broadened “improper subsidies” to include investments such as infrastructure (related to integrated area development) in land development exploitation. “Such investments should be paid at once by the City Council to avoid lengthy financial pressure on the area development”.

Sometimes the land development teams did not feel backed-up politically. Due to the fact that individual councils have the right to provide credit, some interviewees indicated that their councils were only “awake” to those cases in which a project loss is anticipated. According to interviewees 1, 4, 5, 6, 7 and 10, too much money was given away to spatial quality simply because there was enough
money and the interviewees did not feel back-up for their financial arguments. Less profit is not the same as facing a loss. The strategy of interviewee 7 was to budget the revenues of every project at zero (eventual profits were booked as payments to the general municipal account). This way he urged his council to discuss decisions with financial consequences. Interviewee 10 indicated that he tried to explain that the profits of one project were meant to cover the losses of other projects. However, he stated that the executives and the council found it hard to understand that, ultimately, land development practice had to be budget neutral. Currently, he is moving to the strategy of interviewee 7. It follows, that if the council wants to redevelop an expensive plot within the city, the money should come from the general municipal account. There would be, he noted, no balancing of project budgets within the land development department anymore.

5. Concluding Reflections

Urban challenges, such as decarbonization, climate adaptation, accessibility and social inclusion, are affecting an increasing number of people and are difficult to address without government interventions. This paper started by stating that municipalities, in their search for effective policy implementation instruments in order to deal with these pressing societal challenges, may find direct government instruments that support appropriate planning practices increasingly tempting. The central question addressed here is: what are the key considerations to recognize and ultimately reduce the legitimacy dilemmas that arise from the application and optimization of direct government policy instruments? We conclude by providing an answer to this question that is fourfold. Firstly, “what is an appropriate public role in planning in order to realize the public interest?”, Van der Krabben and Jacobs [24] (p. 782) asked themselves. The analysis in this paper offers a way to assess, operationalize and openly discuss the “appropriateness” of direct government intervention as an explicit “public role” to realize the public interest. Urban and social challenges require profound stakeholder support (input), intensive cooperation between urban domains (throughput) and vast amounts of public/private investments and effective plan implementation (output). In terms of the public interest, there should be a careful combination of dialogic rationales (related to input), as well as normative guidance on planning content and domain integration (related to throughput), and a utilitarian approach towards effectiveness and efficiency [38]. As the public interest becomes more integrative and complex, the appropriateness of public intervention can no longer be answered with a simple “yes” or “no”. The concept of “legitimacy” offers a nuanced way to discuss dilemmas of appropriateness of public action that evidently arise. It provides a framework to have a dialogue on “the ill-defined quality of the problems which confront planners and the multiple interests affected [which] lead to tensions and dilemmas as to the most appropriate choice of actions or values to endorse” [55] (p. 117). Using legitimacy as an overall concept, as discussed by Vincent-Jones [56], allows to determine the intricate connections and inherent contradictions between the various elements. In particular, the analysis shows the close link between input and output legitimacy. Important (first order) output legitimacy considerations, such as the potential to financially optimize with direct government instruments, should be a crucial input consideration, such as a thorough assessment of the financial stakes, to secure second order input legitimacy issues. It is not a matter of choosing just one legitimacy aspect to legitimize public action.

Second, the proposed assessment of legitimacy dilemmas is very relevant in an international context. It is a good starting point to further analyze how different national regulatory frameworks differ from each other, and—more importantly—where they increasingly align and show similarities. With that, the paper builds on the growing body of research that explicitly points at the fundamental differences between discretionary, regulatory and hybrid planning systems, in a comparative way [5,57]. Regulatory regimes, such as in France, Germany and Scandinavian countries in general show more legal certainty than discretionary systems, such as in Britain and the US. Due to its policy discretion, some authors point at the market orientation of the British planning system [25]. The Dutch system, although based on strong regulatory pillars, shows with its dominant public land development strategy
great similarities with the market orientation of discretionary systems. The framework of legitimacy, presented in this paper, provides a comprehensive basis to further assess the various elements within planning systems. Moreover, with its focus on dilemmas it allows to open up the black box of hybrid systems and see how mixing elements may conflict with each other. With that, legitimacy (dilemmas) can be seen as an overarching framework that not only focusses on specific policy evaluation elements (for instance legal certainty, flexibility, effectiveness, etc.).

Thirdly, the empirical analysis shows that major path dependency issues complicate legitimized public action and further entangle the levels (input, throughput, output) of legitimacy. Having vast amounts of development land in stock tends to secure not only first order output legitimacy (effective financial results) but also second order output legitimacy, in terms of a well implemented spatial plan. However, it seriously influences a municipality’s liberty to decide to not use public land development in specific cases or to leave certain projects to the market. Moreover, the evidence shows that in times of economic downturn (and downsizing development programs), it would financially be unwise, and even unwanted, to focus too much on input considerations and let equal treatment of public and private land ownership prevail. The empirical evidence shows that various municipalities use the public land development instrument first and foremost in inner city regeneration areas where private partners are unable to financially handle land acquisition and development. This is a well-legitimized argument, both in terms of input and output. However, the money that they need to buy the land often comes from sites that can also be done by private developers. The argument goes that making profits is in the public interests, because it provides the municipality with the ability to financially handle expensive inner-city projects.

Fourthly, thanks to years of good and bad experiences, and several changes in the law, throughput legitimacy of public land development seems to be well-institutionalized in terms of transparency and accountability. However, it is these technical and detailed ‘control’ focus that prohibits policy makers and decision makers to continuously reflect on the underlying values, dilemmas and guidance that inherently accompany the application of direct policy instruments. Throughput may obfuscate input.

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Appendix A

Interview Guidelines

1. According to you: what is spatial planning and spatial quality?
2. What do you see as “two-hat dilemmas” and how do you deal with these dilemmas?
3. How is the land development team or department currently positioned within the municipal organization?
   a. How does it relate to the planning and/or urban development team?
   b. Does it have its own political responsible/Alderman?
   c. Can you describe the pros and cons of the current positioning?
   d. Would you suggest another positioning of your team/department and why?
4. How would you describe the main aim of your department?
   a. Can you elaborate on the various reasons that you/or your organization/have to engage in a public land development strategy?
b. To what extent is engaging in public land development strategies explicitly discussed, and at what organizational level? To what extent are alternative strategies perceived as an option?

c. Do you feel the financial/economic rationale gets enough attention in your municipal organization? Can you give examples to substantiate your feeling?

d. What do you do if you feel the financial/economic considerations are not sufficiently taken into account (by your project team, by your colleagues, by the Aldermen or by the democratic Council)? But also, the other way around: what do you do if you feel the spatial quality is put under pressure (by your project team, by your colleagues, by the Aldermen or by the democratic Council)?

e. How would an ideal balance between financial/economic consideration look like?

5. Does your organization have formal rules to handle imbalances between financial/economic and spatial considerations?

a. Which organizational level is mandated to decide upon trade-offs or synergies between financial/economic rationalities and urban quality/urban development?

b. Do you feel the liberty to address and discuss dilemmas and escalate if you do not feel comfortable with the outcomes?

6. To what extent does your department make profits?

a. Do you think/and does your organization discuss/profit making is a good thing? And why?

b. Do you have formal or informal rules in place that set the boundary conditions for profit making urban developments? To what extent is the way you look at profit making dependent on where the profit comes from (developing private homes, offices), to which policy aims it relates and where it will be spent (urban quality, inner city regeneration, education, etc.)?

c. What are your thoughts on engaging in a public land development strategy in those cases where private partners can also do the job?

7. From a financial/economic point of view, do you prefer:

a. Flexible or inflexible plans, and why?

b. Integrated or plot-by-plot developments, and why?

c. Participatory plan development or top-down plan development, and why?

8. You also dispose of expropriation powers and pre-emptive rights. Can these instruments give you a pre-competitive advantage? How do you perceive this? Do you have formal/informal rules in place to minimize the competitive advantage?

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