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### Spatial opportunities of exhibition centers: Explaining path-dependencies in Amsterdam, Frankfurt, Munich and Milan

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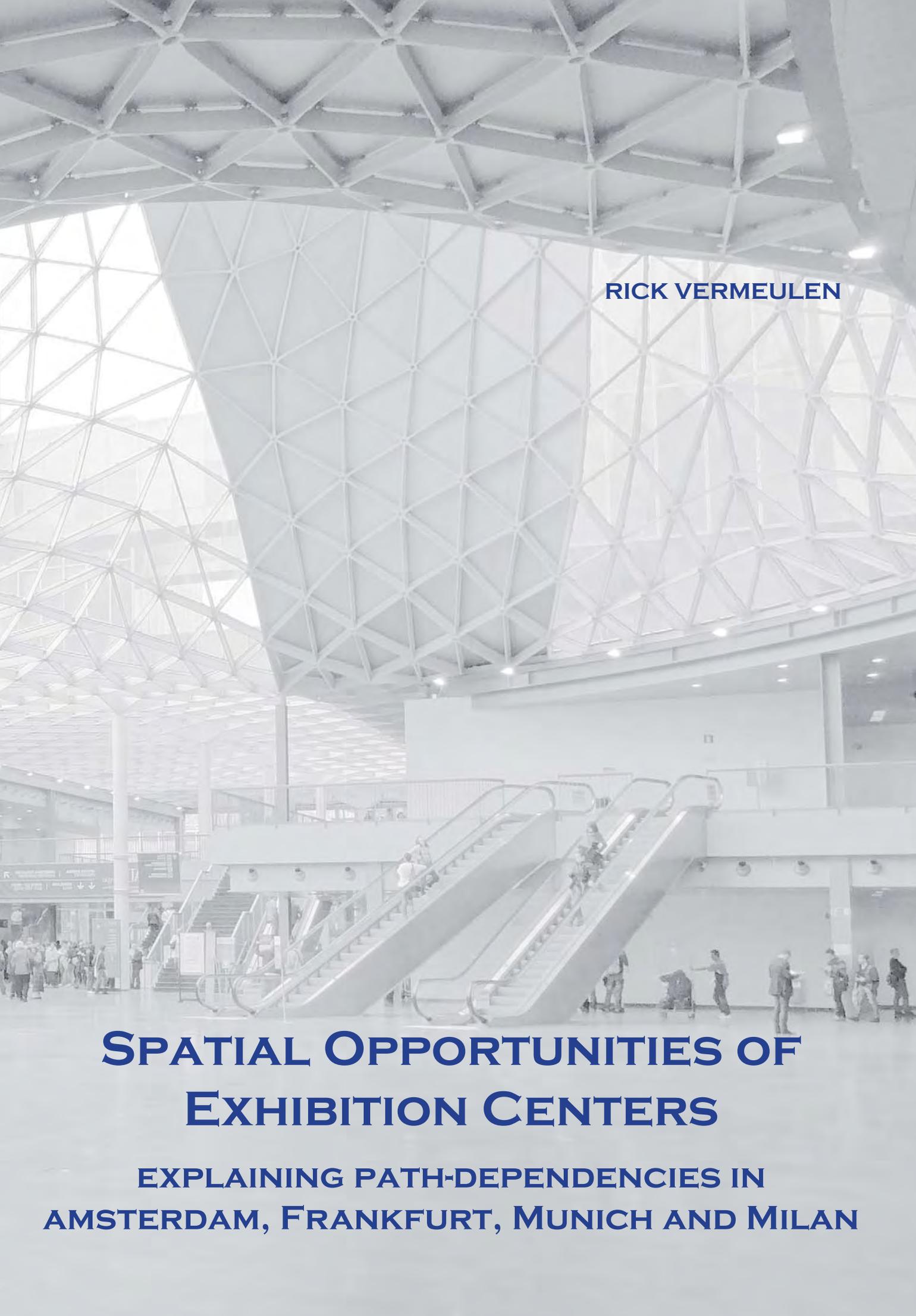
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**RICK VERMEULEN**

# **SPATIAL OPPORTUNITIES OF EXHIBITION CENTERS**

**EXPLAINING PATH-DEPENDENCIES IN  
AMSTERDAM, FRANKFURT, MUNICH AND MILAN**

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**MUNICH AND MILAN**

RICK VERMEULEN



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EXPLAINING PATH-DEPENDENCIES IN AMSTERDAM, FRANKFURT,  
MUNICH AND MILAN

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prof. dr. D.C. van den Boom  
ten overstaan van een door het college voor promoties  
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in het openbaar te verdedigen in de Aula der Universiteit  
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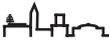
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# Preface

*“Je gaat het pas zien als je het door heb”*

“You only see things when you understand them” is one of the numerous oracle-like quotes from Johan Cruijff, the most famous of all Dutch soccer players. When I was a little boy, my primary school was around the corner of the RAI exhibition center. The petting zoo where my parents took me was at the location where the first RAI pavilions stood for over forty years. My first home in the Rivierenbuurt was exactly in-between those two locations. When going to soccer practice, I passed through the Beatrixpark that was, at the time, a highly contested place because of the extension plans of the exhibition center.

When I grew older we moved but stayed in the neighborhood. My high school was only a hundred meters away from the RAI, just at the other side of the park. During those years, I did not see the RAI daily but every time soccer practice was cancelled because of frost or heavy rain we had to “run around the RAI”, something that was highly disgusted by me and most of my teammates. What I wasn’t aware of is that the RAI was at the time studying on extending to the site of my precious soccer club.

Actually, I wasn’t aware of any of the RAI activities. They took place inside the RAI premises where, as a school-boy that did not have a particular fashion for cars or household goods, you had no business of going. The only noticeable signs of activity were the people that moved between the RAI entrance and the dedicated train station just hundred meters south. At first these visitors were foremost Dutch people with large goodie bags, later they became foreign businessmen with suitcases.

So, although the first years of my life I circled around the RAI (see map on page vii), it was only during the past five years that I learned about the role it played in the national and international exhibition sector. It was through understanding the processes taking place within and around the RAI that I saw the neighborhood that I knew so well through different eyes. Moreover, I got the chance to study other European exhibition centers in neighborhoods just like mine.

I’m very thankful for this opportunity that was offered to me by my supervisor, Willem Salet. When I was only focusing on completing my master’s thesis he was already thinking about the start of my professional career. He did not only create a spot for me in his dedicated and lively group of researchers but also supported my desire to work as a practitioner. He introduced me to the Physical Planning Department of the



Municipality of Amsterdam that gave me a second part time job at the newly created Metroteam, working on metropolitan issues for the Amsterdam region.

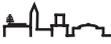
This team, headed by Eric van der Kooij, was probably the best place for a recent urban planning graduate to start working. It combined new and novel approaches with hard work and, just like the rest of the department, a deep love for the city of Amsterdam. Undisputed highlight was the opportunity to work with Maurits de Hoog on 'New Rhythms of the City'. He taught me so much more than is in the book. Recently Elvira Vreeswijk has taken over this mentoring role by introducing me into the more serious elements of being a civil servant. I have to thank all of my colleagues at the Metroteam, Beleidsteam Stad and the rest of the Department for sharing their profound knowledge and enthusiasm with me. They really kept me from losing track of practical relevance.

An equally stimulating environment was provided by my colleagues at the University of Amsterdam. In particular by the members of the "Dreamteam", the modest name that somehow got stuck on the discussion group of PhDs in urban planning at our university. Although it is common-sense to thank your roommates, room plans at our department change so frequently that I'm afraid that I will miss some of them in an attempt to be comprehensive. They will have to do with a general, but very warm, thanks to you all for discussions, comments, lunches and drinks! I am also very grateful to my co-promotor Stan Majoor who provided very valuable comments to my work, especially in the final stages of the project. My deepest thanks, however, should go to Willem Salet. I've very much appreciated our sessions and the time he has made available for them. It is amazing how he has always managed to get the academic essence of my stories and has guided them by very subtle comments into the work that is this thesis.

In every thesis there are a few key moments that accelerate the research and add new depths to it. For me, the most important of these has been the international research colloquium on transforming metropolitan regions in the summer of 2011, organized by Prof. dr. Bernd Scholl in Zurich. The international experience brought to the table here, really kick-started the international empirical part of my work. Stimulating experiences also strikingly often took place during interviews and visits to archives, for which I have to thank the people involved.

On a different level, my parents have created the circumstances that allowed me to do the things I'm doing. They have always been supportive in the things my sister Leonore and I wanted to pursue. We are very lucky to have such parents. I also have to thank Karen for providing me with a very balanced mix of unconditional support for, and indispensable distraction from, my work. This can only come with love.

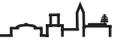
Amsterdam, April 2013



- 1 Home 1
- 2 First location of RAI
- 3 Beatrix Park
- 4 AFC Soccer club
- 5 Sint Nicolaas Lyceum High School
- 6 Home 2
- 7 RAI Exhibition Center
- 8 Anne Frank Elementary School

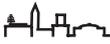


Places of personal identity around the RAI exhibition centre

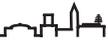


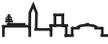
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# Introduction

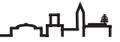
In 1999, the Frankfurt Fair purchased a large part of the inner-city railway yards in order to allow for a large-scale extension of its exhibition center. On March 31, 2005, a new trade fair, designed by Massimiliano Fuskas, opened in the periphery of Milan.

Both projects had large-scale consequences for the functioning of their host cities. The new Milan Fair alleviated congestion in the northwest of the inner city and created a new pole of development on the axis between the center of Milan and Malpensa airport. The acquisition of the former railway yards strongly anchored the Frankfurt Fair in the inner city, thereby continuing a century-long relationship between city and fair.

Both projects are also illustrative of the scale and diversity of development that is taking place in the exhibition sector. All over the world, new exhibition centers are constructed and old ones are renovated and extended. In Western Europe alone, fourteen new exhibition centers with more than 100.000 square meters of exhibition space have been constructed since 1980. Many of them were constructed in urban peripheries, thereby replacing outdated facilities that were located in the cores of their metropolitan regions. At the same time, however, many other historical facilities in inner cities were updated and extended.

This divergent geographical pattern in exhibition center construction is part of a broader trend in metropolitan development. From literature on urban and regional development emerges a broader picture of simultaneous reinforcement of urban cores and strengthening of urban peripheries. Both developments are rooted in urbanization and an increasing demographic and economic appeal of metropolitan regions in general. Since 2008, more than half of the human population lives in cities. Within this trend many scholars see evidence of the generative economic effects of cities and urban agglomerations (Soja, 2011).

Analyses of this 'triumph of the city' (Glaeser, 2012) often start with the observation that economy, governance and science have rapidly internationalized from the 1980s onwards and that cities profit from these developments through their advantageous position within international networks. Since the work by Manuel Castells (1996), cities are conceptualized as on the one hand spaces in international networks of flows and on the other hand as particular places within these networks. The work of Sassen



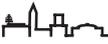
(1991) added the notion that a hierarchy of cities is emerging on the basis of how well they are embedded within these flows, leading to an increasingly competitive international economy. Both the position of a city within different networks as well as its quality of place determine the position of cities within this playing field.

This logic has largely affected city politics, aiming on the one hand at improving their position in international networks through the construction of airports, high speed stations and internet exchanges, while on the other hand attributing large funds trying to increase the quality of place through flagship developments, cultural infrastructures and public spaces (Savitch and Kantor, 2003; Altshuler and Luberoft, 2003; Orueta and Fainstein, 2008).

Profiting from these investments, central cities have made a strong comeback after being hit by suburbanization and deconcentration policies in the decades following World War Two. Depending on context and country, the revival of central cities started out modestly in the 1980s to really take off in the 1990s and 2000s. During these decades, urban amenities like museums and shopping districts were constructed and renovated, public space was redesigned and urban waterfronts were redeveloped (Mommaas, 2004; Van Aalst en Boogaarts, 2002; De Hoog and Vermeulen, 2009). This turned dilapidated central cities into attractive environments for residents, shops and companies (Frieden and Sagaly, 1989; Sagalyn, 2001).

Not all investment, however, was targeted at downtown. Although traditionally such functions concentrated in the centers of cities, they are now also to be found outside of historic urban cores, complementing or even replacing their peers in city centers. Although the historic urban core is still the location for a conglomeration of high-level urban functions, the most attractive, largest and best visited locations for a variety of other functions are now to be found in the former periphery. Over the past two or three decades, many cities have seen new sports stadiums, universities, shopping centers and hospitals being constructed in their periphery. No longer is the urban periphery reserved for the construction of suburban dwellings and NIMBY-functions (Keil and Ronneberger, 1994; 2000).

This development has radically changed the nature of what is traditionally called the urban periphery as well as the relationship between this periphery and the traditional city center. Groundbreaking was the analysis of Garreau in his *'Edge City: Life on the New Frontier'* (1991) in which he described the radical transformation of suburban America. Traditional hierarchical relationships between center and periphery have changed into networked constellations in which the nature of the activity and position in regional networks determines the location of things (Keil, 1994; Phelps and Parsons, 2003; Phelps et al., 2010; Dear and Flusty, 1998; Soja, 2000). This had led to a variety of conceptualizations of the emergent urban form like post-metropolis (Soja, 2000; 2011), Zwischenstadt ('in-between city'; Sieverts, 2003), metapolis (Asscher, 2000) or, tweaking Garreaus earlier conceptualization, edgeless cities (Lang, 2003)



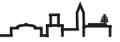
These developments had their earliest and most intense manifestations in American cities. This has been reflected in the emergence of a so-called LA School of urban theory dealing with newly emerging metropolitan configurations or ‘postmodern urbanism’ (Dear and Flusty 1998; Dear, 2004; Dear and Dahmann, 2008). Since the end of the 1980s, these developments are now also noticed in a variety of European metropolises, taking a flight in attention throughout the 1990s and 2000s (Phelps and Parsons, 2003; Keil and Ronneberger, 1994; 2000; Balducci, 2003; Foot, 2000).

Within these new metropolitan layouts, international flows of people arrive at high-speed rail stations and airports that are located at places outside of the historic cores of cities. Through increased qualities of place at peripheral university campuses, meeting venues and shopping centers, the need to leave these places of entry is evaporating. Thus, contemporary metropolises organize their international connectivity and interaction increasingly outside of their historic urban cores, thereby disentangling functional and geographical centrality.

Both the consolidation of central cores as well as the strengthening and internationalization of the urban periphery are reflected in exhibition center construction. On the one hand, as reflected in literature on urban renewal and the development of the urban tourist economy, exhibition centers are powerful tools to attract visitors to downtown. On the other hand, are exhibition centers, alongside sports stadiums, university campuses, hospitals and shopping malls, redefining the notion of the urban periphery.

In spite of the influence these new ‘peripheral’ exhibition centers have on the configuration and functioning of contemporary metropolises and the sheer quantity of investment that comes with these relocations, this phenomenon has remained largely unstudied from an urban perspective. Although the construction of exhibition centers is mentioned in relation to boosterism and urban competition, such accounts remain largely limited to a North-American perspective and hardly ever go into detail about development trajectories of specific trade fairs. In the few cases of more in-depth studies, they only present individual stories through which it is difficult to determine the significance of these developments for the broader trade fair sector. Therefore, a clear overview of the relation between city and fair is, until now, lacking

This study will try to correct this omission by an analysis of exhibition center development in Western Europe. Because, as will be demonstrated later, Western Europe has the longest tradition in fair activity and constitutes the largest market for exhibition centers, it was felt that particularly the lack of exhibition center research on this part of the world needed correction. In contrast to the few existing works on the role of exhibition center development in urban studies, not the general urban development and government visions and strategies, but rather the perspective of the facility itself is taken as the point of departure. This not only provides insight beyond their role as boosterist facilities in urban renewal and competitive city policies, but also shows how global changes within a particular economic sector are played down locally, thereby



restructuring regional geographies.

### **Structure of the book**

Three themes run through this book. First, it tries to explain for the recent spectacular boom in exhibition center development. Second, and related to the observed general transformation of metropolitan configurations, attention is paid to the geographical patterns of this new investment. And third, explanations are sought for these patterns of investment. This is done by first mapping the exhibition center development in Western Europe in a comparative study, comprising 34 of the largest exhibition centers in Western Europe. The research then delves deeper into four case studies of exhibition center development in Amsterdam, Frankfurt, Munich and Milan.

Throughout the study, an historical perspective is employed. Historic development will also be the main angle through which Chapter One will introduce the exhibition sector. From this description emerges a picture of a highly dynamic economic sector that is constantly innovating its business and adapting its venues accordingly. At the end of Chapter One, attention is paid to the current geographical patterns of this sector. Contrary to thirty years ago when almost all exhibition centers were located at central locations, half of today's exhibition centers are found in the urban periphery.

Chapter Two will take this observation into the central research question that guides the remainder of the book: how can this binary pattern between central and peripherally located facilities be explained? To answer this question this chapter proposes a qualitative method based on a comparative case study between four exhibition centers: Amsterdam, Frankfurt, Munich and Milan.

After Chapter Two, this book leaves the traditional structure of a thesis monograph. Throughout the PhD trajectory, different articles have been written to allow for focus and quicker dissemination of empirical results. Therefore, Chapters Three till Six are reprints of earlier published and submitted articles to international peer-reviewed journals. As such, they can be read independently.

Chapter Three builds on the historical perspective employed in the first chapter of the book and develops this into a theoretical framework. In this chapter, that has been published in TESG (*Tijdschrift voor Economische en Sociale Geografie*), path dependency theory is introduced for the valuable concepts it renders for the analysis of exhibition center development. Moreover, this chapter links these concepts to the multidimensional analytical framework that is used to understand the specific development trajectories of the four cases in subsequent chapters.

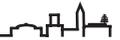
Chapter Four is submitted to an international peer-reviewed journal and introduces the case of the development of the RAI exhibition center in Amsterdam. Within the analysis of this facility's strategic choices, particular attention is paid to the alleged role of



exhibition center development in urban boosterism that comes out of urban planning literature.

Chapter Five, also submitted to an international peer-reviewed journal, takes the cases of the Frankfurt and Munich trade fairs, and asks the question why Frankfurt extended its central facility whereas Munich moved to a new peripheral location. As such, this chapter explores the central question of this thesis on the basis of two German cases.

Chapter Six adds an international perspective to this analysis of Munich and Frankfurt and adds two cases to the comparison. First, insights from the earlier introduced Amsterdam trade fair are used to understand why exhibition centers remain at central locations. Second, the recently relocated trade fair of Milan adds to the understanding of new exhibition projects in the urban periphery. This chapter is scheduled to appear in a special issue of an international peer-reviewed journal on the relocation of high-level urban functions to the metropolitan periphery and should be read as the conclusive chapter of this thesis.



### **Fairs and Exhibition centers**

*Throughout this introduction the terms exhibition center and fair have been used without distinction to essentially indicate the same thing: venues where exhibitions and associated events take place. The long history of the phenomenon and the multiple cultural and linguistic contexts in which exhibitions are held have over the centuries rendered a broad variety of terms for the matter. The term fair was first used for the large markets in the Middle Ages. They were often combined with religious festivals. The German word 'Messe' comes from mass and the, Italian 'fiere' and Spanish 'ferias' find their etymological origin in the Latin feriae which means religious festivals.*

*The word fair has stuck to indicate large exhibitions (like the World's Fairs organized from the 1851 London World Fair onwards). To indicate gatherings of professionals, often the adjective of 'trade' has been added. The word fair, over time, has also come to mean the place where these events are held. Also the German word 'Messe' and the Dutch 'beurs' are both used for the event as well as the location where it is taking place. When fairs lost part of their exchange character and became places for promotion and display, the word 'exhibition' came in use. Also the location in which these exhibitions were held changed names. At first they were called exhibition halls. When modernization and enlargement of scale hit the sector after World War Two and most venues consisted of multiple halls, often linked through systems of internal corridors, the term exhibition center was introduced.*

*When the functional use of exhibition centers shifted, this time from display to personal interaction, the name of the facilities changed again. A new family of exhibition centers was now dubbed 'convention center': places where people convene. Such venues mainly host events that combine exhibitions and conferences and are generally smaller than the large-scale exhibition centers that are central in this research. Because convention centers are mainly found in Anglo-Saxon countries, this term will only be used in this study to indicate this specific branch of exhibition venues.*

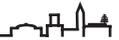
*Because their difference is subtle and mainly dependent on linguistic contexts, the terms 'exhibition center' and 'fair' will be used interchangeably throughout this study to indicate essentially the same thing. The term fairground, will be used to indicate the broader ensemble of exhibition facilities and accompanying infrastructure like outdoor exhibition space, parking facilities, loading docks and entrance buildings.*

## CHAPTER 1

# The Exhibition Sector

### **Abstract**

**In order to understand recent physical exhibition center development, it is necessary to have a broader understanding of the trade fair sector and how it has evolved. Therefore, this introduction will provide the general background against which the research on development trajectories of specific exhibition centers took place. First, it describes the general development of the exhibition sector in Western Europe and the current state of the market. Second, it delves into the relation between trade fairs and their host-cities. Third, it looks at the constructions of ownership underlying exhibition centers. This together provides the context in which recent physical development of exhibition centers in Western Europe should be understood. Paragraph 1.4 provides an overview of this construction with a particular focus on Western Europe. Finally, this chapter takes a look at where in metropolitan regions these constructions were realized.**



## 1.1 The changing nature of the exhibition

The exhibition industry is a very dynamic sector that has over the past decades adapted to new economic realities. Today's trade fairs can be traced back to the National Exhibitions and World Fairs of the late 19th century and even to yearly medieval markets (Aillix, 1922, Schäfer, 2005). Still today, these various origins are reflected in the variety of different activities held at fairs. The trend, however, is one of increased specialization and internationalization, with a focus on interaction as the dominant activity. This paragraph will deal with the most recent transitions in the nature of the events held at exhibition centers.

Before 1900, fairs were, with the exception of the World Fairs, mainly focused on the exchange of goods. This changed in the early 20th century with the advent of sample fairs<sup>1</sup>. At sample fairs, products were put on display and could be ordered by visitors. The actual transaction, however, only took place later in time. This was made necessary because of the more voluminous products that were produced by the growing industrial sector. Products like cars and household equipment were simply too big to keep in stock for every potential buyer. Moreover, mass-production made such products available in large quantities and also enlarged markets. This meant that economic exchange, for centuries the central activities of trade fairs, became only of indirect importance. With the samples fair, the dominant function of trade fairs shifted towards the promotion of products.

During the 1920s, industrialization and the invention of the samples fair led to an increase in the number of fairs being held. This was reflected in the construction of exhibition facilities in many cities (see paragraph 1.4) but also in the foundation of many international trade fair associations like the UFI (Union des Foires Internationales in 1925), AUMA (Ausstellung- und Messe- Ausschuss in 1927), IAEM (International Association for Exhibitions Management in 1928), and several local and regional convention and visitors Bureaus (Rogers, 2008)<sup>2</sup>. Many cities saw the organization of trade fairs as an incentive to stimulate the economy in the harsh times following World War One. Although there were some specialized fairs like the *Buchmesse* in Leipzig<sup>3</sup> and the *AutoRAI* in Amsterdam, many of these events like the *Herbst- und Frühjahrsmesse* in Frankfurt, the *June Fair* in Barcelona and the *Campionaria* in Milan were displaying a broad range of products for both consumers as well as a professional audience. These general fairs were by large the most important events at many

---

1 The samples fairs originated in Germany as *Mustermesse*. This invention is generally ascribed to Leipzig that held such an event for the first time in 1894, thereafter the format was quickly adopted by other German fair cities (Uhlendorf, 2006).

2 Apart from lobbying for the sector, these institutions also aimed at reducing the morbid growth of exhibitions and focusing efforts on a few larger events: the so-called Fair inflation (*Messeinflation*) (AUMA, 2007). Also the RAI Association that in 1922 developed the Amsterdam exhibition center was established to coordinate the many small bicycle exhibitions in The Netherlands (De Jong, 1968).

3 The *Buchmesse* moved to Frankfurt after the Second World War as a result of the closing-off of the DDR (Möller, 1989).

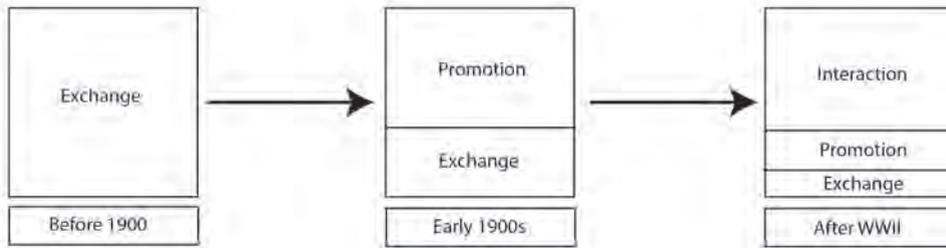


Figure 1.1: The changing functional development of the exhibition sector

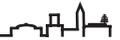
fairgrounds and were for many people a yearly recurring day-out. Throughout the decades, these events grew and the most successful fairs developed into mega-events, attended by millions of people.

Reinvigorating the economy was also the driving force behind a new period of growth in the exhibition sector after World War Two<sup>4</sup>. Again, this was accompanied by a functional shift. Although the format of the samples fair was kept, exchange of information became more central. This was reflected in a growing conference sector and in the organization of many conferences, complementary to exhibitions. The construction of many conference centers adjacent to exhibition centers throughout the 1960s and 1970s are testimony to this. This combination between exhibition and conference facilities is today almost ubiquitous (AUMA, 2007). From the 1980s onwards, information exchange would also be facilitated more informally through the hosting of dinners, drinks, award ceremonies and other side-events. Again, this required complementary facilities in exhibition complexes and made interaction in a broad sense the main function of trade fairs.

This focus on interaction was the result of a growing service sector, but mainly of the internationalization of the exhibition sector. Following the general internationalization of markets and an increasing number of multinational corporations, trade fairs were internationalizing. Whereas, before the 1980s, most trade fairs had a regional or national orientation, the number of international exhibitors and especially international visitors increased quickly.

From this internationalization emerged a hierarchy of international fairs, leading to a further diversification of the market. Whereas formerly fairs had a regional orientation, in every sector one or two international fairs became dominant (Möller, 1989). It was at these leading fairs (in German: *Leitmessen*) that all global players had to be present to keep up with latest trends and technological developments. Fairs that did not acquire this status thereby became less interesting for globally operating corpo-

4 Again, German cities were at the forefront. The first international trade fair was opened in Hannover at August 18, 1947 in cooperation between the city and the Allied Forces in a 30.000 square meter facility. It lasted for three weeks and attracted 1298 exhibitors and 740.000 visitors.



rations. During these years, a clear separation between exhibition centers in terms of their reach became visible (De Hoog, 2012). Facilities that did not succeed in drawing international events were often thrown back to hosting regional events<sup>5</sup>. In some cases these venues were even converted for other uses or demolished for reuse of their sites.

In an attempt to reach the status of a *Leitmesse*, many fairs focused on a particular niche, thereby leading to a specialization of the market. This specialization largely increased the number of fairs as well as their appeal. Through the 1980s the number of fairs in Europe increased with 150 % (Rubalcaba, 1994).

It were first and foremost business oriented fairs that followed these trends of internationalization, diversification and specialization. Consumer fairs, aimed at the promotion of goods to a local market were not globalizing and kept their local orientation. Specialization of this branch was dependent on the success and development of a specific sector, rather than an autonomous trend. In fact, this segment of events was under hard competition from other emergent forms of leisure. Rather than going to the fair, people now also had other options to pass their free-time like go skiing, go to theme parks or stay at home behind the computer. Although there are still successful consumer fairs, their number and attendance overall is not growing. The large sample fairs that originated after the First World War and that had been able to continue this success after World War Two, had now either specialized into professional fairs or saw their attendance decline sharply<sup>6</sup>.

Over the past decades, the exhibition sector has undergone some profound changes. They have integrated with conferences into events focused on interaction which then specialized, diversified and internationalized. Therewith came an increased competition for international leading trade fairs.

### **The end of fairs?**

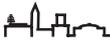
More recently, developments in Information and Communications Technology (ICT) have a large influence on the organization of trade fairs. Many products can now be shown and compared instantaneously on the world wide web. Also networking and monitoring of competitors has become more easy through the internet. This led in the 1990s to fear over the future of trade fairs. Would it in the future still be necessary to travel the world to interact with people?

This coincided with more general, academic debates on the ‘end of geography’ and ‘death of distance’ (Graham, 1998). Rapid innovations in ICT reduced the need to be

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<sup>5</sup> Coinciding with the internationalization of many events was a regionalization of many formerly nationally oriented events. In this regard, many niches in the exhibition sector saw a ‘hollowing-out’ of the national level in favor of both international and regional events. This gave many venues which had trouble positioning themselves in the international market a regional alternative.

<sup>6</sup> In Barcelona, the last general fair was held in 1991. In Milan, the *Campionaria* ceased to exist in 1992 after several unsuccessful changes in concept in the late 1980s.



physically present for the transfer of knowledge and information. Technological devices like the telephone, the internet and email increased the possibilities for mediated communication, thereby reducing the need for face-to-face interaction. It was expected that continuous technological developments would in the end lead to people being connected with anybody everywhere and always. In the end, as it was argued by some, this would dissolve comparative advantages of places and lead to disintegration of human settlements (Cairncross, 1997; Pascal, 1987).

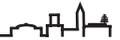
Some people foresaw this would also largely impact trade fairs. If permanent concentrations of activity would dissolve, then certainly temporary concentrations of offer and demand would vanish. Websites, videoconferencing and virtual reality could substitute for all activities employed at trade fairs. Although this might hold truth for the old functions of trade fairs: exchange, promotion and information exchange, the nature of fairs has changed towards networking being the dominant activity. This networking was essential in building new relationships, creating trust and picking-up on and verifying the latest gossip and ‘buzz’ of a sector (Shuldt and Bathelt, 2010). Several studies have demonstrated that for such activities it is essential to have face-to-face contacts which always provide larger experience over interactions that are mediated through technology (Nevejan, 2007). Moreover, it turned out that online applications actually enlarge the necessity to meet in person and can enhance the experience at face-to-face contacts. Relationships that are forged online can be deepened and extended during trade fairs; online communities could provide a forum for interaction before and after the event (Von Lukas, 2010).

The hypothesis that new technological developments and digitalization would not lead to the demise of trade fairs has been supported by recent growth in the numbers of international conferences and trade fairs. Between 1997 and 2006 the number of conventions as registered by the International Congress and Convention Association (ICCA, 2007) has risen from 3.716 to 5.838. The number of events in Europe registered by the UFI<sup>7</sup> has risen from 1.320 in 2001 to 2.248 in 2011.

Rather than ICT being a direct competitor for the exhibition business, it turned out that the challenge is to integrate ICT to enhance the experience of visitors. This, however, requires innovation in the products and services delivered at trade fairs.

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7 The Union des Foires Internationales (UFI) has since 2001 released yearly reports on the trade fair sector in Europe (Accessible at: [http://www.fkm.de/Euro\\_Fair\\_Statistics,29.html](http://www.fkm.de/Euro_Fair_Statistics,29.html)). Although some part of this increase might be attributed to better registration of events, increases also reflect the growth of the sector.



## 1.2 City and fair

As a result of and parallel to these functional changes, also the relationship between fairs and their host cities has changed. Although fairs have always brought economic revenue to their host cities, their capacity to boost the economy has recently been rediscovered. Their potential as catalysts for urban development is solicited by many municipal administrations. Notwithstanding these benefits, however, their role in urban development are also questioned by some.

### **Economic gains**

Studies on the construction of new exhibition centers often elaborately dwell on the economic benefits of the exhibition business (ICC Commission, 2005; Price Waterhouse, 1993; Sanders, 1998; 2002). Although there is indeed revenue coming from exploitation of facilities and the organization of events (see Figure 1.2), these often do not justify construction costs. The economic value of exhibition centers is rather found in their capacity to generate spin-off to the regional economy. Indirect economic effects are realized through all sorts of companies that supply to exhibition centers and organizers. These include security, catering, booth constructors, printing firms and promotion companies.

Often stated are also the capacities of exhibition centers to attract outward spending to a city or region. Visitors stay in hotels, visit bars, restaurants, tourist attractions, buy souvenirs and use public transportation. This brings revenue to these businesses and provides a critical mass to support facilities within the city. Several studies show that the expenditure of business tourists is generally higher than that of normal tourists (ICC Commission, 2005; NBTC, 2009). Moreover, leisure and business tourism are largely complementary because their peaks are at different times. While business tourism basically ceases activity during summer, these are the high-times of leisure tourism. Business tourist also help to fill the empty hotel rooms during weekdays that are filled with city-trippers during the weekends. It is therefore that locations with an extensive tourism offer are amongst the ones most aggressively trying to lure conferences and exhibitions (Fenich and Hashimoto, 2004). It is from this perspective that the construction of the Sands Expo and Convention Center in Las Vegas and the Hawaii Convention Center in the 1990s should be understood.

Economic spin-off is, however, not always direct and easily quantifiable. Arguably, professional gatherings invoke other positive effects such as information spill-overs, networking opportunities, competitor monitoring and innovation (Maskell et al., 2004). Schuldt and Bathelt (2011; see also Bathelt and Schuldt, 2006) conceptualize international trade fairs as a temporary version of permanent geographical clusters. Drawing on theories of agglomeration economics, their research shows that the activities of trade fairs serve similar ends as permanent clusters. Particular face-to-face encounters allow for picking-up on a 'global buzz', providing participants with the

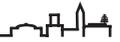
latest detailed information. When conceptualizing trade fairs as temporary economic clusters, this provides the home cluster with considerable advantages as it is, because of lower travel costs, able to tap better into the event. Moreover, many local sectors organize side-events at their own headquarters and institutions in order to merge temporary and permanent clusters. The work of Rubalcaba and Cuadrado (1995) shows that regions with a strong permanent cluster in any one industry are more likely to also host temporary trade fairs in that sector. Thereby, trade fairs and permanently established firms and institutions reinforce each other.

Finally, there are benefits that are even less tangible in nature. Some municipalities develop an extensive infrastructure for business tourism with the aim to change the perception people have of their city (Bradley et al., 2002). Especially cities that are

	<b>Company</b>	<b>turnover (in Million €)</b>
1	Reed Exhibitions (GB)	813,0
2	GL events (F)	782,7
3	United Business Media (GB)	475,3
4	Messe Frankfurt (D)	467,5
5	Messe Düsseldorf (D)	372,7
6	VIPARIS (F)	299,9
7	Deutsche Messe (D)	278,0
8	Fiera Milano (I)	255,5
9	MCH Group (CH)	266,4
10	Koelnmesse (D)	235,3
11	Messe München (D)	222,5
12	Comexposium (F)	201,2
13	Tokyo Big Sight (JP)	194,7
14	Messe Berlin (D)	182,1
15	ITE Group (GB)	180,5
16	Nürnberg Messe (D)	173,3
17	Coex (South Korea)	160,0
18	Informa (Great-Britain)	158,3
19	DMG Events (Great-Britain)	153,2
20	Jaarbeurs Utrecht (NL)	152,9
21	HKTDC (China)	141,6
22	Nielsen Expositions (USA)	138,2
23	Amsterdam RAI (The Netherlands)	133,9
24	Fira Barcelona (E)	114,7
25	IFEMA Madrid (E)	107,2

**Figure 1.2: Annual turnover (2011) of the largest exhibition organizations**

**Source: AUMA, 2012**



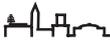
generally perceived as industrial and traditional hope that the construction of exhibition and meeting facilities will lure people to perceive the city's new identity. It is hoped that new venues will serve as a symbolic marker of cultural and economic change. Bilbao is a city that actively pursued this strategy through the construction of its now-famous Guggenheim Museum in 1997 which was followed in 2004 by the opening of the Bilbao Exhibition Center in the neighboring town of Baracaldo.

### **Urban development**

Within the field of urban studies, exhibition centers can be argued a blank spot, relatively little empirical research is done on their development. Exhibition center development is, however, often embedded in broader fields of research where it is then mentioned as part of urban regeneration strategies, tourism districts or boosterist strategies. These works can shed some light on the role exhibition center development has played within urban development. Because most of these contributions are of an North-American origin, not all contributions deal with the kinds of exhibition centers at stake in this research but, in some cases, with the generally smaller, but comparable convention centers.

Exhibition centers were only noticed in academia throughout the 1980s and 1990s when many cities started to construct new venues. These early works largely focused on the value of exhibition centers for urban regeneration. In the 1970s and 1980s, many inner cities were in decay as a result of suburbanization and shifting market investment. Especially city centers in the USA were experiencing problems with insecure and dilapidated city centers. Therefore, many municipal administrations were targeting urban investment at reinvigorating these blighted areas (Frieden and Sagalyn, 1989; Hannigan, 1998; Robertson, 2007). Tourism infrastructure in general and exhibition center construction in particular were considered powerful tools to give a new impulse to blighted areas. The idea was that convention or exhibition centers would draw large crowds to the neighborhood, thereby generating new amenities and employment (Holcomb and Beauregard, 1981). Later, similar strategies were employed for areas that were outside of historic city centers but had suffered employment-loss through deindustrialization.

In the 1990s, exhibition centers were mentioned in studies looking at the development of tourist infrastructures in cities (Law, 1992; Eisinger, 2000). Throughout the 1980s, the phenomenon of urban tourism had grown to really boom in the early 1990s (De Hoog and Vermeulen, 2009). This was noticed by many urban administrations that wanted to benefit from the inward spending of tourists. Therefore, they conceived strategic mega-projects aiming to boost the tourism industry in their cities by constructing sports stadiums, festival malls, museums and exhibition centers (Judd, 1995; Fayos Sola et al., 1994; Altshuler and Luberoff, 2003). Later, many studies embedded business tourism into the discourse of inter-urban competition. Exhibition center development was part of broader urban strategies to maintain or increase ranks in international



urban hierarchies (Rubalcaba and Cuadrado, 1995; Cuadrado and Rubalcaba, 1998).

Central focus, however, had never been on exhibition center construction itself, but rather on the discourses it was part of. This changed in the early 2000s when a controversy emerged, especially in the United States<sup>8</sup>, over the legitimacy of exhibition center development (Detlefsen, 2005). Especially Heywood Sanders, professor at the University of Texas, strongly criticized the growth in square meters of exhibition surface (Sanders, 1992; 1999; 2002; 2005). He argued that construction was not demand driven, but rather based on the desire and anticipation of municipal governments to attract events from elsewhere. This, he argued, had created a rat-race of exhibition center construction leading to oversupply and empty buildings. The fact that many exhibition centers were publicly financed or were constructed with the backing of municipal loans, further aggravated the matter and led to disputes over the legitimacy and necessity of exhibition center construction. Was money not better spent elsewhere?

Exhibition center development was further questioned from another angle, not questioning the competitive effects but the ways in which exhibition centers were constructed. Dennis Judd (1999), coined the term 'tourist bubble', indicating sections of the city that were almost exclusively dedicated to tourism infrastructure and that were, consequentially, hardly ever frequented by local residents. Such areas, often consisting apart from exhibition centers of museums, shopping centers, aquaria and hotels, contributed to the urban economy but were only of limited value to residents. Therefore, also from this angle, the legitimacy of investment in facilities with no added value to residents was questioned (Laslo and Judd, 2004).

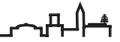
### **Problems of integration**

The legitimacy of an exhibition center can also be questioned if it no longer fits to its surroundings. Whereas their surroundings can provide trade fairs with substantial benefits when urban amenities match the needs of trade fair visitors, modern trade fairs can also generate effects that are disruptive to neighboring communities. Often times, this comes with changing functionality and physical investment.

Traditionally, large parts of the visitors to trade fairs came from the city and region. This changed with the earlier described internationalization and professionalization of fairs. No longer were residents the main visitors of the city's fairs. Nevertheless, it were still those residents that were confronted with negative effects like congestion, parking problems and other forms of nuisance generated by visitors and the construction and deconstruction of fairs. Especially for international fairs that have in some cases evolved into mega events, these events can be considerable (Hiller, 1995).

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<sup>8</sup> Although there were similar debates in Europe (AUMA, 2007), these were mainly held within the industry itself whereas in the US debates were more intense and also spilled-over to academia.



A typical response to keep these effects limited has been the rationalization of exhibition complexes through internal logistical systems, garages, cargo docks and in-house facilities like bars, restaurants and hotels. Although this is a good way to keep pressure on surrounding parking facilities and road and public transport systems to a minimum, this further separates the everyday life of the city from the world of the trade fair, thereby further reducing the visibility, legitimacy and sometimes economic spin-off, of the facility. Exhibition centers became introverted islands in the urban tissue.

The most drastic way, however, in which exhibition centers impact their surroundings is when they try to extend their premises. As earlier described, many of them have done so freely and enthusiastically since the Second World War. In this regard, Altshuler and Luberoff (2003) have noted for large-scale projects in general but with explicit references to exhibition centers, that from roughly the 1970s onwards, the unbridled growth in large-scale projects has been somewhat curtailed. By this time, grassroots organizations and individual residents had been so well equipped by formal participation procedures, conservation policies and environmental restrictions that it has become feasible to stop or stall large-scale government-backed projects. According to Altshuler and Luberoff, apart from situations where disputes were indeed taken to court, in many cases even the threat of such procedures has been enough for governments to curb their ambitions. For exhibition center development this meant that neighborhoods that had seen trade fairs eat-off their green spaces and cut large fractures in the urban tissue since World War Two, were now provided with the tools to stop this.

Notwithstanding the problems of integration and legitimacy, the physical and economic development of exhibition centers is intertwined with the development of their surrounding areas, city and broader metropolitan region. Because by far the largest part of benefits, generated by exhibition centers does not fall on the facility itself, government has stepped-up to stimulate exhibition activities. This is very much reflected in the policy setting of exhibition center development.

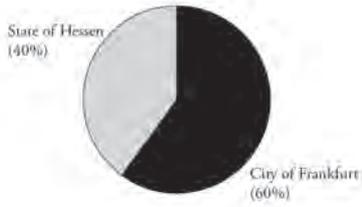
### 1.3 Ownership constructions

European fairs are traditionally linked to local governments. In the 1920s, many fairs were initiated and financed by local administrations. Other fairs like in Amsterdam were initiated by industrial sectors but soon started to receive government support<sup>9</sup>. Although almost all fairs have adopted a shareholder-construction over the years,

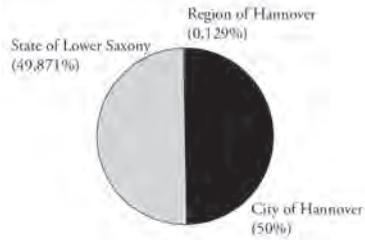
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<sup>9</sup> The Amsterdam fair was established by bike manufacturers and merchants who wanted to coordinate the diversified offer of national exhibitions that had emerged with the growth of the sector. This origin is still reflected in the current shareholder construction where the city holds 25% and the RAI Association 75% of the shares. See also Chapter 4 on the development of the Amsterdam exhibition center.

### Messe Frankfurt



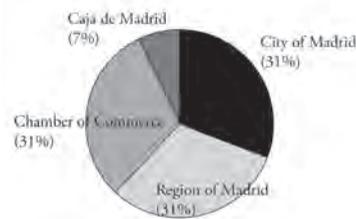
### Messe Hannover



### Messe Munich



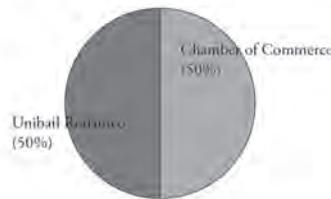
### IFEMA Madrid



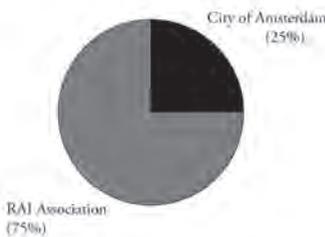
### Messe Dusseldorf



### ViParis



### RAI Amsterdam



### Excel London

Abu Dhabi National Exhibitions Company (100%)

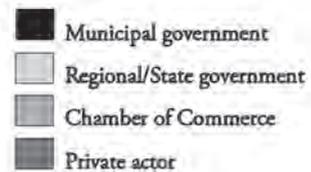
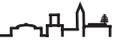


Figure 1.3: Ownership constructions of eight European trade fairs



these initial relations are still reflected within those shareholder relations. In almost every exhibition center the city and some higher tier of government are still present. These relationships tend to differ between countries.

German facilities are generally among the most government oriented. In Frankfurt shares are held for 60% by the City of Frankfurt and for 40% by the State of Hessen. In Hannover also the city (49.87%) and the State of Lower Saxony (50%) are the main shareholders, complemented by the Greater Hannover Region with a small stake of 0.13%. Sometimes, these relations change when investment for a new venue or hall is needed. The Free State of Bavaria increased its share in the Munich fair from 32.67% to 49.9% in 1992, in order to provide the necessary investment capital for the new Munich Fair (see Chapter 5). One of the few large German fairs that has acquired private capital is Düsseldorf. Here 20% of the shares is held by private shareholders.

Such constructions are more common in other countries. This is most prevalent in the Excel Centre in London that was constructed in 2000 by a British private investor and acquired in 2008 by the Abu Dhabi National Exhibitions Company. The ViParis association that owns and manages the largest exhibition and conference venues in Paris is owned for 50% by the development corporation of Unibail Rodamco.

In Spain, ownership is usually held by the city, region and chamber of commerce as is the case in Barcelona and Valencia. In the case of Bilbao, these actors are complemented by the province of Biscaya. Only in Madrid, private capital is involved through a 7% share of the Caja de Madrid. This is, however, a minority share with the city, region and the Chamber of Commerce all holding 31%. Lyon follows this pattern of a combination between city, region and Chamber of Commerce.

In Italy, competences of the exhibition sector were moved in 1999 from the national level to the regional level. As a result, many regions have invested in their exhibition center infrastructure during the past decade. However, in many cases, a listing at the stock exchange has been necessary to finance these developments. Bologna (46%), Milan (25%) and Rimini (15%) are all to a considerable part in private hands.

Also in the USA, exhibition and convention centers have problems to finance construction and extension. It is therefore that also here, government is stepping up through direct investments, loans and bonds to allow for exhibition center development (Sanders, 2005).

This makes exhibition centers a particular urban function. Even though most exhibition facilities operate as private entrepreneurs they are, at least partially, also controlled and steered by the public hand. This makes that their construction and location choice are likely to not only reflect entrepreneurial but also public interest.

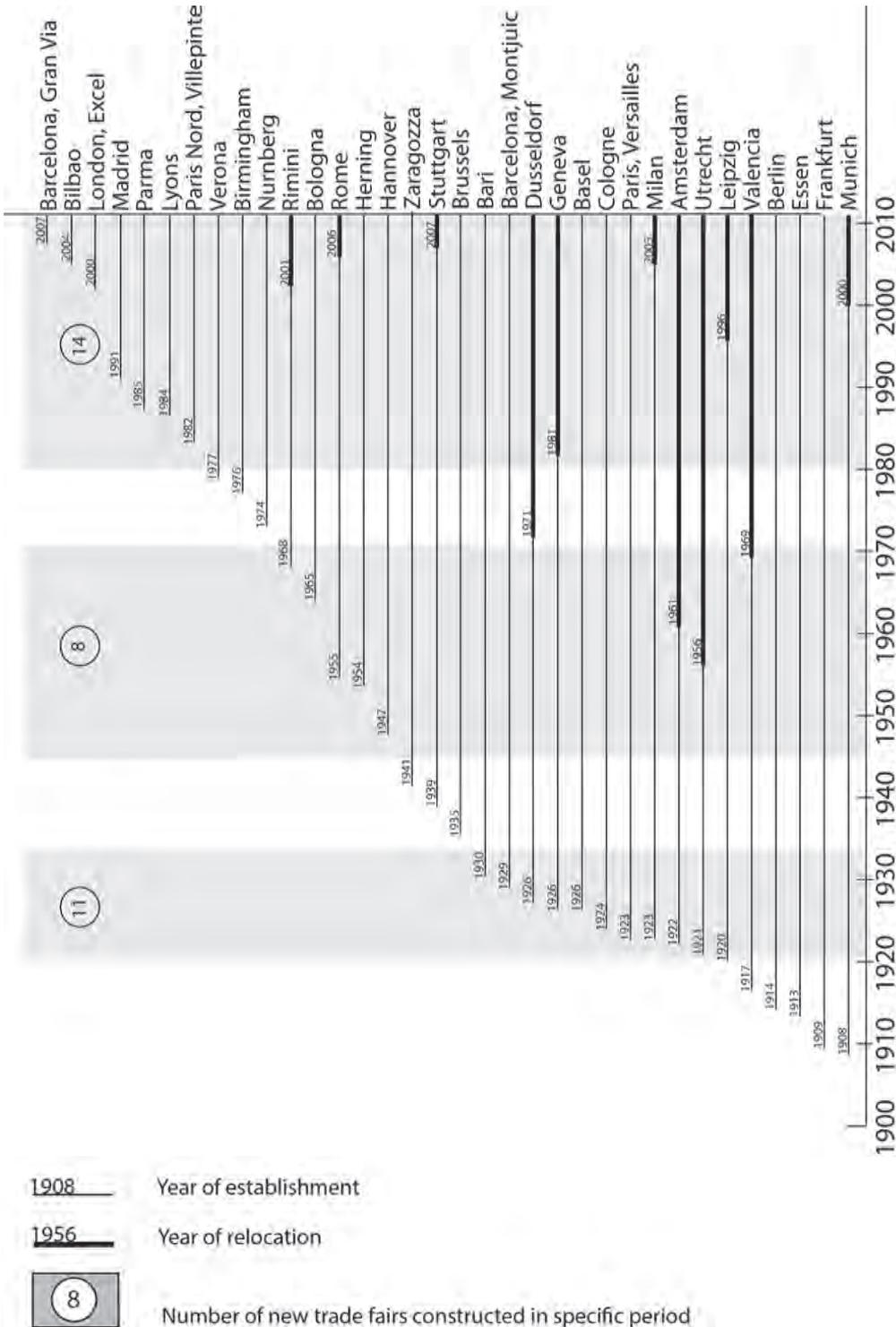


Figure 1.4: Largest fairs in Europe by year of establishment and year of relocation



## 1.4 Exhibition center construction

Each of the earlier mentioned shifts in the nature of events held at exhibition centers coincided with a peak in exhibition center construction. Modern trade fairs appeared roughly during the first decade after World War One. Many cities saw the organization of trade fairs as a good way to stimulate the economy and needed facilities to do so (Carreras and Torra, 2005). Dedicated halls were built in cities like Leipzig, Utrecht, Amsterdam, Milan and Paris. Out of the thirty three largest Western European exhibition centers of today, eleven facilities or their predecessors were constructed between 1920 and 1931 (See Figure 1.4).

Although a few cities like Brussels that needed an exhibition venue for its 1935 World Expo constructed facilities throughout the 1930s, the spectacular growth in exhibition centers of the 1920s was not continued. Main reason was the economic depression which led to reduced interest amongst exhibitors. As a result of the Second World War, almost no facilities were constructed during the first half of the 1940s. In fact, many exhibition centers ceased their normal activities and were used as military quarters or storage. Thus becoming strategic targets, many exhibition centers did not survive the war. Facilities in Munich, Frankfurt, Düsseldorf, Essen, Cologne, Vienna and Milan were all to a considerable extent destroyed.

Relatively soon after the war, many cities decided to reconstruct and extend their facilities. The ruins left after the Second World War made it relatively easy to replace the small and often temporary pre-war halls with the larger and more modern facilities that were needed by a growing industrial sector. Surprisingly, especially in Germany that was left destructed and defeated by the war, many investments in exhibition infrastructure were made. To this testimony not only the quick reconstruction in Frankfurt and Munich but also the foundation of a new facility in Hannover<sup>10</sup>. During the fifties and sixties new facilities were also constructed in other cities, most notably in Italy and The Netherlands. Many other facilities were extended as demand from exhibitors kept increasing with economic growth.

The earlier described internationalization and specialization in the 1980s led to a third boom in exhibition center construction in the 20<sup>th</sup> century. In order to attract footloose events and maintain the ones already hosted, exhibition centers felt the need to invest in their facilities. Although the trade fair sector in the US is different from that of Europe<sup>11</sup>, data on the development of US exhibition centers illustrates this boom. Ac-

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10 Occupying forces, especially in Western Germany aimed at a quick reconstruction of the German economy and saw in trade fairs a good way to boost and promote the export of German products. The fact that relatively many cities followed this policy after the war can be attributed to the decentralized structure of the country with different occupational zones and relatively autonomous states (Uhlendorf, 2006; Möller, 1989). This decentralized pattern still characterizes the German exhibition sector of today.

11 As the exhibition center sector in the US lacks the long history of European fairs, the US sector was at the beginning of the 1980s probably less developed than that in Europe. It is therefore not unlikely that some of the US production was catching-up with

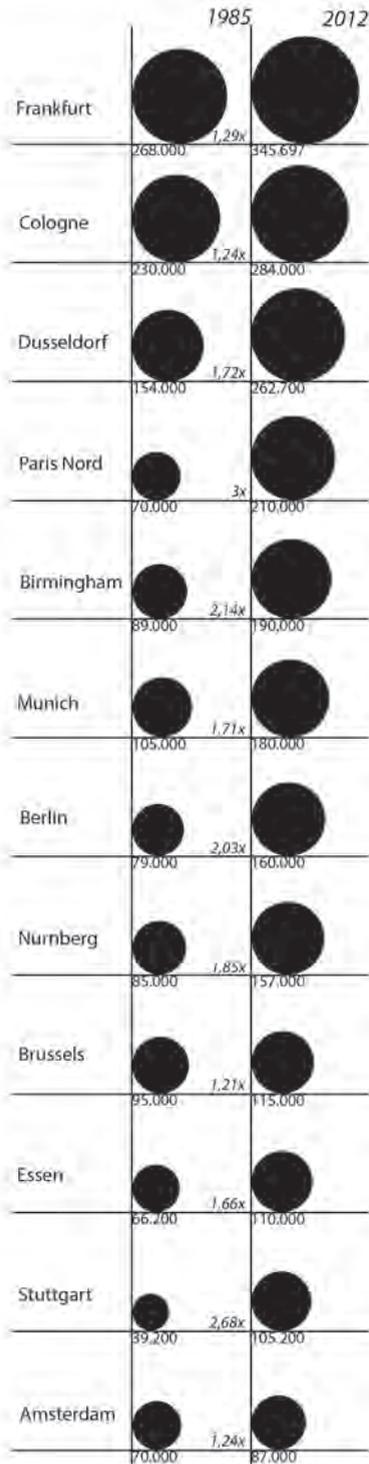
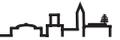


Figure 1.5: Sizes of fairgrounds compared, by square meters of covered exhibition space (1985-2012)



According to the database of *Tradeshow Week* the exhibition surface in the US increased yearly by 3,4 percent during the 1980s. The number of exhibition facilities increased even by 6 percent over the same period (Detlefsen, 2005). In Europe, new facilities were constructed and old ones renovated. Figure 1.5 shows the difference in surface between 1985 and 2012 for some exhibition centers in Western European cities. In Paris and more recently Barcelona, a second exhibition center was preferred over the infinite extension of the original venue. Moreover, cities like Düsseldorf, Leipzig, Munich and Stuttgart constructed new facilities. The transition of competences from the national to regional level in Italy in 1999 led to new facilities in Rimini, Rome and Milan in the following decade. In total, fourteen exhibition centers with over 100.000 square meter of covered exhibition space have been constructed in Western Europe since 1980.

Unfortunately, databases quantifying these developments only have a very recent time-span. Nevertheless, they are impressive. Wallace (2007) estimated European growth in exhibition space between 2000 and 2005 at 30%. A more recent study of the Union des Foires Internationales (UFI, 2012) calculated a 7% increase between 2006 and 2011, equaling one million square meter of covered exhibition space added in only five years<sup>12</sup>. The real amount of construction and investment is even higher if one realizes that many new facilities were constructed to replace old facilities. In Europe there are now 192 exhibition centers with over 20.000 m<sup>2</sup> of covered exhibition space of which 36 are larger than 100.000 square meters.

### **Architectural and morphological change**

Not only the number and size of exhibition centers has changed, also their appearance has altered dramatically. Already mentioned is that throughout the 1960s and 1970s conference centers were added to exhibition centers. This was later in some cases followed by hotel development. Throughout the years, the size of individual halls has also grown. Whereas large consumer fairs took place in pavilions and small halls, contemporary exhibitions require large, uninterrupted surfaces for a flexible layout of the event<sup>13</sup>.

This posed problems as many facilities gradually evolved into their surrounding areas and locations to add these larger surfaces were limited. This led in many occasions to

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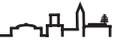
market demand that was already fulfilled in Europe. This probably also explains the larger growth rate in facilities than in exhibition surface in general. In Europe, probably a larger share of added surface was to already existing facilities.

12 Unfortunately the work of Wallace and UFI was based on different databases and their works are therefore not completely comparable. Nevertheless, it is not unlikely that the increase in exhibition space has recently flattened as a result of the financial and economic crisis.

13 In his famous work 'Good City Form' (1981), Kevin Lynch refers to the degree to which the form of a settlement matches the activity patterns as 'fit'. It can be argued that recent construction in exhibition centers has been geared to restoring the fit between the form of trade fairs and their renewed functions.



*Figure 1.6: The world's exhibition centers of over 100,000 square meter covered exhibition space; Source: UFI, 2012*



the squeezing-in of new halls wherever this was possible, a practice that did not render the most efficient fairground layouts for handling visitor streams and cargo flows. When considering the fairground maps in Appendix C, one sees that especially old facilities have made many concessions towards efficiency in order to allow for larger capacity. Some facilities like Basel and Cologne have issued large schemes to reorganize their historical fairgrounds. This often entailed large-scale demolition of old facilities and the reconstruction of new halls.

More recent facilities do not have these problems. They are often organized in geometrical layouts with two rows of halls siding a central axis (see Milan, Rome, Madrid and Bilbao). Another popular layout, used in Lyon and Paris Nord is a semi-circle of halls around a central square. At these modern facilities, cargo and visitors are separated completely. Often these venues are designed in such a way that several events can take place simultaneously, each with their own entrance and catering facilities.

These new facilities, as well as the latest extensions of old venues, often also pay considerable attention to architectural quality and appeal. Whereas facilities constructed in the first decades of the 1920s like the Festhalle in Frankfurt were designed to impress visitors and show the status of the city, architectural designs became much more sober during the following decades. This was, of course, largely dictated by the lack of recourses after World War Two. Exhibition halls mainly served the functional purpose of an efficient exhibition. This changed in the early 1980s when exhibition centers commissioned internationally famous architects to design their new halls and complexes<sup>14</sup>. Nowadays, many new exhibition facilities are developed not just as functional artifacts but also as icons underlining the status of the facility and its host city (Sklair, 2006; Kong, 2007).

### **The global market**

Although this study focusses on exhibition development in Western Europe it is useful to place these developments in a broader, global perspective. As previously mentioned, Europe is by far the continent with the longest tradition in trade fairs, rooted in medieval markets. At other continents, these roots cannot be traced back that long. Although some, most notably North American cities, have hosted World Exhibitions in the late 19<sup>th</sup> and early 20<sup>th</sup> century, large scale construction of trade fairs like in Europe did not take place. Trade fairs seem to have been for long a European way to exchange and promote goods.

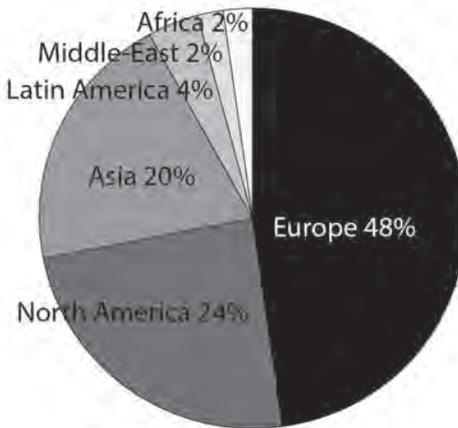
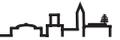
History is reflected in today's offer in exhibition space. Almost half of the worldwide exhibition space can be found in Europe. Moreover, Europe also hosts the largest fa-

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<sup>14</sup> The Frankfurt Fair made it official policy to commission a new internationally renowned architect for each new addition. This has resulted in works by Matthias Ungers, Helmut Jahn and Nicolas Grimshaw. The recent reconstruction of the Basel trade fair was done by Herzog and de Meuron. Massimiliano Fuskas designed the new Milan trade fair.



*Figure 1.7: Increase in exhibition space per region (2006-2011); Source: UFI, 2012*



*Figure 1.8: Share of the world's market for exhibition surface per region;*

*Source: UFI, 2012*

cilities: 36 of the 54 exhibition centers of 100.000 square meter or more are located in Europe. Amongst the top ten largest exhibition centers, eight are located in Europe.

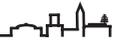
As mentioned, the supply of exhibition space in the United States has increased enormously during the 1980s: 3.4% annually. Also during the 1990s (3%) and the 2000s (estimated at 3.8%<sup>15</sup>) large-scale construction continued (Detlefsen, 2005). This partially, but not completely, repaired the lag with Europe. By now, 24% of worldwide exhibition space is to be found in North America (UFI, 2012). Construction has, however, also fueled discussion about the feasibility of these developments. It is feared that many convention centers are constructed out of a desire to attract events rather than on the basis of sound calculation of potential market demand (Sanders, 2002; Altshuler and Luberoff, 2003). Moreover, as many convention centers are directly or indirectly financed by ambitious local governments, the legitimacy of these projects has been discussed rather fiercely in the early 2000s (Detlefsen, 2005; Altshuler and Luberoff, 2002; Sanders, 2002, 2005).

These discussions, probably complemented by the decline in business travel after the events of September 11<sup>th</sup> 2001, have recently flattened growth in exhibition center construction in North America. Although still limited compared to Europe, some observers argue that the huge construction of exhibition centers throughout the eighties and nineties have turned North America into a mature market for exhibition centers (Detlefsen, 2005) which has recently resulted in an increase of net space which is actually even lower than Europe (5% and 7% respectively; UFI, 2012).

<sup>15</sup> This estimation was based on plans for convention centers. As it is not likely that all plans will be realized, the percentage of actually realized extension is probably lower.



*Figure 1.9: Number of exhibition venues and square meter of covered exhibition space (in million) per region; Source: UFI, 2012*



Asia, although rapidly catching-up in terms of square meters, is only recently emerging as an important region for the exhibition sector (Feng, 2004). Together with the Pacific Region, the number of square meter exhibition space has increased with 38% between 2006 and 2011. Roots for this boom can be found in the liberalization of the exhibition sector in 1993 which made it possible for other parties than central government and selected international organizations to organize exhibitions (Kay, 2005). Amongst these facilities are twelve facilities of over 100.000 square meter, double their number in North-America. Most of these facilities were recently developed in China. Apart from the Liuhua complex in Guangzhou that dates back to 1974<sup>16</sup>, all facilities were developed during the first decade of the 21<sup>st</sup> century. Apart from a second, larger complex in Guangzhou this comprised new exhibition centers in Shanghai, Yiwu, Chengdu, Shenyang, Shenzhen and Beijing. Between 2006 and 2011, over 1.500.000 square meter of exhibition space was constructed in China alone. Recent new facilities were also constructed in Bangkok (1999), Singapore (1999) and Seoul (2005). With these being only the largest of 184 venues in the Asia/Pacific region, this can, without a doubt, be argued the booming region in the international exhibition market. Nevertheless, also China recently started to show signs of market saturation and overproduction of exhibition space (Kay, 2005).

Another growth market is the Middle East that is profiting from huge urban investment and more and better flight connections. Here, exhibition space increased with 16% between 2006 and 2011. Other continents have relatively limited exhibition spaces that mainly cater for niche markets and regional events.

## 1.5 Emerging geographical patterns

What now are the geographical patterns these developments are producing? The maps on the following pages schematize the current location of the 34 largest exhibition centers in Western Europe<sup>17</sup> in relation to build surface, road infrastructure and public airports. These maps were used to determine the location of exhibition centers within their region by their relative location towards the urban fabric. Exhibition centers embedded within or attached to continuous urban settlement were deemed as central.

Consequently, exhibition centers outside of the continuous urban fabric were deemed as peripheral. The term 'peripheral' has been used to indicate exhibition centers that are not on central locations, even though such centers might still be surrounded by

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16 Guangzhou was traditionally the location of the national export commodity fair which was held from 1956 onwards (Kay, 2005).

17 These are the 34 exhibition centers of over 100.000 square meters, identified by the UFI in 2011. To these, the RAI exhibition center in Amsterdam is added as it only contains 89.000 square meter of covered exhibition space but is one of the case studies in the later chapters.

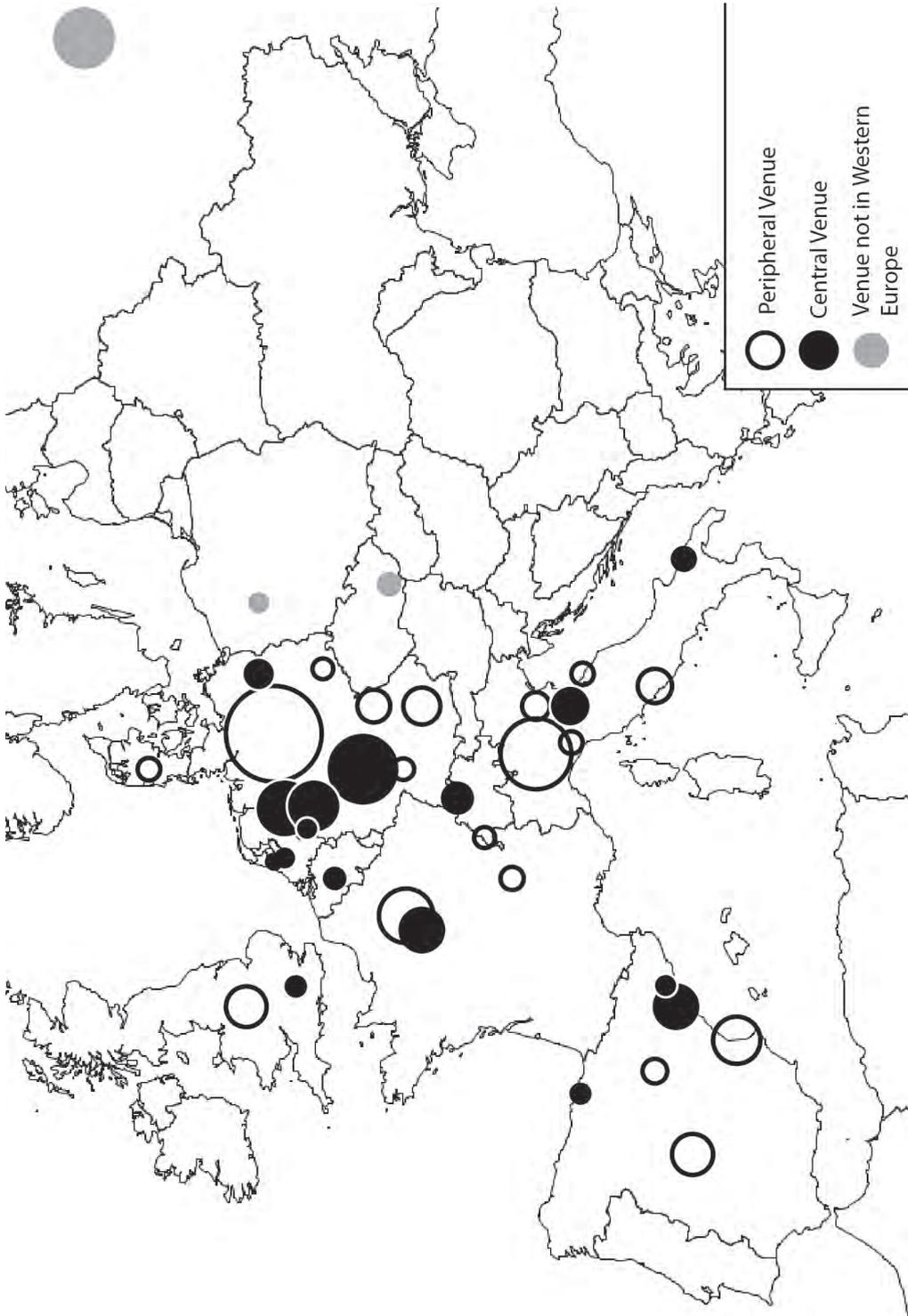
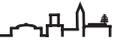


Figure 1.10: Western European exhibition facilities by location and relative size; Source, UFI, 2012



other urban functions. As discussed earlier, the peripheries of metropolitan regions are to an increasing extent attracting functions other than suburban dwellings, industry and small businesses. Apart from airports, that for obvious reasons have always been outside of the central cores of regions, also other high-level urban functions that were traditionally reserved for city centers are now found within urban peripheries. As the maps show, exhibition centers are amongst these functions, together with hospitals, shopping malls and sports stadiums.

This simple approach makes it possible to assess both the largest European metropolises like Paris, London and Berlin as well as smaller cities with large exhibition centers like Rimini, Utrecht, Herning and Zaragoza. Of course, within the smaller metropolises ‘central’ means that the exhibition center is close to the historic city center and, for example, the city’s central station. In the larger metropolises, this is less self-evident. Although the Messe Berlin is embedded within residential areas, and

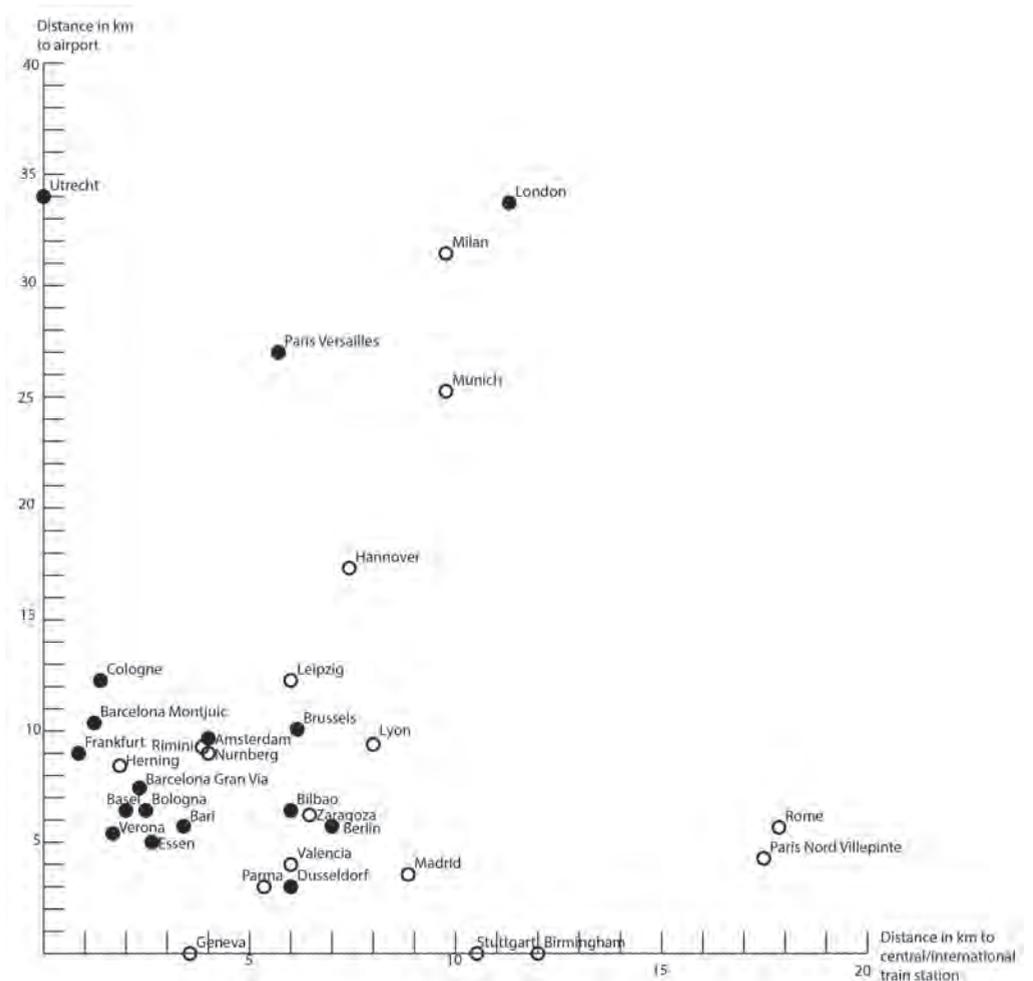
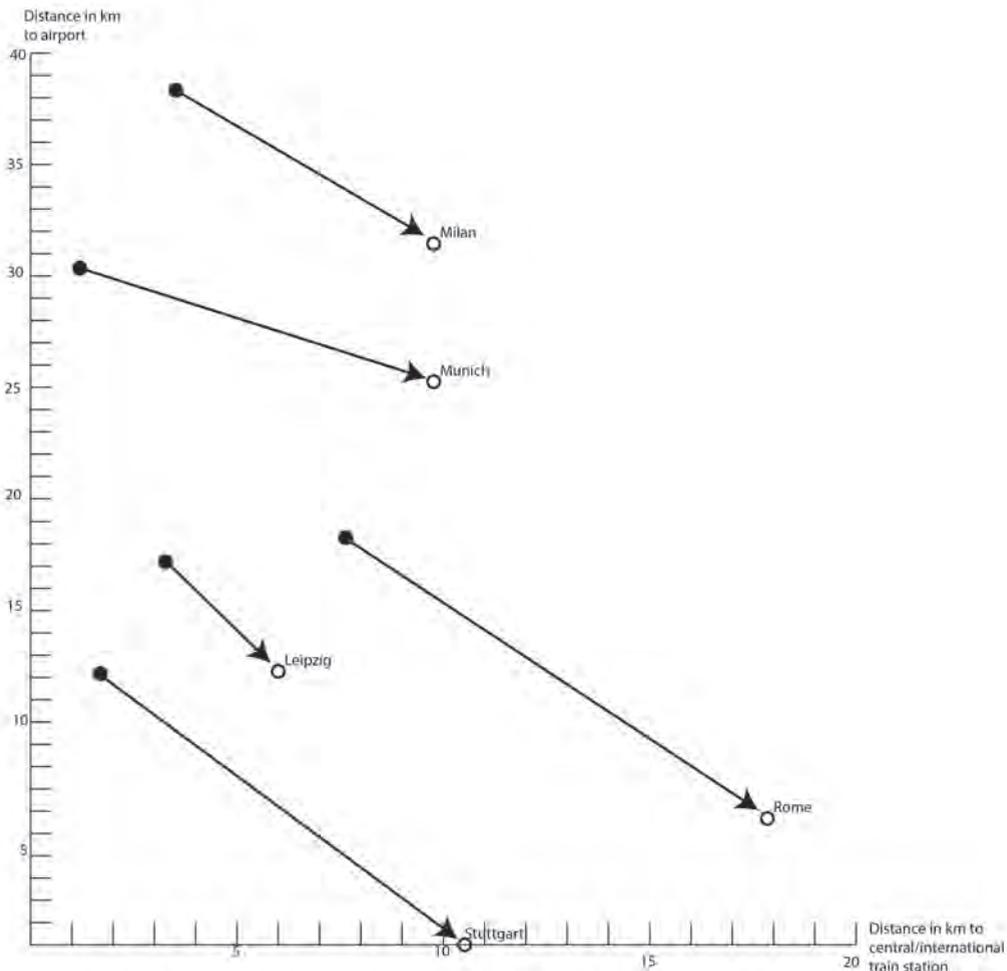


Figure 1.11: Western European exhibition centers by as-the-crow-flies distances to Central Station and airport

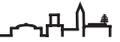
thus deemed central, it is still located at quite a distance from the Central Station and the main tourist attractions. The same accounts for Paris Versailles and London Excel. The elaborate public transportation networks that are in place in these cities partially make-up for this.

Without exception, all facilities constructed before the 1940s are centrally located within their cities. This is not surprising as even if they were at the time of construction located outside of the urban core, the city has throughout the following decades developed around the facility.

Post-war facilities show a mixed pattern. Even though there were still some facilities located at central locations (like Utrecht and Bologna) or over time encapsulated by the city (like Amsterdam), there are also some facilities located at sites that are still exterior to the city (like Valencia, Hannover, Herning and Zaragoza). Particularly facilities constructed during the 1970s, pose problems for a neat categorization. Geneva,



**Figure 1.12: Old and new location of five exhibition centers by as-the-crow-flies distances to Central Station and airport**



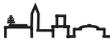
Nurnberg, Birmingham and Düsseldorf are at the edge of the urban settlement but share many characteristics with peripheral facilities. Geneva and Birmingham are located next to the city's airports. Therefore, the latter two were classified as peripheral.

From the 1970s onwards, this example has been followed by many new facilities. During the 1980s and 1990s, all new exhibition centers were located in the urban periphery with Paris Villepinte, Madrid, Munich, Parma, Düsseldorf, Geneva and Rome being constructed at the airport or on the axis between the city and the airport. These investments in new exhibition centers reshape regional configurations. Many cities that formerly had central facilities have been replacing those with out-of-town facilities. Whereas before 1980 six of the thirty-four largest facilities were at a location that can be deemed peripheral, there are now eighteen such facilities, signifying a shift away from central locations.

Simultaneously, however, a series of extensions and reconstructions of inner-city facilities were taking place. In the 1990s Berlin, Barcelona and Frankfurt extended their facilities. In the 2000s, they were followed by Paris Versailles, Essen, Amsterdam, Basel and Cologne. All these facilities not only expanded their facilities but also increased quality through improving technical facilities, adding conference space and streamlining visitor and cargo flows. Since the year 2000, also new facilities have been created at relatively central locations. Although not quite in downtown, they are located within the urban ring road and part of continuous urban fabric. In London, the Excel Centre was constructed in the year 2000 as part of the redevelopment of the eastern London waterfront. This facility was later extended by an International Convention Center. In 2004, the Bilbao Exhibition Center was constructed in the urban area of Bilbao-Barakaldo. Barcelona constructed a second exhibition center within its urban ring road on a new business location, adjacent to a residential neighborhood. These new exhibition centers underline the attraction central cities still have on exhibition centers.

Of course, the distinction between central and peripheral facilities is an artificial one. Metropolitan areas are diverse landscapes with different degrees of centrality. Peaks of density and diversity also occur outside of historic inner-cities. Exhibition centers are hardly ever found in the undisputed heart of the city and are always, although still within the city, a little outside of historic urban cores. Especially facilities that are found along the urban ring-road share central and peripheral characteristics.

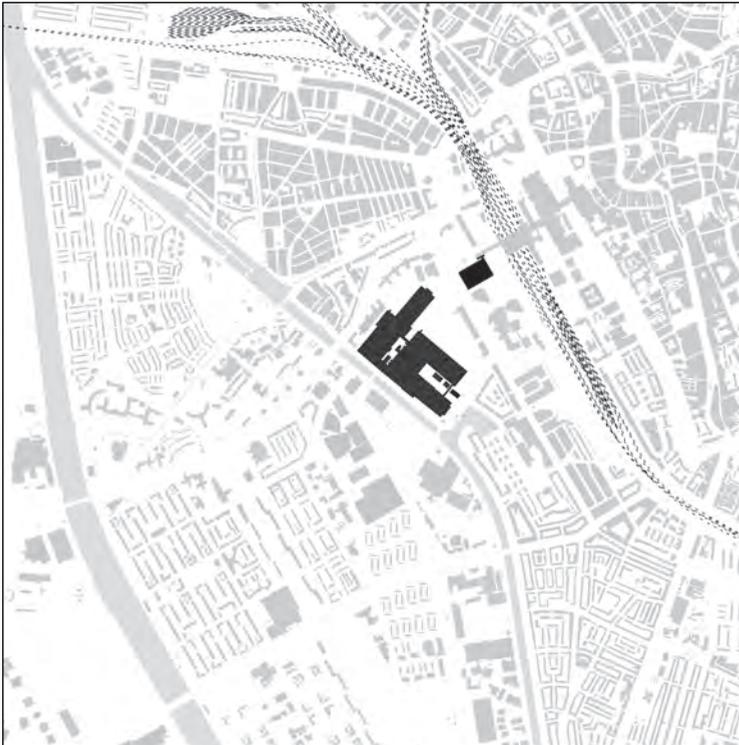
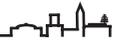
Nevertheless, it is possible to attribute some common characteristics to both types. Surprisingly size is not a determining factor. The fairs in Frankfurt, Cologne and Paris Versailles show that some of the largest fairs in the world are centrally located. As will be demonstrated by the case studies in the remainder of this study, the urban fabric around these central facilities, however, does pose problems when these exhibition centers want to extend. For peripheral facilities that are generally surrounded by open space to at least one side of the fairground, this is generally much easier. Moreover,



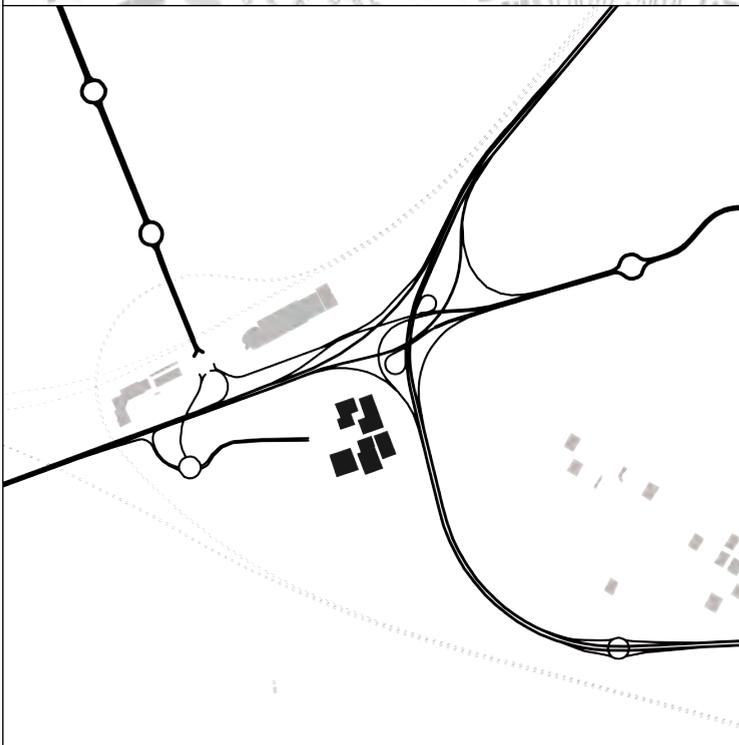
land is available in generally larger quantities and for lower prices. The urban fabric and the diversity of functions this provides is, however, often an asset for central facilities. Within these neighborhoods, often a set of complementary functions like bars, hotels and restaurants is developed to facilitate the visitors of the fair complex. Around peripheral venues, these functions are generally on shorter supply. Therefore, it was claimed in a 2005 study that centrally located exhibition facilities generate more economic spin-off than peripheral facilities (ICC Commission, 2005).

In terms of accessibility, central fairs are generally closer located to the international or central train station but more distant to the regional airport. As was already discussed, new facilities in the urban periphery are often constructed adjacent to international airports. Therefore, peripheral facilities show a reversed pattern: they are closer to the airport but more distant from central train stations. This pattern is depicted in Figure 1.11 where as-the-crow-flies distances from the exhibition center to the airport and the international or most important railway station are depicted in a scatterplot. Apart from showing the generally larger distances within large metropolitan areas, this figure also shows a separation between central and peripheral facilities, with centrally located facilities relatively found towards the lower-left and peripherally located venues located to the upper-right of the chart. Figure 1.12 strengthens this observation. Here, the new and old location of the five most recently relocated trade fairs are shown in a similar scatterplot with distances to airport and central station.

Construction in the third period of large scale investment in exhibition infrastructure in Western Europe is enormous and drastically changing the nature of exhibition facilities. Underlying these developments are processes of specialization and internationalization combined with toughening competition between both trade fairs and cities over visitors and investment. Characterizing current exhibition center development projects is a divergent geographical pattern. On the one hand, there is a series of new facilities emerging in the metropolitan periphery, located at highway connections and near airports. On the other hand, there is a number of facilities continuing along the traditional path of central locations for exhibition centers. This league of facilities is headed by facilities that are strengthening their historic locations but also comprises a few recently constructed facilities.



*Figure 1.13: The Jaarbeurs Utrecht is an example of a central facility, tightly embedded within its urban surroundings*



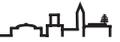
*Figure 1.14: The Feria de Zaragoza is a peripheral facility, relatively isolated from other urban functions*

## CHAPTER 2

# Research Question and Methodology

### **Abstract**

**The following chapters will try to answer the question: ‘What drives exhibition center development in Western Europe and how can the divergent geographical pattern of these developments be explained?’. They will do so through a qualitative approach that is guided by the sensitizing concepts that will be developed in Chapter Three. With an eye on future generalization due attention is paid to case selection. On the basis of a metropolitan ranking of host cities and an impact ranking of exhibition centers, four cases are selected.**



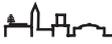
## 2.1 Research Question

The previous chapter has given a general introduction to the history and current development of the exhibition sector. From this overview arises a highly dynamic sector that has a tradition of reinventing itself. Functional shifts, first from economic exchange to promotion and later from promotion to interaction have throughout the past century brought about three phases of large-scale construction. Apart from the necessity to place greater emphasis on the facilitation of interaction, the current boom in exhibition center construction also seems to be caused by an internationalization of the sector that toughens competition for the largest and most profitable events. Because a large part of economic benefits falls outside of the exhibition centers, it is argued by many scholars of urban development that having a strong exhibition facility is also highly valued by city administrations. It is, however, not from the perspective of municipal government but rather from the perspective of the exhibition facilities themselves that decisions will be analyzed and explained. This provides an original and unique perspective on how decisions of individual actors are shaping metropolitan configurations.

The current era of trade fair development shows a divergent geographical pattern for Western European facilities. On the one hand, there is enormous investment in centrally located facilities, while on the other we find many newly constructed facilities outside of the urban core at what can be deemed peripheral locations. As the processes underlying exhibition center development, namely specialization and internationalization, seem to drive exhibition center development all-over Western Europe, such a differentiated pattern is remarkable. Apparently, exhibition centers define different spatial strategies to similar competitive demands. In other words, international trends have locally different outcomes. With trade fairs being at the same time places embedded within their local environments and nodes in international flows of people, goods and information, these are locations where both these worlds collide. It is through the recent processes of relocation of exhibition centers that these dilemmas are now also brought to and manifested in urban peripheries.

It is within this tension between the global and the local that the central question of this research is framed:

*“What drives exhibition center development in Western Europe and how can the divergent geographical pattern of these developments be explained?”*



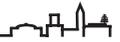
## 2.2 Research Methods

Rather than merely demonstrating the spatial configuration of trade fairs, this thesis aims at explaining these patterns. Why do some cities opt for new investment into their centrally located exhibition centers while others relocate to new facilities in the urban periphery? How are these decisions conditioned by historically developed structures and on-the-spot emerging opportunities? Particularly suited for why and how questions are qualitative research designs (Ragin, 1987; Yin, 2003). The nature of the research makes quantitative research designs like the experiment, in which the idea is to separate the phenomenon from its context, ill-suited. More importantly, as the selected perspective on the relocation of exhibition centers explores new avenues of research, no quantifiable hypotheses have been raised on which this study can elaborate.

Rather than applying and testing definitive concepts, this research draws on an explorative approach. In order to avoid a completely open exploration, however, sensitizing concepts will be defined in the conceptual model of this study. The introduction of these concepts enables to focus the explorative research on strategic concepts (Blumer, 1954; Bryman, 2008). The concepts of physical form, function, spatial embeddedness and institutional setting will be introduced as the sensitizing concepts of this study and provide the areas to look for possible explanations of patterns of exhibition center development.

How exhibition centers are shaped through these dimensions will be analyzed by three social mechanisms (Hedström and Swedberg, 1996) that are derived from path dependency theory. Increasing returns, lock-in and critical junctures all evolve around the notion of continuity and change in development trajectories. Rather than providing a testable theory, this toolkit, that will be developed in Chapter Three, provides the concepts through which to analyze exhibition center development and can be tested on its own merit for the analysis of urban development.

A qualitative research design makes it possible to allow for many possible explanatory variables within the frame of the strategic sensitizing concepts. This, however, comes at a cost. Because of the wide amount of possible explanatory variables, data collection requires a lot of time and effort. Therefore, within qualitative research it is usually not possible to investigate the whole of the population (Ragin, 1987). Strategic choices have to be made on which parts of the population to assess (Yin, 2003; Gerring, 2006; Flyvbjerg, 2006). These selected instances are then the cases selected for in-depth research. Hence, a case study design is chosen to look at why exhibition centers make different choices towards their location. This question implies a comparative research design, implying that at least an example of a central and a peripheral



trade fair should be included to allow for a thorough comparison.

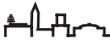
### **2.3 Data collection**

Methods for data collection in case study research are broad and range from qualitative surveys to participant observation. The nature of the research, however, further funnels the methods suitable. The sensitizing concepts only provide the areas where to look for explanations but do not provide concrete variables. For surveys, questionnaires and structured interviews, a sense of the most important variables, derived from theory, is necessary. Only when possible explanatory variables are known, one could ask for them.

In line with the above sketched research design, data collection should be more open. This leaves analysis of secondary sources, semi-structured interviews and observation as possible methods. In order to get to the deeper motivations behind the spatial strategy making of the exhibition centers, these sources of data have been drawn on extensively. Physical plans, strategic papers, manifestos and contracts were analyzed and side-visits proved very valuable to observe the physical status and everyday functioning of the complexes under investigation. These sources of primary data were complemented by secondary data like books and chronicles on the development of exhibition centers, academic writings and newspaper articles. Semi-structured in-depth interviews with stakeholders were solicited to place insights from these sources into perspective and get inside information. Stakeholders included employees of the trade fairs involved in spatial and physical strategy, politicians, civil servants, architects and representatives from neighborhood associations as well as observers of the process like academics. A complete overview of the interviews conducted can be found in Appendix B. This allowed for a triangulation of research methods and reduced the possibility of potential biases through the position of the subjects interviewed.

### **2.4 Case selection**

In contrast to quantitative research designs, for which data processing methods have made it possible to include almost an infinite number of cases as long as numeric data is available, case study designs can only include a few instances from the broader population of the phenomenon under investigation. This makes the outcome of the research highly dependent on the cases selected as deviant or atypical cases might have, if selected, enormous and troubling influence on the research outcome (Collier and Mahoney, 1996). Despite this danger, many scholars argue that generalization



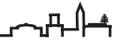
from a few cases to a broader population is indeed possible if due attention is paid to case selection (Flyvbjerg, 2006; Gerring, 2004; 2006; Yin, 2003).

Of crucial importance is how the selected cases report to the central research question as well as to the broader population. For this research on the different locational choices of trade fairs, the research design is that of a comparative multiple case study as we want to know about the motivations behind the two different strategies. So, at least one central and one peripherally located exhibition center should be selected.

More difficult is to determine how individual cases report to a broader population and which of these cases should be selected with an eye on future generalization. Gerring (2006) suggests a most-similar case study design in which the selected cases are as similar as possible except for the outcome variable: in this research their relative position towards the city center. Because we only have sensitizing concepts and no concrete measurable variables, however, the variables to keep constant in this approach are in this phase of the research unknown. On what aspects should the cases be most similar? The preceding introductory chapter has already demonstrated a wide variety between exhibition centers in year of origin, size, ownership and host city. One could imagine that the motivations for trade fair development are much different in Paris and London than in Rimini and Herning.

Therefore, explicit choices have to be made. Underlying this analysis of central and peripheral trade fairs is the current debate on the changing nature of the periphery of urban regions (Keil, 1994; Soja, 2000; Phelps et al., 2010; see also the introduction to this work). Such processes have exclusively been observed and described for the larger European metropolises (Balducci, 2003; Foot, 2000; Salet et al., 2003; Keil and Ronneberger, 1994). Although it would be interesting to research the internationalization of smaller urban agglomerations through large-scale facilities like exhibition centers, or look at the processes taking place in their urban peripheries, this is a field of research that is embryonic at best. The objective of this research is to contribute to the discussion on the internationalization of the peripheries of large urban settlements through functional relocations.

Therefore, it seems wise to select cases that are at least similar in that they come from the largest and most competitive agglomerations of Western Europe. This also fits the observation that internationalization and specialization of the urban economy are in relation to exhibition center construction. The most obvious criterion for such a selection is obviously the number of residents. Many have argued, however, that competitive power is not only dependent on population but also on aspects like international connectivity, livability, and number and quality of amenities. Over the past decades, this has led to a wide variety of international metropolitan rankings like the Quality of



Life Index (Mercer, 2012), the Global Power City Index (Mori Memorial Foundation, 2011) and the Metropolräume in Europa from the Bundesinstitut für Bau-, Stadt- und Raumforschung (BBSR, 2010). These studies all focus on one or several aspects of competitiveness. Problem with these studies is, however, that not all agglomerations with exhibition centers are present within the studies or that the analysis is taking place on a different geographical scale. Therefore, a new ranking has been developed that incorporates apart from the urban population also the yearly number of tourists and passengers at the airport, two categories that seem of particular importance for the business-tourist economy.

Cases were also selected to control for the impact they have on their host cities. Although all facilities described in the previous section are amongst the largest facilities in Europe, they still differ considerably in size and number of visitors. As such it might be expected that their impact, both positive as well as negative, differs as well (see paragraph 1.2 for a thorough overview of these impacts). The larger the number of visitors, the larger the potential economic spin-off but also the larger the potential congestion and nuisance. Moreover, the larger the area of the trade fair, the more pressing questions about the legitimacy of a trade fair occupying that area might become.

Therefore, exhibition centers have also been listed on their relative size and visitor numbers. Unfortunately, not all venues had data available on their number of visitors. Hence, not all exhibition centers could be included. In Figure 2.1 exhibition centers are placed according to their place on the metropolitan index and according to their size. This figure shows a clear correlation between impact of the venue and competitiveness of the metropolitan region. There are, however, also a few facilities like Hannover that have a disproportionally large impact or cities like Amsterdam where their metropolitan score would suggest a bigger impact of the venue on the host city.

In this way, it becomes possible to better determine the relationship of the different exhibition centers towards the broader population. Because we are interested in those cases situated in metropolitan agglomerations, it makes sense to select cases from the right side of the scheme. If indeed the impact of the facility on its host city enlarges with its size and number of visitors, then these effects will be most manifest for the exhibition centers situated at the top of the scheme. Hence, it makes sense to select both Frankfurt and Milan as crucial cases of a central and a peripherally located facility respectively.

Meanwhile, these large impact values might make these cases into extreme cases which are not necessarily representative for other exhibition centers. Therefore, it makes sense to select also a peripheral and central exhibition center with more typical

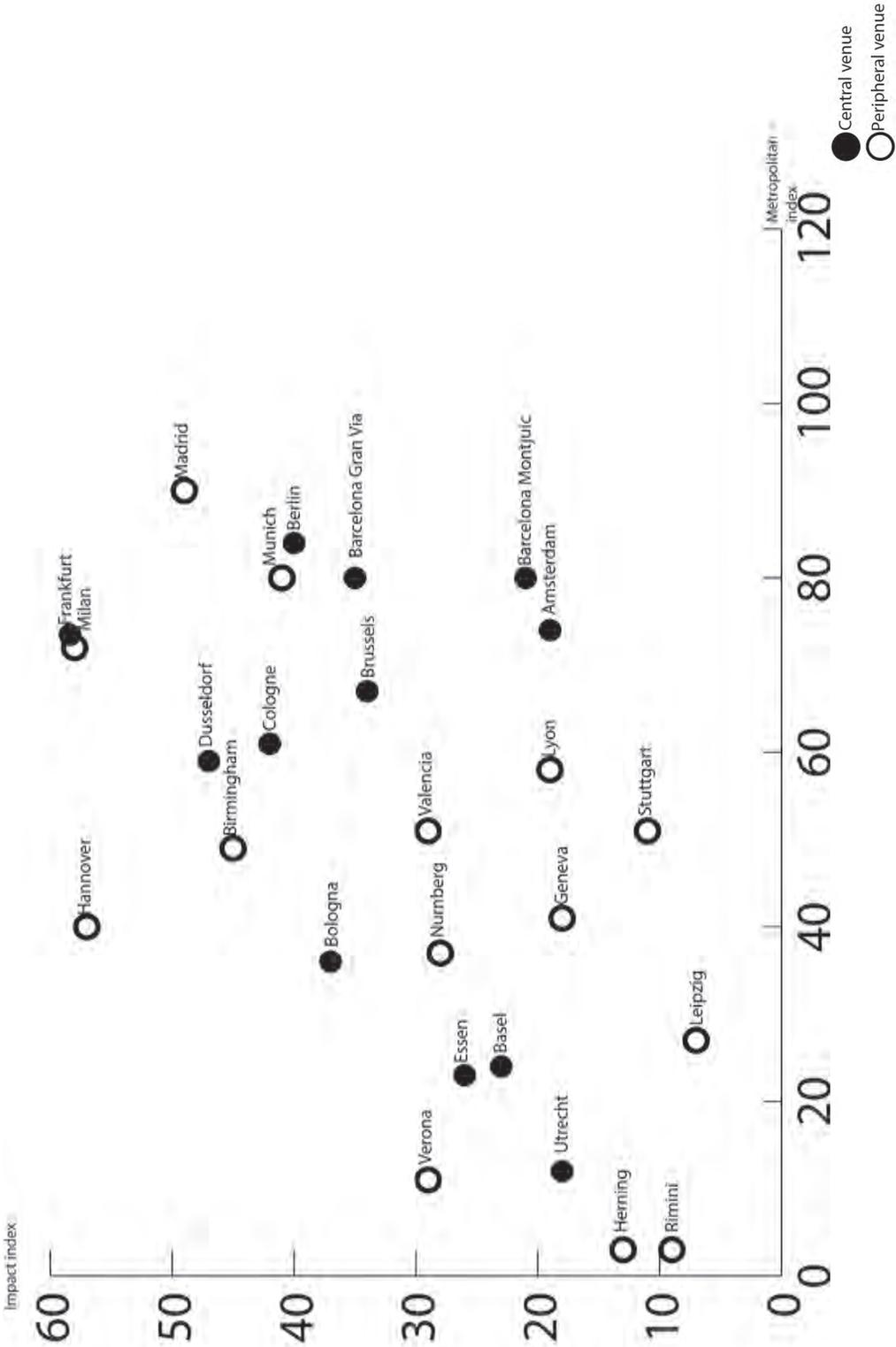
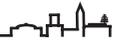


Figure 2.1: European exhibition center ranked by impact and metropolitan index



impact scores to see if similar processes were at work here. To this end, Munich and Amsterdam are selected.

By including a quantitative step into case study selection, it is hoped that stronger claims can be made towards generalization in the final phases of the research. For one, this approach warns us not to extend conclusions too easily towards exhibition centers in smaller urban regions. On the other hand, stronger claims could be made to those facilities in the metropolitan areas of Europe. Moreover, including cases with different impact scores might on the one hand help to single out crucial motivations but on the other hand curb troubling influence of extreme cases.

## CHAPTER 3

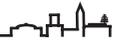
# Exhibition Center Development in Western Europe: A Multidimensional Historical Analysis

### Abstract<sup>1</sup>

**All over Europe conference and exhibition centres are being renovated and extended. The aim of this paper is to propose a framework to analyse these developments. It does so from a historical institutionalist perspective and by employing path dependency arguments. However, after an analysis of past and present of exhibition centres in Europe, it is found that this theory contains some omissions which make them less suitable for the analysis of such large scale urban projects. To correct these omissions, a multidimensional view to path dependency, consisting of four different dimensions is proposed. This framework looks at path dependency within and between the dimensions of form, function, spatial embeddedness and institutional setting. It is argued that corresponding developments in all four dimensions lead to path dependent development, while divergence from this correspondence in one of these dimensions leads to a critical juncture. From this analytical framework a typology of exhibition centre development is derived.**

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### 3.1 Introduction

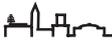
Notwithstanding the current economic downturn, conference and exhibition centers all over Europe are being renovated and extended. Even though similar pressures of an internationalizing and changing market seem to underlie those developments, their final physical form and relation to the wider metropolitan region differs much. While some centers choose to renovate their facilities and remain close to the traditional city center, others choose large-scale outlays at the urban fringe. This differentiation is especially remarkable since large European exhibition centers show similar development patterns from their foundation in the early 1920s up till the 1990s. Analysis accounting for these differences is needed.

This research is proposing a framework to analyze such developments properly. Since physical outcomes differ between locations, it is expected that recent developments are not merely caused by the pressures that globalization puts on these facilities. Local context is deemed very important and expected to mediate these global forces into location specific outcomes. In order to examine this interplay between the global and the local not only the form and function of the facility are looked at but also its embeddedness within the broader regional economic, touristic, urban and infrastructure system. Moreover the influence of the local institutional setting is examined.

The paper will start with a short overview of past and current developments in the European exhibition sector. Thereafter, an historical institutionalist perspective on these developments will be proposed. However, close analysis of one of its central concepts, path dependency, will require some adaptations to the current state of theory. Without discarding its central conceptions, a multidimensional view on path dependent development will be proposed. This alteration will then lead to a typology of exhibition center development.

#### **The European exhibition industry**

Exhibition facilities throughout Europe show a remarkably similar pattern. Starting from the middle ages, many centrally located cities such as Lyon, Leipzig and Frankfurt held annual fairs in which European merchants came together (Allix, 1922; Munro, 2000). During the nineteenth century many cities constructed civic palaces such as the Crystal Palace in London, the Glaspalast in Munich and the Paleis voor Volksvljht in Amsterdam to showcase early industrial products as well as civic culture. This continent-broad focus gradually disappeared at the beginning of the twentieth century. Fairs shifted to the display of nationally produced goods for a national market. Everywhere in big cities in Europe, groups of merchants and producers allied themselves in the organization of trade fairs and exhibitions, sometimes resulting in privately ex-



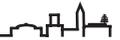
plotted exhibition centers. Around the beginning of the 1920s such facilities sprouted all over Europe from Frankfurt (1919) to Vienna (1921), Utrecht (1921), Amsterdam (1922) and Milan (1923).

As regional economies grew, so did their exhibition venues as many square meters were added to these facilities in the succeeding decades. The Second World War formed, however, a breaking point in this prosperity as economic growth turned into a decline and some centers, especially in central Europe (Vienna and parts of Milan and Frankfurt), were destroyed during warfare.

When economy prospered in the post-war years, the value of exhibition centers was again realized, resulting in rebuilt and extended facilities. Sometimes, the limited space for extension and spreading out of the city necessitated a new location. In Frankfurt a new facility opened in 1948, followed by Vienna in 1950, Milan in 1951, Utrecht in 1956 and Amsterdam in 1961. All such exhibition centers were larger than the previous buildings, preparing the cities for a new period of economic growth. This growth continued throughout the following decades resulting in the addition of square meters and in many cases also in the addition of conference space. The construction of conference facilities was necessary due to an increasing diversification of functions which took place at the premises of exhibition centers. Conferences were the most important of these new functions but also manifestations, parties and sports events were held.

What is remarkable about these rather similar stories from different European perspectives is the fact that they largely operated in a national context. Their main events were local or national in nature so mutual influence by competition was rather limited. Nevertheless, their histories are quite alike. This changed in the beginning of the 1990s when the exhibition business was still growing but markets opened and became continental and even global in nature.

Partially, this globalization was an autonomous process. Facilitated by developments in information and communication technologies (ICT) and the transportation sector, international linkages, both physical and virtual, were much easier made. A growing number of firms started multinational operations, national governments increased international co-operation and scientific and non-governmental organizations expanded their global networks (Sassen, 1991; Castells, 1996). This trend was reflected in the number of international conferences and expositions (Rogers, 2008; ICCA, 2007). Meanwhile, cities realized that in an international world they would have to compete to become or remain economically viable (Leitner, 1990; Begg, 1999; Savitch and Kantor, 2003). In this competition, many cities chose to put high stakes on their tourism infrastructure resulting in large investments in assets like museums and sports



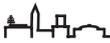
stadiums (Judd & Fainstein, 1999; Jones, 2002; De Hoog and Vermeulen, 2009), but also exhibition and convention centers (Rogers, 2008). At the beginning of the 1990s, Madrid was one of the first cities to construct a new exhibition center, a venue that has subsequently been extended. Cities like Munich (1998), Vienna (2004) and Milan (2005) followed this example. In other cities like Amsterdam and Frankfurt, facilities were frequently updated and extended over the past two decades.

This profound internationalization of the sector not only led to a new round of renovation and construction, but also to a broadening of the economic scope of the sector. These functional changes will be elaborated on first before we can turn to the question of how to analyze these developments.

### **A growing market**

The conference and exhibition sector has recently received a lot of attention from both the scientific as well as the political world. This is largely related to a huge boom in the construction of such facilities. Different research and lobby organizations paint the picture of a largely expanding market. The UFI, The Global Association of the Exhibition Industry calculated on the basis of planned extensions of exhibition centers that their members would increase their capacity with 13 per cent between 2006 and 2010 (Wallace, 2007). Research by Tradeshow Week estimated in 2005 that by 2007 the number of exhibition locations in the US and Canada would have been increased with 68 per cent since 1986, while the supply of square meters almost doubled during the same period (Detlefsen, 2005). Meanwhile, this supply in construction has been complemented by an increase in demand. Tradeshow Week estimated that the number of exhibitions in the US and Canada increased 45 per cent between 1989 and 2004 (Detlefsen, 2005). In Europe, the European Major Exhibition Centers Association (EMECA) saw in 2006 a rise of 9 per cent in visitors and 14 per cent in exhibiting companies in relation to the previous year. The International Congress and Convention Association (ICCA, 2007) witnessed an increase from 3,713 international conferences in the world in 1997 to 5,838 in 2006.

These dramatic developments are not only instigated by the industry itself. Also city administrations have realized the potential of conferences and exhibitions in economic regeneration and branding of their cities (see Ploeger, 2004; Gonzalez, 2009). Broadly conceived as the most profitable niche in tourism, business tourists are a sought after group by municipal strategies (Hiller, 1995; Rubalcaba and Cuadrado, 1995; Cuadrado and Rubalcaba, 1998). Business travelers are generally staying in nicer hotels, spent more on food and enjoy higher forms of culture in a more civilized way than do normal 'leisure' tourists. Moreover, they are complementary to traditional tourists because meetings, expositions and conferences tend to be held during the work-week



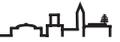
and are less common when the holiday season is at its peak within the summer months (Lawson, 1982; Fenich and Hashimoto, 2004). Thereby, business tourists are using the tourist infrastructure at normally less busy times. Little surprise, cities have also developed extensive programs to facilitate their meetings, incentives, conferences and expositions (MICE) sector. Combinations of convention bureaus, marketing campaigns (Chacko and Fenich 2000; Bradley et al. 2002), market specialization (Rubalcaba and Cuadrado, 1995; Cuadrado and Rubalcaba, 1998), and new modern facilities (Fenich, 1992; Eisinger, 2000), have to attract conventions and conventioners to the city. Policy programs to stimulate hotel construction are underway in several cities to supply the convention industry with suitable accommodation for the night.

### **Current situation in Europe**

Hence, an industry with a much broader reach than before is emerging and growing around conferences and exhibitions. At the heart of this industry is a constant construction and renewal of conference and exhibition centers. This has not been without physical consequences. Cities like Milan, Vienna, Madrid and Munich have constructed new facilities and cities such as Frankfurt and Amsterdam have witnessed successive rounds of extension of their exhibition facilities.

What is remarkable about this new round of construction is that the development is in terms of physical form far less homogenous than the rounds of construction after the two world wars. Whereas facilities in the 1920s and their successors in the 1950s and 1960s were unanimously focusing on exhibition space for local merchants and were located just outside the city core, current developments paint a mixed picture. First, there are cities that have redeveloped their old structures. For example, the 1956 build CNIT at La Défense exhibition center in Paris was redeveloped into a conference-dominated facility with shops and offices in 1989. A similar development took place with the redevelopment of the Frankfurter Messe which has been used as the incubator for the development of a large-scale business district and broader economic boosterism to the city (Ploeger, 2004; Scholl, 2005). These developments have been linked to commercial development within the city and have taken place at a relatively small distance from the historic, cultural and touristic center. In Vienna a new facility has been built not too distant from its historical inner city.

On the other end of the spectrum are the developments in cities like Madrid, Munich and Milan. These cities have abandoned their original sites and moved out of the city and are now located in the center-airport corridor, usually fed by fast and convenient infrastructure connections. These cities have responded to a globalizing sector by leaving the city and a move into the direction of international hubs.



This leads to a paradoxical situation. In a world where exhibition facilities were operating in distinct national markets, and therefore under less mutual influence, they showed similar physical and geographical behavior. Now they are operating in an integrated market they seem to diverge in their choices for location. This observation is counterintuitive to traditional theories about the effects of globalization which predict a convergence of worldwide developments (Graham, 1998; Cairncross, 1997). Instead of convergence, the exhibition sector shows a divergent development. This seems in line with the arguments made by critics of the convergence thesis who argue that local specifics cause local outcomes (Savitch & Kantor, 2003; Morgan, 2004). Moreover, since divergence started in the exhibition sector from a rather similar starting situation in the beginning of the 1990s, this sector seems to underline the thesis that local specifics are not only producing local outcomes but are used to profile places in an international competitive battle.

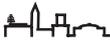
This research will propose an analytical framework to account for these differences in behavior. It will start from two central assumptions introduced above. First, it is understood that all large facilities in European metropolises are affected by the processes of globalization in the conference and exhibition sector (Rogers, 2003; Gonzalez, 2009). The second assumption is a divergence in terms of physical location in current exhibition center development in Europe.

## **3.2 Towards a theoretical frame**

### **A historical perspective**

The mediating effects of local context are thus deemed important in explaining why exhibition centers choose a particular development direction. Because the centers under investigation have a long history as part of the urban economy and as a function in urban space, it is expected that this urban context can only be pinpointed by looking at how history has shaped this local context. Moreover, before actual physical change comes to a facility, processes which led to such change have been present for a while. Such processes need to be taken into account in the explanation for the physical move. Thus, a historical perspective is chosen to account for local differences.

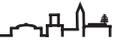
Explanations founded in history have recently gained in popularity in the social sciences. In economics, historical analyses have been popular to explain the existence of divergent and economically suboptimal outcomes on the basis of historical processes which are unfolding rather pragmatically (David, 1985). In sociology, historical institutionalism has been geared towards the explanation of the stability of institu-



tions (Hall and Taylor, 1996; Thelen, 1999; Gorges, 2001; Dormois et al., 2005), but increasingly also to the explanation of institutional change (Thelen, 2003; Capoccia and Kelemen, 2007). In political science, historical analysis provides an account of how actions taken earlier in political processes have a disproportionate effect in later phases (Pierson, 2000; Mahoney, 2001a; 2001b). In economic geography, historical analysis is generally regarded as the most promising way to account for regional differences (Boschma and Lambooy, 1999; Bathelt and Boggs, 2003; Simmie and Carpenter, 2008; Belussi and Sedita, 2009).

In all of these accounts, path dependency plays a key role in describing the processes of historical distraction in which early events had a disproportionate influence on later actions. The metaphor of a path is used to show how, once a particular trajectory is chosen, this leads into a particular direction. The more one descends along the road, the harder it becomes to turn around and choose a different trajectory. Although different fields of study emphasize different mechanisms causing historical continuities (Mahoney, 2000), they all point to the concept of increasing returns for an explanation of how a particular development that has been started in the past was able to produce sufficient externalities to be sustained over time. Positive externalities spill over into new activities that sustain and reinforce the path chosen (Pierson, 2000). This positive connotation can be juxtaposed by the concept of lock-in which describes a situation where, in retrospect, another development path appears to be more beneficial, but where mechanisms like sunk-costs and routine make it impossible to leave the less prosperous path (David, 1985; Mahoney and Snyder, 1999; Mahoney, 2000). Lock-in can be argued to be the central concept in traditional historical analyses, mainly aimed at the explanation of statism and continuity in society.

However, more recently some accounts have tried to combine path dependent analyses with changes in development patterns (Thelen, 1999; Gorges, 2001; Hogan, 2006; Capoccia and Kelemen, 2007). These scholars argue that path dependent processes are interrupted by moments of drastic change in which internal and external shocks cause rupture. Such moments are, in path dependency theory, referred to as critical junctures. These critical junctures are basically the moments when path dependent development is exchanged for a new trajectory and thus situations of lock-in are broken through: the crossroads in development. It is argued that at such crossroads, agents are capable of escaping the structural bias increasing returns put on them. Hence, apart from introducing change in an originally very static theory, the concept of critical junctures adds the dimension of agents into an originally very structural theory.



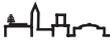
## Flaws in path dependency theory

At first sight such a body of theory seems to pose opportunities for the analysis of development trajectories of large scale exhibition facilities. Starting out at the beginning of the twentieth century, their story of continued enlargement can be seen as a path dependent process. The initial choice to locate an exhibition hall at a particular place started a process of constant extension. Because of economies of scale, the addition of new halls to already existing ones was more beneficial than placing those new halls elsewhere. Moreover, this enlargement attracted larger events which in turn grew and asked for even larger facilities. On the organizational level, hosting large scale exhibitions provided the facilities with in-depth knowledge of the preferences of such events which caused a considerable competitive advantage. A jump towards a new location or realignment of functions could from this perspective be seen as a critical juncture.

However, three difficulties arise when path dependency theories are unilaterally applied to development of exhibition centers.

First, many path dependent accounts start their analysis from a situation they want to explain. They, for example, take the current economic position of a region (Simmie and Carpenter, 2008; Simmie et al., 2008), the predominance of a technology (David, 1985; Araujo and Harrison, 2002), or a dominant set of institutions (Thelen, 1999; Dormois et al., 2005), as their object of analysis. As a consequence, they focus on the events that brought about this result. Although this might lead to a valuable account of why things are as they are, it renders an incomplete picture of the developmental process at large. As Scheinberg (2007) has argued, most developments are not as unidirectional as many path dependent analyses would have us to believe. Alternative routes that have not been taken might leave their imprint on economic and institutional configurations. In later moments in time (that is, after the situation path dependent analysts tried to explain), these deviating bits and pieces might be picked up and reused again to start different trajectories. Just like the past carries the seeds for continuity, it also carries the seeds of change. Aspects that might work counter to the path dependent trajectory can be easily overlooked as they have no explanatory value for the situation that has to be explained. Therefore, processes that might have a considerable influence on future developments and that are already slumbering might be overlooked. This explains in part why many path dependent accounts are good at explaining continuity but have problems in explaining change. A focus on lock-in might have lock-in effects on the research itself.

A focus on the lock-in of exhibition center development might leave important, but not determining factors of the development process unanalyzed. Moreover, since the science of urban planning is essentially forward looking, an exclusive focus on the



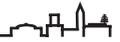
past for explaining the present might fall short in producing statements about future states.

Second, as elaborated on before, path dependency is used in many fields of social science. However, almost all of these path dependent accounts have a mono-dimensional view on development. They either look from an economic, technological, political or institutional perspective, but fail to integrate those dimensions. Partially, this is due to the fact that although they use similar concepts like path dependency, lock-in and critical junctures, the mechanisms accounting for these phenomena are different. Where lock-in in economic studies is mainly explained by reluctance towards disinvestment and a lack of developed alternatives, institutional theory refers to power explanations and routine. Where David's (1985) traditional study on increasing returns in technological dissemination focused mainly on the self-reinforcing processes leading to one technology being dominant, sequences in many political studies are based on reactive mechanisms in which one actor reacts to an earlier event (Mahoney, 2000). Although such difference in conceptual toolkits might make different path dependent accounts incompatible, the current strict separation between domains can be criticized. In the social world, events in different domains affect each other. A change in the economy of a region might affect the institutional setting as well as the political domain. Comprehensive analyses make sure linkages between different domains can be revealed.

As should have become clear from the preceding description of the European exhibition market, this market entails more than just the physical development of facilities. The development of a center is determined by a complex cocktail of the functions it fulfills in local, national and international economies and is largely dependent on accessibility and broader development in its host city. Explanations for the development of exhibition centers should therefore be looked at from different perspectives.

Third, the distinction between continuity and change is not as sharp in practice as it is presented in theory. Institutional thought has nuanced the sharp distinction between situations of lock-in and critical junctures by elaborating on more subtle mechanisms of change. For example, existing institutions can be complemented by new institutions, altering the effect they have in practice. During such institutional layering there is a situation of continuity that holds change within. Also institutional drift and conversion hold middle ground between pure statism and drastic change (for an elaborate account see Thelen, 2003). In economics, this notion of 'gradual change' has also been picked up to allow for more nuance in path dependent developments (Boas, 2007; Martin, 2010).

What we see from this debate is that what can be called a critical juncture by some can be a small incremental change for others. Moreover, when different perspectives are



taken into account for an explanation, a radical change in one area does not have to be followed by change in the other. When a facility succeeds in expanding its share of scientific conferences at the expense of business meetings, this can be a critical juncture in functional terms, while in physical terms nothing is changed. Therefore, many intermediate forms of change might exist in which the situation is in part a continuation of previous practices, but in part also changes dramatically.

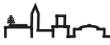
### **A multidimensional analysis**

It is felt that these omissions can be corrected by anchoring multidimensionality in path dependent accounts. First, it will be explained how this can be achieved. Second, this renewed model will be applied to the analysis of exhibition center development in Europe. This will eventually lead to a typology of such developments.

From the preceding, it might be clear that a single perspective on development trajectories might leave developments on other aspects unnoticed. It has been argued that, for example, institutional, technological and economic developments are in social reality often interrelated and that analyses in different domains can therefore be complementary. Therefore, this paper proposes to combine different domains within the analysis. The nature of these domains should be determined by the situation one wants to account for. This should be derived from an analysis of this situation such as the one made at the beginning of this paper on the European exhibition sector. For example, this analysis should have made clear that a singular focus on the physical form of such facilities leaves unidentified the changes in the functional domain.

It is thus very well possible that while one domain reflects a path dependent process, the other domain shows signs of incremental change or even finds itself at a critical juncture. Moreover, one domain can have a profound influence in the development of another. Geertz (1966) has neatly described the development of the Javanese agricultural industry. As the system is able to increase the returns of the land by adding labor force, this development looks as a perfect example of a situation of lock-in. However, by comparing this situation to the Japanese case, Geertz shows that the development of agricultural machinery has indeed put the Javanese economy as a whole to a critical juncture. Because the Japanese were able to incorporate this machinery in their daily operations, and the Javanese were not, the Japanese learned in an early phase to use machines which provided them later with the opportunity to develop into an industrial powerhouse. This case shows how the domain of agricultural operations showed path dependent development, while the technological domain changed drastically.

This chain of change throughout different dimensions is also found in economic geography. In an analysis of the functional economic development of the Silicon Valley

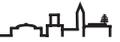


and Boston regions, Kenny and Von Burg (1999) found that developments in the institutional domain preceded developments in functional economic terms. Thereby, a multidimensional account is able to identify not only continuity and change within one dimension, it also accounts for factors causing continuity and change between different domains.

Second, this approach nuances this same distinction between continuity and change. It is argued that while path dependency prevails in one dimension, another dimension can find itself at a critical juncture. This critical juncture can then produce reasons for future change in other domains. As such it is possible to 'see the direction change is coming from' instead of conceptualizing critical junctures as abrupt shocks.

Although some recent accounts have broken with the structural tradition of path dependency (Mahoney, 2000; Capoccia and Kelemen, 2007), it is necessary to underline the importance of agency once more in relation to this multidimensional view on path dependent development. Underlying conceptions of lock-in and increasing returns is a very structural view which leaves little room for agency to escape the implications of their surroundings. Change is conceptualized as something rare, drastic and abrupt. In other words, the space of maneuver for actors to act within these impinging forces is limited. By incorporating, different domains in the analysis, and acknowledging the linkages between these domains it becomes possible for actors to act within one domain to change the structure of the other. Moreover, the nuanced analysis leaves room for incorporating the influence of alternative paths in the analysis, leaving those up for grabs for actors to be used strategically. Hence, the use of a more comprehensive analysis in which there is room for multiple dimensions and structures are not unidirectional, increases largely the space of maneuver for strategic actors. Moreover, the nuanced view on continuity and change opens the analysis for small and incremental changes to the development trajectory caused by individual behavior. Thereby, such an analysis leaves more room for the incorporation of agency in historical development trajectories than traditional path dependent analyses.

Now the contours for a multidimensional path dependent analysis have been sketched, a framework for the analysis of exhibition facility development will be developed. Although empirical research on development trajectories remains work for the future, the development of such a framework already leads to an interesting typology of exhibition center development trajectories. However, the main aim of this exercise is to show the advantages of a multidimensional path dependent analysis for broader urban development analysis.



## **Towards a typology of exhibition center development**

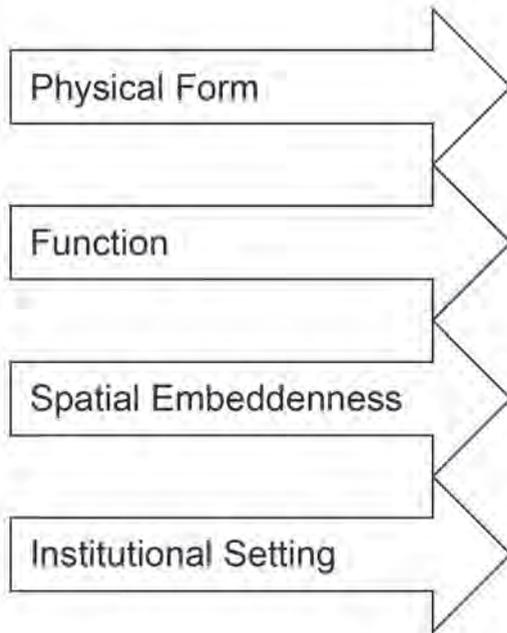
From the preceding analysis of the exhibition sector, at least four dimensions emerge as of crucial importance for such an endeavor. These dimensions are not new to urban analysts and, for the most part, are also not novel to path dependency analyses. What is progressive is the way in which their mutual influences throughout historical processes are combined to provide us with a path dependent analysis of urban development.

First, there is of course the physical form which consists of the actual buildings as well as its interior. Since it is on this dimension that exhibition centers were found to diverge in the European situation, this is an obvious aspect to take into account. Moreover, physical form is central in many theories of the city (for example Lynch, 1960; see Jacobs, 1961, pp. 3–25; Hall, 1988 for an overview of seminal works).

Second, there are the functions this facility performs. This dimension is determined by the nature of the events that are held. It has been elaborated on before how the function of exhibition centers has gone through a period of profound internationalization. Together with other functional shifts this might have affected exhibition centers considerably. The functional dimension has been central in many traditional path dependent analyses of urban and regional economic development (see Kloosterman & Lambregts, 2007; Simmie & Carpenter, 2008; Simmie et al., 2008), but has been rather isolated as an explanatory variable.

Traditionally, the two dimensions of form and function and their mutual effects have been central in many classical analyses of urban form (for example Jacobs, 1961; Lynch, 1981). Therefore, the inclusion of those two dimensions can be deemed ‘classical’ and not very surprising. Third, however, the relations of an exhibition center with its surroundings are incorporated. ‘Spatial embeddedness’ is the term chosen to pinpoint this complex system of dependencies. This entails functional relations with the economic and touristic system of the region as well as its relation to other amenities and infrastructure. It is the relation specific events have with regional economies (Rubalcaba and Cuadrado, 1995; Cuadrado and Rubalcaba, 1998), as well as with local hotels and other tourist amenities that are expressed as crucial by many in the business. Synergy between traditionally separated aspects of the tourist sector is becoming of increasing importance (Fayos-Sola et al., 1994).

Fourth and finally, what can be done in terms of development in these three dimensions is very much determined by the organizational and institutional setting in which the facility operates. This is dependent on the objectives and resources of the board of the facility itself, but also on the objectives of different layers of government, interest

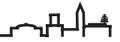


*Figure 3.1: Multidimensional analytical frame for trade fair development*

groups, lobby associations, developers and residents as well as formal and informal rules and modes of conduct. Although institutional analysis is central in many path dependent accounts (Thelen, 1999; Dormois et al., 2005), the effect of institutional development on other domains of analysis remains rare.

It is argued that those four dimensions can either be in line with each other or be conflicting. Path dependent development takes place when the four dimensions mutually reinforce each other. They ally in a powerful coalition, which is directing the facility as a whole to one or the other direction. This kind of development can be argued to be path dependent and harmonious (see Figure 3.1).

When those four dimensions operate for similar purposes, they reinforce and stimulate each other through mechanisms of increasing returns. Notwithstanding their direction, there is a fit between form, function, spatial embeddedness and institutional setting. Because of complementarities, such situations are likely to produce periods of growth for the facility. However, as explained before, sometimes such development might lead to a situation of lock-in in which the return of these complementarities is relatively diminishing. Therefore, based on path dependency assumptions, periods in which development is unharmonious will sometimes be needed to ensure a breakthrough out of old patterns and gains in the future. Innovation rarely comes out of harmony.



Traditional centers pretty much fitted this type of a harmonious coalition of dimensions when they were mainly focused at the hosting of large national exhibitions. The facilities consisted of large halls, were led by private or public organizations that were founded to host such events, were attached to large industrial sectors in the city and were located along nodes of national infrastructure to secure accessibility for their target groups. New developments such as the construction of new infrastructure or a new hall, or the foundation of a new exhibition were only reinforcing this development path.

In opposite ways, a diversion of one of these dimensions, away from this coalition, can be seen as a threat to this path dependent development. When all of a sudden international events are replacing national events, this could spark all sorts of new developments in other domains. Spatial links will have to be made with internationally oriented infrastructure. City government might think of the exhibition center as a way to internationally promote themselves and install an authority to attract such events, thereby changing the institutional setting. Moreover, this might ask for the incorporation of international standards in the facility (e.g. English directions, international kitchen, etc.).

In such a situation, some dimensions might turn out to have been locked-in and difficult to change. Physically, no room for extension might be present when functional developments ask for additional facilities. Institutionally, actors might be resistant to change or, conversely, advocate new developments that are not linked to trends in other dimensions. In such situations a quick return to a harmonious situation between dimensions facing an altered development path will be problematic. In this way, the theoretical model incorporates both change as well as resistance to change.

This perspective will help correct the omissions in traditional path dependent theory. It is preferable over normal path dependent analysis for its ability to identify path dependent mechanisms between different dimensions of development. In this way, a focus on future developments beyond the analyzed situation is possible. Developments in dimensions that are not directly causing path dependency can be analyzed as well and can be taken into account in forecasts and policy directions. Moreover, it will allow us to get beyond the black-and-white distinction between path dependence and critical junctures and focus more on which aspects change and why.

If this multidimensional analysis is applied to exhibition center development in Europe, five types of facilities can be distinguished.

*The harmonious facility* – This is the facility where all four dimensions fit to the same development pattern. They sustain and mutually strengthen each other. New develop-

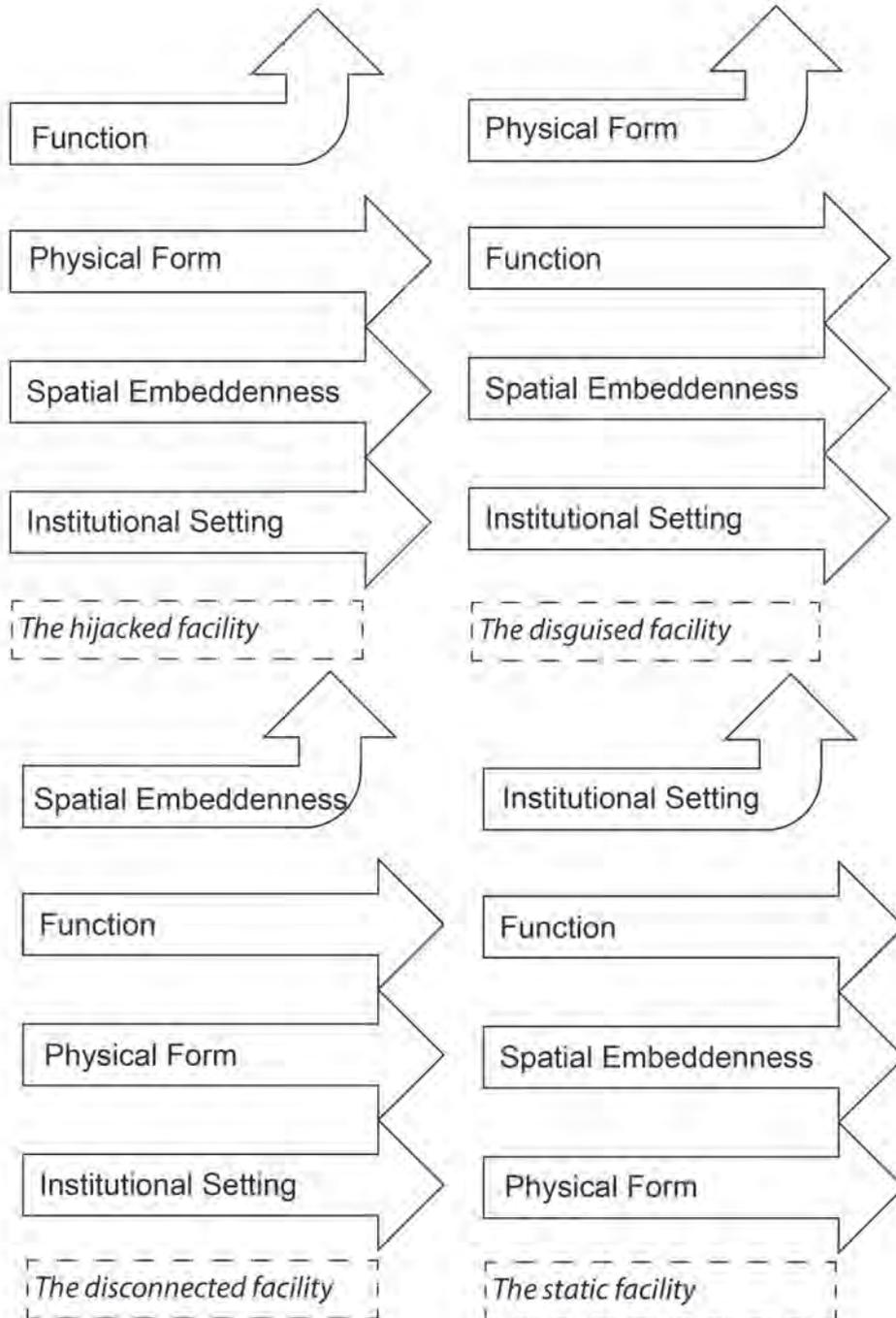
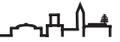


Figure 3.2: Schemes of divergent exhibition center development



ments are geared towards an even stronger enforcement of this development path.

*The hijacked facility* – In this facility, the function does not fit the spatial embeddedness, institutional setting and physical form of the facility. Such a situation could emerge when functional change comes unexpectedly over a facility but no arrangements are made to facilitate this. The number of international events can, for example, increase at the expense of national events even when institutions still operate nationally, connections with international hubs are not well established and the facility is still geared to host national visitors.

*The disguised facility* – This facility has a physical form that does not fit its spatial embeddedness, institutions and function. This is possible in old facilities that have not made the necessary investments to keep up with changes over time. Conversely, this is also possible in new facilities that have not been able to meet the objectives that have been set for them in the planning phase.

*The disconnected facility* – A disconnected facility is unsuccessful in terms of integration with its surroundings. Such facilities fit the critique of ‘white elephants’ or ‘cathedrals in the desert’ for which many large urban investments are blamed. Interaction with surrounding functions and the broader urban economic system is lacking. Such facilities might also suffer from bad accessibility.

*The static facility* – Sometimes ambitious plans are made to improve the business of exhibition centres. A powerful coalition unites itself over ambitious plans and sets out to change the course of action. However, this does not automatically mean that form, function and spatial embeddedness are changed. Other domains might be locked-in particular path dependent trajectories which are, even in an institutionally supportive environment, hard to change.

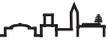
Although ideal typical, these five types of facilities can provide a typology for the nature of change in exhibition facilities as well as account for why change produced the institutional, spatial, physical and functional outcomes it did. On the other hand, it could also show which domains resisted to change. In practice, the separation between domains might be less artificial and developments can start in more than one domain at the same time. Cases in which two dimensions change and the others do not can be imagined as well. Moreover, even within one domain of analysis, some aspects might run counter to other developments. While the development of additional hotel space in a city might be supportive of an internationalization of the function of an exhibition center, the decline in the number of flights at the city’s airport might be opposing this functional direction. A sound analysis should provide for such discrepancies.

### 3.3 Conclusion

During the last two decades, exhibition centers in Europe have tried to adapt themselves to an internationalizing market. They have done so in different ways. This paper has proposed a way to analyze such divergent developments in a way that pays attention to local and historical influences. Although theories of path dependence offer a fruitful starting point, they confront us at the same time with some omissions. These have been corrected by advocating a multidimensional view on exhibition center development incorporating form, function, institutional setting and spatial embeddedness. This multidimensional analysis is able to not only identify the mechanisms of path dependency within one dimension but also between them. In this way, policy directions can be better identified and the sharp distinction between path dependency and critical junctures can be nuanced. This also enables for a stronger position of agency in path dependent analyses. These propositions have showed us that it is at times difficult to label a development purely as path dependent or locked-in or change as critical or drastic.

Increasing returns and lock-in are mechanisms which are both common in social reality but are not mutually exclusive. When processes are analyzed both in terms of increasing returns and lock-in mechanisms, this can be of great value. Similarly, we should not look too exclusively for either path dependent development or critical junctures. In almost every development there are aspects that remain constant and aspects that change, especially when multiple aspects of this development are looked at. Employing increasing returns and lock-in mechanisms used in different fields of the social sciences could account for these aspects of continuity and change.

Such a view could lead to a typology as presented in Figure 3.2. The following chapters will examine to which of these models exhibition center development in Europe fits best. However, it is more important to understand the dynamics between the different dimensions in such developments.

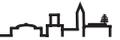


## CHAPTER 4

# The strategic development of the Amsterdam exhibition center: beyond the competitiveness paradigm

### Abstract

**Inter-urban competition is the commonly held explanation for the development of large scale projects boosting urban consumptive infrastructures. This paper questions these common-sense assumptions by adding a local and historical perspective. It does so with the development of its own path dependency-based theoretical model which is then applied to the case of spatial strategy making for Amsterdam's exhibition center over the past three decades. It is found that the development of this exhibition center is largely informed by historically developed local circumstance. Functional and spatial changes taking place within and around the facility offer opportunities and limitations for particular spatial strategies. In the late 2000s, a changing economic sector, physical lock-in, and a lack of ambitious urban policies combined into a spatial strategy that shifted from a focus on quantity to quality of the venue.**



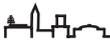
## 4.1 Introduction

Over the past decades, many cities have invested heavily in their consumptive infrastructure. The common-sense explanation for these projects is one of inter-urban competition. Physical urban policy is increasingly centered around the construction or renovation of large scale projects like sports stadiums, museum clusters, entertainment districts, shopping malls, and exhibition centers in order to keep up with the rapidly escalating competition for visitors from around the world.

This paper will question these claims by placing one of these projects into a broader perspective. Outside the logic of urban competition, the motivations behind the physical development strategies of these projects are only sparsely analyzed. Historically developed spatial contexts might pose opportunities and limitations to the pursuit of particular spatial strategies. Also, facilities themselves might face a need for innovation which does not necessarily run parallel to those of city administrations. In order to truly understand the development of large scale consumptive amenities, it is important to employ a perspective beyond mere international competition.

Exhibition centers are one type of urban amenity which is particularly ill-documented. Although they are mentioned as part of waterfront and tourist district development (see Altshuler and Luberoff, 2003; Judd, 1995; Law, 1992; Eisinger, 2000), analysis never stretches beyond this competitive logic of urban boosterism. This is surprising as their quantitative investment, economic spin-off, and varieties in size and location would justify a more detailed analysis. What causes exhibition centers to adapt particular physical strategies? This chapter will try to partially fill the analytical and empirical gap on exhibition center development with a longitudinal, in-depth case study on the motivations behind the physical strategies of one particular facility: the Amsterdam RAI exhibition center. Meanwhile, it contributes to an understanding of the development of large-scale urban amenities beyond their role in urban competitive policies. It will do so by constructing its own theoretical model based on path dependency theory. After noting that this theory is stretched thin, with various meanings in different disciplines and to different scholars, it is claimed that the theory does render some useful analytical concepts: increasing returns, lock-in, and critical juncture. A multi-dimensional approach facilitates thorough analysis of local circumstances that are responsible for the eventual adaptation of a specific strategy: physical, functional, spatial, and institutional developments are distinguished.

The development of Amsterdam's exhibition center will be analyzed within an in-depth historical perspective. In order to understand processes of spatial strategy making over the past three decades, it is necessary to elaborate the historically developed specificities of the RAI exhibition center. This is done through an in-depth case study based on multiple sources. The article mainly draws on in-depth interviews with stakeholders involved in the projects. Interviewees differed between municipal officials, neighborhood representatives, and people involved in the planned extensions



from the side of the RAI. Other primary sources include an analysis of documents from the municipal and RAI archives. Secondary sources include chronicles on the RAI (Heijdra, 1995; RAI, 1999; De Jong, 1968; De Jong, 1982), newspaper articles, and reports on the extension and economic effects of the RAI.

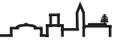
The case study shows that urban policy seeking to enhance urban competitiveness has only indirectly motivated recent physical construction, and that this is not the sole nor most important explanatory factor in the case's physical realities. It also shows that different strategies have been contemplated over the past two decades and that local spatial, institutional, and physical circumstances have strong facilitating or obstructing forces.

### **Exhibition centers and urban competition**

The global amount of covered exhibition space added between 2006 and 2011 has been 3.4 million square meters, a 12% increase (UFI, 2012). This trend is especially apparent in emerging economies like the Middle-East and China (Kay, 2005) but is also occurring within Europe and the USA, where older facilities are extended or exchanged for newer ones. Especially in the USA, such construction is often part of urban renewal and waterfront developments, where convention and exhibition centers are paired-up with sports arenas, museums, and hotels to rejuvenate inner cities and make them more attractive for visitors (Judd and Fainstein, 1999; Law, 1992). More apparent in Europe is the strategic use of exhibition center development to quick-start the development of metropolitan subcenters in polycentric metropolises (Thierstein and Reiss-Schmidt, 2008). This makes exhibition centers critical aspects of urban and regional development.

Urban competition is commonly accepted as the most important driver behind this enormous construction of exhibition space over the past two decades (Sanders, 2002; Altshuler and Luberoff, 2003; Fenich 1992). Over the past two decades, an extensive body of literature has emerged around the theme of competitive cities (Savitch and Kantor, 2003; Leitner, 1990; Jensen-Butler et al., 1997). The central premise of these works is that in a liberalizing and globalizing world, cities have to compete over talent, investment, tourism, and employment. A global hierarchy of cities is emerging with a few 'Global Cities' (Sassen, 1991) at the top, followed by regional or specialized cities in lower ranks of the pyramid; all of them trying to maintain or expand their position. Contradicting the market liberalization that has caused this competition, these policies come with large public schemes to boost economic growth. Facilitating these developments are often pro-growth coalitions formed by the city and several large companies like banks, railways, and airports (Judd and Simpson, 2003; Ploeger, 2004).

Illustrating these developments are mega projects in cities around the world that focus on infrastructure (Altshuler and Luberoff, 2003; Orueta and Fainstein, 2009), airports



(Van Wijk, 2007), or business districts (Salet and Gualini, 2007; Majoor, 2008; Swyngedouw et al., 2002). Ambitious cities conceive mega projects like sports stadiums (Smith, 2001; Thornley, 2002), shopping malls (Evers, 2004), museum clusters (Van Aalst and Boogaarts, 2002; Mommaas, 2004), and entertainment districts (Judd, 1999). Such projects boost not so much the productive but rather the consumptive economy of cities. It is expected that this will not only enhance the quality of living for residents, but will also attract visitors (Eisinger, 2000; Judd, 1995).

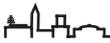
Being a specific niche within the visitor economy, cities have realized the potential of business tourism for attracting visitors to the city (Fayos-Sola et al., 1994; Rubalcaba and Cuadrado, 1995; Cuadrado and Rubalcaba, 1998). Not only is this an international economic sector growing at an equal pace with the globalization of economy, politics, and academia, but it is also the segment of tourism with the largest daily spending per capita. Therefore, as part of broader boosterist strategies, many cities have invested in renovation or new construction of exhibition venues within their city.

If one tries to understand exhibition center development only in light of this current global competition, one fails to see the longer history and specificities of these facilities as well as the opportunities and limitations provided by local context for strategy realization. In order to take these issues into account, a historical and local-specific analytical model is developed throughout the following sections.

## 4.2 Theoretical frame

Over the past decades, path dependency has gained wide popularity as an analytical concept. It has been applied in numerous fields like economics, political science, economic geography and sociology. Path dependency was first introduced in economics to explain for suboptimal results. Paul David showed how the history and timing of random events proved decisive in the dominance of the well-known QWERTY-keyboard over arguably more efficient arrangements of keys (David, 1985). In historical institutionalism, path dependency has been used to explain for the stickiness of institutions, whereas economic geography analyzed the development path of regional economies to account for winners and losers in today's global economic competition (Simmie et al, 2008; Boschma and Lambooy, 1999).

In this first generation of path dependency, focus was on developments that led to a static situation and focused exclusively on continuity in social processes (Peters et al, 2005; Martin and Sunley, 2006). Contingent events, taking place over time, are decisive in the formation of future situations, leading to a stable, but usually not optimal, situation that is hard or even impossible to get out of. Later contributions moved away from the static end-state and conceived development processes as linear. This path dependent development is always an extension or continuation of earlier developments and therefore unidirectional (Thelen, 1999; Mahoney, 2000). This static or unidirec-



tional notion can be argued in opposition to original evolutionary theories in which systems are shifting continuously over time.

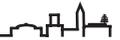
Based on this observation, the use of path dependency was stretched to also incorporate change. It was argued that stable development paths are punctuated by moments of drastic change at which the path is reversed. Such contributions focus on examples of revolutions (Mahoney, 2001a), institutional change (Capoccia and Kelemen, 2007), and the possibility of regional economic conversion (Martin, 2010; Hassink, 2005). In more recent contributions, accounts for drastic change have been broadened to also include more gradual or incremental forms of change (Schneiberg, 2007; Boas, 2007; Thelen, 2003; 2004).

At this point, the concept of path dependency has come full circle to explain for all sorts of historical development: from stable situations and steady unidirectional development to divergent development in both drastic and incremental ways. Path dependency has come to merely signify that history matters (David, 2000; Pierson, 2000; Greener 2005; Boettke et al., 2008).

Nevertheless, path dependency has provided us with some useful concepts. It is argued here that it is in these concepts, rather than in the stretched general notion of path dependency as a whole, that this theory can be fruitful. Classical path dependency highlighted the importance of increasing returns (Pierson, 2000; North, 1990). These are the cumulative benefits one receives for the continuation of a specific development. These are, in the short term, always more beneficial than a rupture with existing trajectories. It is no wonder that the notion of increasing returns is widely used in studies of economics and political science where instantaneous profit and short term political gain dominate everyday practice. Therefore, increasing returns can be regarded as drivers or accelerators of the preconceived direction of development.

However, such a short term vision can lead to lock-in in the long term when the development reaches a dead-end. In this situation it is often hard to abandon a historical course of development. Serious disinvestments have to be made to start new development trajectories and vested interests try to preserve the present situation. Institutions can become very much embedded within institutional settings and are hard to change when the need for them vanishes or they become counterproductive.

Within such situations, a shift from historically determined development is needed and this shift is conceptualized in a third central concept: critical juncture (Hogan 2006; Capoccia and Kelemen, 2007). A critical juncture is a drastic shift from old into new development directions, thereby ignoring path dependent trajectories. Underlying many of the arguments made about critical junctures is the notion that traditional path dependency theories draw heavily on structural explanations. It is understood that once a development trajectory has started, actors have limited opportunities to change the course of events. Therefore, critical junctures are conceptualized as those mo-



ments in processes where actors interfere in those structural tendencies. Their space of maneuver is consciously or unconsciously enlarged to make available a wider range of development options. Critical junctures can be regarded as the break from the preconceived direction of development.

### **Path dependency and opportunity**

Since physical development is manmade and therefore always caused by social processes, it is necessary for the present case study to not only look at the physical development of the Amsterdam exhibition center. Although the analysis of and explanation for extensions of the facility is central, only focusing on the physical aspect would neglect the complexity of social systems and contemporary urban planning processes. Physical strategy is determined by the opportunities and limitations posed by local context. For a thorough analysis it are foremost functional, spatial, and institutional dimensions that are of importance in exhibition center development (See Chapter 3). First, what often causes the need for physical transformation is the functional use of the building. When numbers of visitors and the scale of events rise, this puts pressure on the limitations of the complex. Moreover, specific types of events require specific venues: large scale exhibitions require large halls and conferences require conference rooms.

Second, the spatial embeddedness of a facility should be taken into account. This comprises the accessibility of the facility, the pressure it puts on its environment in terms of nuisance and congestion, the relationship of the facility with neighboring companies and public space, and the role the exhibition center plays within the regional economy.

Finally, it is also important to understand the institutional setting in which the exhibition center operates. It matters a great deal if the facility is cooperating with the municipality (or is even owned by it) or if both have conflicting interests. Also, opposition or support from the neighborhood and regional business associations is important. In short, it is of great value to know the interests and resources of the different actors involved in order to understand physical alterations in exhibition centers.

When analysis is broadened to those four dimensions it is implied that stability and change could manifest themselves at the same time in different dimensions. This makes the proposed model more complex, but at the same time more elaborate and apt to deal with the local context of the facility. Some dimensions may be heavily structured while others may provide opportunities for change. The interplay between the four dimensions will eventually determine the physical development of the facility.

The following analysis of the RAI exhibition center first describes the relatively stable period of growth until 1980 and the associated strategy based on increasing returns. This description also sets the historical context in which later strategies were devel-

oped. Then, a situation of lock-in is distinguished in which the physical situation is no longer in line with new exigencies. This is followed by a description of different attempts to establish new strategy for the RAI. In each of these periods attention is paid to the four dimensions of physical, functional, spatial, and institutional development to account for why strategies were implemented or not.

### 4.3 The development of Amsterdam RAI

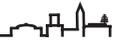
#### The hegemony of increasing returns

The foundations of the Amsterdam exhibition center were established in 1893 by the association of bicycle and automobile merchants and manufacturers, called the RAI (*Rijwielen en Automobielen Industrie*; Bicycle and Automotive Industry). In those early days, the RAI did not have a venue of its own but organized events at the Paleis voor Volksvlijt in Amsterdam. The Paleis voor Volksvlijt was a public institution with a busy agenda and limited space, so a space shortage emerged when the RAI wanted to organize larger exhibitions. In 1922, a dedicated but temporary facility was created by the RAI at the southern fringe of the city. This venue was as well called 'RAI' after the association that founded it. This proved such a success that within the first six years two successive rounds of expansion were carried out and the facility became permanent.

After the Second World War, industrial production really took off. Commodification of cars and electronics resulted in an enlarged potential for fairs and exhibitions, rendering the 13.000 square meter facility too small. Since the end of the 1920s, the RAI



Figure 4.1: The Europahal was the first hall at the present location of the RAI in 1961



had been integrated in Amsterdam's Southern Extension Plan of Berlage which left it no room for expansion. The first responses to this lack of space were made in the functional domain. The large events held by the RAI were broken down into separate pieces. General mobility exhibitions were divided into car and bicycle oriented events, and in 1950 this division was followed by extracting cars for corporate use from the general car exhibition and giving them their own event.

Nevertheless, events continued to grow and a new facility seemed inevitable. At this point, the (at this time) autonomous RAI turned to the municipality for funding of a new building. Finally, the municipality agreed on a new larger location between Berlage's Southern Extension Plan and the southern part of its successor, the General Extension Plan of van Eesteren, which was at the time under construction. A green rim was reserved between those plans with an eye on future infrastructure construction. This is where the new 18.000 square meter new RAI was opened in 1961.

The municipality committed to provide the site and finance 5/7 of the construction of the exhibition center while additional costs for construction were covered by the RAI itself. Operational profits and losses from the exhibition complex were also 5/7 carried by the municipality. This meant that the RAI no longer had the exhibition of cars and bikes as its central focus, although this remained an important aspect of the business. Now the RAI had a new role as a central urban function dedicated to promotion and exchange.

This new orientation was even more visible in earlier plans for the new venue that had also envisaged the construction of a conference center. However, these plans were stalled because solving the post-World War Two housing shortage was government's primary focus. Therefore, the RAI remained without a conference center until the first round of extension in 1965. Because it was foremost the municipality that wanted a conference center, it agreed to strengthen its involvement at this time. The total construction costs and exploitation risks of the conference center were carried by the municipality alone. The addition of a conference center followed on a general increase in the service economy and an increasing demand to combine product display with information exchange. In this regard, an anticipated shift in the regional economic system played a role in functionally and physically reshaping the RAI.

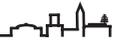
As large national exhibitions continued to grow in terms of visitors, exhibitors, and number of events, the complex was enlarged again in 1969 and 1982. This was made possible by utilizing parts of the leftover green rim space between the two city districts. Moreover, this space was also used for its initial purpose, the construction of infrastructure. In 1981, this led to the construction of Station Amsterdam RAI and to the completion of the southern rail ring between Schiphol Airport and the southeast of Amsterdam. The completion of the southern ring road at the end of the 1980s linked the facility to the national highway system. Both projects enhanced the accessibility of the RAI in a national context, thereby strengthening its position as a dominant player

in the national market.

At this point the development of the RAI was largely determined by increasing returns. Functionally, the large national exhibitions were growing. Spatially, developments around the RAI facilitated its accessibility and extension. Institutionally, the municipality and the RAI worked closely together to facilitate this extension which had physically led to several rounds of enlargement. The move of the RAI in 1961 and the subsequent construction of the conference center can be characterized as a physical critical juncture coming out of increasing returns in the functional, spatial, and institutional domain.



*Figure 4.2: The RAI and its environment at the end of the 1980s.*



## Lock-in looms

By 1982, the RAI had developed into a 70.000 square meter facility hosting numerous events. The AutoRAI, its largest and oldest event, had grown from 6.689 participants in 1900 to over 550.000 in 1983. By the mid-1980s, the facility was already unable to respond to the demand for square meters of exhibition space while the size of events was forecasted to continue growing. Therefore, the RAI conceived a plan to facilitate this growth by adding a new hall to its premises (RAI, 1985). Although this plan was eventually realized, it also carried with it the seeds of future physical lock-in.

By the mid-1980s the city was already closing in on the RAI. To the north there was a residential area and to the east lay the Europaboulevard, a busy city street and access point to the urban ring road that bordered the RAI to the south. To the west lay the Beatrixpark (see Figure 4.2). It was in the southwest that the RAI wanted to extend its facility, thereby transgressing into the park.

After watching the development of the area around the southern infrastructure and the previous expansion of the RAI already with some suspicion, this united people in surrounding neighborhoods in opposition. Neighborhood organizations united in the '*Stichting Overleg RAI Buurten*' (Consultation RAI Neighborhoods Foundation) to air their fears over increasing traffic nuisance and the loss of green space. Moreover, the '*Vrienden van het Beatrixpark*' (Friends of the Beatrixpark) association was established to protect the size and quality of the park.

Although the municipal government was in large part receptive to this opposition, it deemed the extension of the RAI as of great value to the Amsterdam economy. However, three concessions, later ratified by the Council of State, came out of the debates. First, current and future traffic nuisance had to be mitigated. This resulted in the RAI being obligated to pay for traffic prevention measures in the surrounding areas. Moreover, enough parking places had to be provided for the RAI in order to alleviate further parking pressure on the surrounding neighborhoods. Second, the loss of green space was to be compensated with an extension of the park towards the southwest, partially paid for by the RAI. Third, the city council ruled that the RAI was never to extend again into the Beatrixpark. It was under these conditions that, in 1993, the new hall, which was ironically named the Parkhall, was opened.

It seemed that with the prohibition of future extension into the park, the RAI had lost its last opportunity for expansion. The only realistic option remaining was to locate a complementary venue at the other side of the southern ring road in the city district of Buitenveldert (DRO, 1988). However, this option was costly because a connection over or underneath the highway would have to be made. Moreover, this connection would make the integration of the two complexes difficult, which would have repercussions on the internal functioning of the complex.

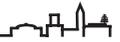
Entering the 1990s, the large exhibitions in the RAI were forecasted to continue growing. However, a physical extension might become problematic in spatial and institutional terms as the option for extension into the park had been cut off. Institutionally, the RAI was critically watched by neighborhood organizations for the impact of RAI activities on traffic, nuisance, and green space. The only realistic option for enlargement was to make a jump over the southern highway, which was regarded as sub-optimal. Physical development seemed to have reached a phase of lock-in.

### **New spatial and institutional junctures**

At the end of the 1990s the RAI was again looking for opportunities to expand its premises, as opportunities for enlargement of exhibitions in the current facility were deemed limited (Bakker and van der Heijden, 1996). First, consideration was given to the site at the other side of the ring road in the city district of Buitenveldert. However, the city district council was very hesitant towards such development for it feared that it would attract nuisance to the area. At the same time, the council of the Rivierenbuurt, the city district where the RAI was located, launched a study on the economic effects the RAI had on the neighborhood. This study showed that the RAI had important economic spinoffs to commerce in the area and also sustained a high level of functions in its immediate vicinity (Bakker and van der Heijden, 1996). Together with good experiences from the parking system that was installed as a result of the negotiations over the Parkhall, this created a much more positive image of the RAI within the Rivierenbuurt district.

Meanwhile, the spatial context of the RAI had changed. During the early 1990s, the area at both sides of the southern ring road, named the Southaxis, had been assigned to become the most prestigious office district of the Netherlands (Majoor, 2008; Salet and Majoor, 2005). It was feared that the large space-consuming halls of the RAI would not fit this ambitious project that had kick-started particularly strongly on the south side of the highway. Office developments here would also yield much higher returns on the land than exhibition halls. Soon the area in Buitenveldert was designated for development of the office sector, which blocked opportunities for extension of the RAI in this direction.

On the other hand, developments at the Rivierenbuurt-side of the ring road provided a new opportunity for the RAI to extend eastwards over the Europaboulevard. This was facilitated by the ambitions of the Southaxis and the arrival of a new metro stop near the RAI. The idea was to lower and cover the Europaboulevard to provide space for extension (ARS, 2000). This proposal included a new hall (30.000 square meter), a 135 meter high hotel tower, a shared entry hall for the RAI and the metro stop, and new offices. This expensive project was to set the tone for the ambitions of the new office district. If funds for the Europaboulevard, metro, and extension of the RAI were to be combined this could prove to be enough for this costly project.



In 2001, revenues from the exhibition sector dropped and raised doubts over the financial capacities of the RAI. Moreover, calculations of the cost of tunneling the Europaboulevard fluctuated and could not be guaranteed. These uncertainties terminated the idea of bringing the Europaboulevard underground, and as a result only the new station and associated redecoration of the existing square were carried through. With the failure to manifest this opportunity it became clear that large scale extension of the RAI would become very problematic in the future. The Southaxis developments consumed most of the areas around the RAI and a scarcity of space seemed to cut off all opportunities for RAI extension. Because of the profitability of the recent office developments, it was suggested that the RAI could be relocated to allow the development of more offices on the vast terrains of the current halls.

### **Spatial and functional junctures**

The development of the RAI had always been a steady one that could be described as path dependent in many regards. Functionally, the largest share of visitors and events had come from large national exhibitions that had grown steadily until the mid-1980s. This had been spatially facilitated by improvements in highway and rail links, and institutionally facilitated by a strong collaboration between the RAI and the municipality (hindered in the late 1980s by critical neighborhood associations). This had physically led to growing exhibition space, culminating in the Parkhall expansion of 1993. Plans for new large-scale extensions had been made until plans for the Europa-boulevard tunnel collapsed.

Interestingly, these plans to conceive a new hall for the RAI were made in a period of functional and spatial change. The 1990s were a decade of rapid internationalization of the economy and municipalities tried to seize the opportunities these developments rendered. This resulted in the urban mega-projects aimed at improving international competitive position, urban literature has described (Ouetta and Fainstein, 2008; Altshuler and Luberoff, 2003). This was affecting Amsterdam and its spatial development. Large scale projects along the waterfront and the Southaxis were conceived in order to facilitate the growth of the economy and the influx of new households. The Southaxis in particular was to host the headquarters of transnational corporations, mainly large banks, thereby securing the position of Amsterdam in the international service economy. To attract tourists and talented workers in these sectors, plans were made for the construction of new, and renovation of old, cultural institutions (De Hoog, 2013; De Hoog and Vermeulen, 2009). The growth of Schiphol Airport and plans for new infrastructure were to improve international accessibility. Amsterdam was firmly positioning itself within the international city competition. Interestingly, these developments only benefitted the RAI indirectly. Of course, the investments in infrastructure, cultural institutions, and hotel capacity benefitted the appeal of Amsterdam for large conferences and exhibitions. The RAI itself, however, was not high on the policy agenda of the municipality.

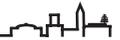
At the same time, internationalization was also affecting the exhibition industry (Möller, 1989). The growth of the international market and decline of the national market for exhibitions manifested themselves at the same time. Internationalization brought with it an increased level of supranational coordination of companies, political institutions, and non-governmental organizations. This led to rapid growth in the international conference and exhibition sector. In just ten years from 1997 the number of international conferences as measured by the ICCA (2007) grew by 36%. Even though this brought with it a very competitive international market, this pool of events did not bypass Amsterdam. The city was able to establish itself among the top international conference destinations.

This growth in international events occurred at the same time that the interest in large national events declined. These events were partially replaced by smaller regional exhibitions and opportunities for other means of advertisement led to declining interest in exhibitions as a means of communication. Most affected were the large national events that the RAI had hosted from its foundation onwards; the number of visitors to the AutoRAI reached its peak in the 1980s and has declined since (see Figure 4.4). Because national exhibitions draw much larger crowds than international conventions, this is also reflected in declining visitor levels for the facility as a whole (Figure 4.3).

### **Towards a new spatial strategy**

Despite these changes in context, the RAI initially maintained its old spatial strategy. Benthem Crouwel, the architects of the RAI, conceived many plans to squeeze new halls into the small spaces that remained on the terrains of the RAI (Benthem Crouwel, 2009). However, they failed to construct a plan that was financially and politically feasible within the physical lock-in that had been created. In this light, it is not surprising that the alderman of Amsterdam proposed a different strategy in a newspaper article in 2008, suggesting a move to a peripheral location (Parool, November 6, 2008). Due to its favorable location between the city center and the airport and its proximity to the Southaxis office district, the RAI was not inclined to move. Therefore, focus shifted away from plans for large scale extensions. This was not only due to the impossibilities of constructing new halls, but also due to changes in the exhibition market throughout the 1990s.

First, the shift away from national exhibitions saw large international conventions become the most profitable events (for the RAI, but mainly in terms of spin-off to the city). For the majority of such events, additional halls were not a necessity. Although a few business conventions around the world require spaces that exceed the possibilities of the RAI, it was not feasible to construct new halls out of a mere desire to attract such events. Even if the RAI succeeded in luring one of these events to Amsterdam and found suitable space for extension, much of the constructed space would be left empty during large parts of the year. Moreover, such events are often related to industrial sectors that do not have firm roots in the Dutch economy. As Cuadrado and



Rubalcaba (1998) have shown, there is often a close link between regional production systems and the events held at the regional exhibition center. Some European venues like Milan, Munich, and Frankfurt had closer ties to specific industrial sectors and had created mega-venues of sometimes four to five times the size of the RAI (see Figure 1.5).

In the meantime, the RAI realized that its competitive value was not to be found in its size, but rather in its capacity to organize and host shows, proximity to a large international airport, and proximity to one of the most attractive inner cities in Europe. Moreover, the combination of exhibition halls and a multitude of conference rooms could provide for many conventions that were combining conferences and exhibitions, a growing segment with attractive economic benefits. Gradually, this led to the realization that the RAI had to compete not in terms of surface area but in terms of the quality of the venue, which led them to renovate the conference center instead of expanding it. This did not mean, however, that no new construction was taking place. In 2009, a new building was opened that only added limited space to the facility but provided it with a convertible ballroom, new conference rooms, and offices. Moreover, this building provided the complex with a central entrance and connected several buildings to make the organization of several simultaneous events in the complex easier.

At the moment, this remains the strategy of the RAI. Focus is on attracting high quality events by promoting an outstanding location and investing in the quality and efficiency of the complex, even when this means that the largest shows will bypass Amsterdam. More recently, the municipality of Amsterdam has joined this strategy. In light of recent functional shifts, they realize the added value of having a venue close to the city center and support the densification and leap in quality at the current terrains (DRO, 2011). This perspective is reinforced by the current crisis in the market for offices in the region and attempts to diversify the use of the Southaxis district of which the RAI is now considered a vital part.

#### **4.4 Conclusions**

Although the Amsterdam economy has internationalized and the city has conceived many boosterist projects over the past years, municipal ambitions cannot be considered the driving force behind the recently changed spatial strategy of the RAI exhibition center. Although the municipality was, as a shareholder, involved in the development of the RAI, its role in the most recent developments was rather modest (unlike the 1960s when it had a large stake in the construction of the venue and the development of the conference centre). In light of this case study, unilateral explanations for exhibition center strategies through urban policy ambitions can be deemed insufficient at least.

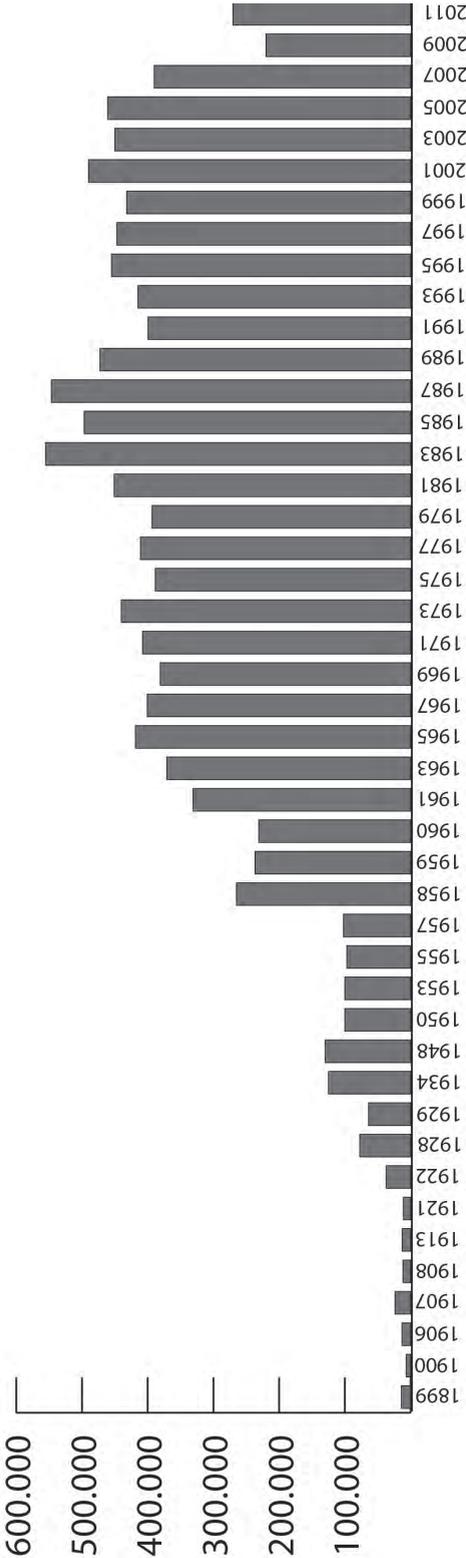
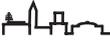


Figure 4.4: Number of visitors to the AutoRAI (1899-2011)

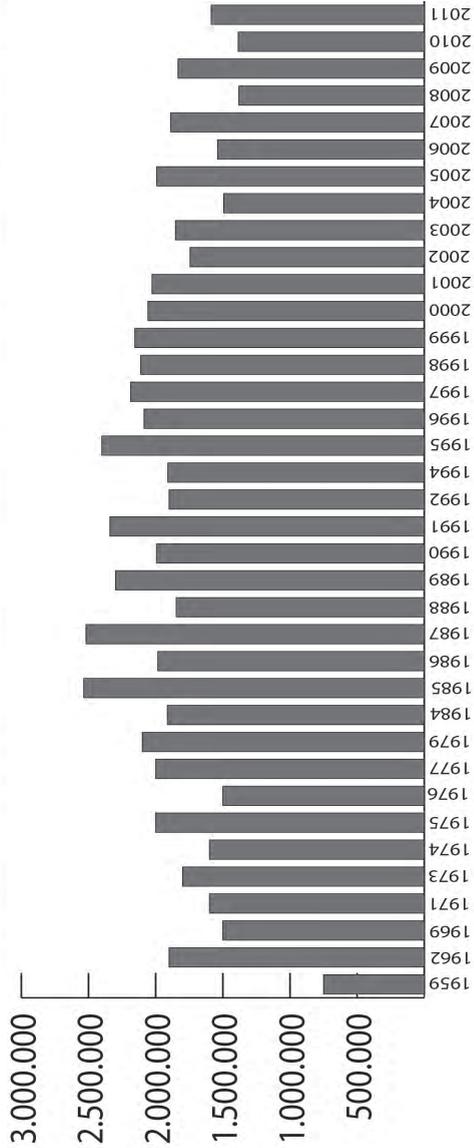
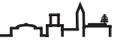


Figure 4.3: Annual number of visitors to the RAI complex for selected years (1959-2011)

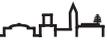


Both failed and materialized strategies have been facilitated by many factors other than the ambitions of municipal government. It were foremost functional changes towards an internationalizing and specializing exhibition sector that necessitated a change in strategy. Changes in spatial context like the development of the Southaxis office district provided opportunities throughout the 1990s and 2000s for these strategies to take root. In the late 2000s, a changing economic sector, physical lock-in, and a lack of ambitious urban policies combined into a spatial strategy that shifted from a focus on quantity to quality of the venue.

The theoretical model developed and employed in this paper allowed these insights to be developed. After focussing on a strategy of gradual enlargement of existing venues based on a logic of increasing returns, the RAI encountered a lock-in situation through the late 1980s and early 1990s. The venue was not apt to facilitate the increasingly specializing and internationalizing exhibition sector. Nevertheless, its initial strategic response was to continue previous strategies of enlargement. Although this succeeded in a first attempt in 1993, this extension also further aggravated the lock-in. In the early 2000s, a new attempt to continue the strategy of enlargement over the Europa-boulevard did not materialize. At this point, the idea of a strategic critical juncture was aired with the proposal to move the RAI to a different location. Spatial ties to its surroundings were, however, strong enough for the RAI to advocate a longer stay at its present location. In the end, a new strategy was conceived with a focus on density and quality of the venue. This can be considered a critical juncture from the previous strategy of continued enlargement.



*Figure 4.5: In 2009, the Elysium was the latest extension to the RAI*



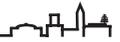
## CHAPTER 5

### Pursuing the peripheral path?

### A path dependency analysis of recent development of the Frankfurt and Munich fairs

#### Abstract

**As a response to increasing competition and internationalization, many Western European cities invest in exhibition facilities. Surprisingly many of these new exhibition centers emerge in the urban periphery. An assessment of the thirty-four largest exhibition centers in Western Europe shows that only sixteen of these are still centrally located while already eighteen have a peripheral location. This is a drastic break with the inner-city as the traditional location for this function. Behind this observation of spatial change goes a complex set of dilemmas about investments in current or new locations. A fresh analytical model (based on assumptions of path dependency) is constructed and employed to analyze the time and place specific determinants and opportunities. Two contrasting cases are selected in comparable German cities. Whereas Frankfurt decided to renew its facilities in the center of the city, Munich opened a relocated exhibition center in 1998. Based on these case studies, the paper concludes that there is no autonomous force pulling exhibition centers towards the periphery but it is rather a misfit between the central location and new physical, functional, spatial and institutional demands that causes a facility to move.**



## 5.1 Introduction

The periphery of metropolitan areas is changing. Functions that were traditionally reserved for inner city locations are now fundamentally reshaping the character of areas outside historic urban cores. Exhibition centers are amongst the functions for which this trend is most manifest. Traditionally located at central locations, more than half of the facilities in Western Europe are now outside of the urban cores of their host cities.

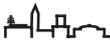
Thereby, exhibition centers are illustrative for a broader set of functions, amongst which are sports stadiums, universities, hospitals, shopping malls and tourist attractions, that are reshaping metropolitan configurations and hierarchies. Such urban functions not only bring large investment to peripheral areas, but also redistribute regional flows of people, thereby fostering other forms of activity in peripheral places.

Relocation to the periphery is not a straightforward step. As exhibition centers are often historically rooted in central city locations and construction of new exhibition centers requires large resources, the decision to relocate is a difficult one. An urban environment in which a whole network of urban amenities and infrastructure has evolved around the exhibition center is exchanged for empty fields or newly constructed metropolitan subcenters. It is therefore surprising that the phenomenon of the peripheralization of exhibition infrastructure has remained largely unstudied. No broader analysis or case study has been conducted on the planning dilemmas behind these endeavors. A trend with such an impact on metropolitan configurations deserves a thorough analysis. What are the motivations of exhibition centers and their host cities to leave central urban locations? And, conversely, what moves other venues to resist this trend and remain at their historic central locations?

In this paper this empirical gap is filled by a comparative case study of the exhibition centers of Munich and Frankfurt that respectively moved to the periphery and consolidated their central location. This is done through a model that has been specifically developed for this purpose. Out of path dependency literature, three crucial stages of development are derived: increasing returns, lock-in and critical juncture. Rather than applying these concepts to the general development of the facility, the analysis distinguishes between the physical, functional, spatial and institutional dimension of development. This allows for those dimensions to differ between stages of development. It is these differences that are largely accountable for the diverging development of the Frankfurt and Munich exhibition centers. This historical and multidimensional perspective permits to understand the time and location specific context in which relocation of exhibition centers in both cities was considered.

### **The emergence of the polycentric metropolis**

Globalization has largely structured the development of cities over the past years. Various scholars (Castells, 1996; Sassen, 1991; Taylor, 2005) have demonstrated the



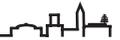
role of cities as nodes in international streams of investment, information and talent. The current economy that is thriving more and more on knowledge and interaction is inherently urban. This has resulted in a revival of cities, not only in economic, but also in cultural terms.

Such changes towards an international urban economy are not exclusively felt at inner city locations but increasingly also outside traditional urban centers in what was formerly called the urban periphery. No longer is the periphery of urban areas merely reserved for suburban dwellings and relocated urban problems (Keil and Ronneberger, 1994; 2000). This periphery is now giving way to attractive locations for business, consumption and recreation, thereby transforming traditional dichotomies such as urban and rural and center and periphery (Asscher, 2000; Lang, 2003; Sieverts, 2003). This has led some scholars to speak of a post-suburban world (Phelps and Parsons, 2003; Phelps et al., 2010; Dear and Flusty: 1998) or postmetropolis (Soja, 2000). Whether one likes to see this as a new urban constellation or as the natural evolution of suburban communities, it is clear that traditional center-periphery relations are giving way to more complex polycentric metropolitan layouts. These new urban fields are no longer hierarchically organized but to an increasing extent multicentered, nodal, flexible and global (Keil, 1994; Keil and Ronneberger, 1994).

Especially around infrastructure nodes like airports and railway stations and along highway corridors, we find functions like shopping malls, sports stadiums, exhibition centers and business parks that were traditionally to be found exclusively at central city locations. Although the extent to which this is happening differs from extremely condensed cities like Los Angeles to more compact cities like Amsterdam, these are developments that can to an ever larger extent be witnessed all over the world.

This leads to the need for redefinition of the -by lack of a better word- periphery in functional, spatial, physical and institutional terms. The use of the periphery is becoming more globally oriented and diverse. No longer are peripheral nodes solely oriented towards the core city, they are now connected physically and digitally to all corners of the world. In the case of airports, high speed railway stations and also datacenters, it is now sometimes the core city that organizes its international connections through the periphery. This leads to a changing physical appearance of the periphery through new buildings and ambitious architecture. Iconic buildings, bridges and terminals are now also to be found outside of the historic core city or CBD. Moreover, this calls for new, less hierarchical and flexible modes of metropolitan organization (Keil and Ronneberger, 1994).

As exhibition centers are increasingly to be found within this periphery, they are simultaneously following and constructing this trend. They are par excellence the kind of functions that redefine the notion of core and periphery and bring the global to the periphery. In functional terms, the visitors come for the activity in the periphery and might visit the center as a secondary activity.



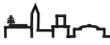
## **Exhibition center development**

Although modern exhibition centers have been around since the start of the twentieth century and have grown considerably over time, recent construction of exhibition space has been truly impressive. The number of newly constructed exhibition centers is extraordinary and many already existing facilities have added new halls and meeting space to already existing venues (Fenich, 1992; Kay, 2005). Between 2000 and 2005 the number of square meter exhibition surface worldwide had grown with 40% (Wallace, 2007). In 2008 the Union des Foires Internationales (UFI, 2008) anticipated a further increase in exhibition space of 13% between 2006 and 2010. Although this increase was met by growing numbers of events, exhibitors and visitors (see for example ICCA, 2007), this construction has also been criticized for being unproductive competition between cities for international conferences and exhibitions (Sanders, 1992; 2002).

Underlying these investments was a dramatic shift in market orientation from a national to an international perspective (Uhlendorf, 2006; Möller, 1989), paired to more entrepreneurial policies of cities trying to be competitive in the global markets for business tourism (Altshuler and Luberoff, 2003). This has resulted in a more intensive and demanding competition between facilities hoping to attract events and visitors (Rubalcaba and Cuadrado, 1995; Cuadrado and Rubalcaba, 1996; Fayos-sola et al., 1995). Apart from the construction of more square meters, this resulted in investments in quality and efficiency of the venues.

The most drastic way in which many exhibition centers have sought to increase their quality and efficiency has been a relocation from their historic central location towards the periphery where a new state-of-the-art exhibition center could be constructed. An assessment of the thirty-four largest exhibition centers in Western Europe (see Chapter One) shows that only sixteen of these are still located at central locations, while eighteen have a peripheral location. Although some of the peripheral facilities have traditionally been located at these sites, by large the majority of such facilities has been constructed over the past decades to replace inner city facilities, thereby following the pattern of emergent polycentric metropolises in Europe. Stuttgart, Milan, Rimini, Munich, Leipzig, Madrid, Rome, Lyon and Paris have all constructed new exhibition centers in the urban periphery since 1980. Most of them had older venues in the inner city.

The above mentioned quantitative overview of central and peripheral exhibition centers in Western Europe is able to indicate a general outward tendency of such facilities, suggesting a dominance of polycentric over concentric strategies, but does not give insight into why this is so. Moreover, not all facilities in Western Europe have followed this pattern. The overview is unable to answer the question why some cities redevelop their exhibition venues in the periphery and others do not. To answer this question an analytical model that goes beyond the physical aspect and looks at the



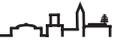
broader context in which the venue is operating is needed.

### **Path dependency**

This thesis tries to account for why some exhibition centers have stayed at their historic location whereas others moved to new sites. It takes a historic perspective by looking at the longer lines of development that produced a situation where one or the other option was chosen. Arguably the most popular theories to analyze such historical development center around the notion of path dependency. Path dependency started out to account for stable situations where one would theoretically expect dynamics and change (David, 1985; Peters et al, 2005; Martin and Sunley, 2006). It was argued that initial events provide strong feedback mechanisms that favor initial development over potential developments that are initiated later in time (North, 1990; Pierson, 2000). Over the years, attention within path dependency literature has shifted towards accounts for change (Cappocchia and Kelemen, 2007; Mahoney, 2001a; Martin, 2010; Hassink, 2005). This incorporated both incremental as well as more abrupt forms of change.

Therefore, a path dependent perspective seems applicable to this research that aims to account for both stability (renovation of facilities) and change (relocation) in exhibition center development. However, the popularity and wide applications of path dependency have considerably stretched its notion. This has led to the point where various authors had to conclude that path dependency merely means that history matters (David, 2000; Pierson, 2000; Greener, 2005; Boettke et al., 2008).

It is therefore, that the theoretical framework of this paper will rather be based on concepts within path dependency literature than on path dependency theories as such: increasing returns, lock-in and critical juncture. These concepts can be related to three stages in typical path dependent trajectories. First, a development is started and reinforced through a series of investments and actions that are in line with this initial development and have high rewards. Such ‘increasing returns’ often ensure that alternative development trajectories are outcompeted since resources are devoted to strengthening and exploiting this dominant pattern (Pierson, 2000; North, 1990). In a second stage, the initial development trajectory becomes hard to maintain and loses its attractiveness. Increasing returns diminish and growth is flattened. However, in many cases the dominance of the initial development trajectory has prevented the pursuit of alternative options and institutions and routines are often still geared to facilitate the old development. Even though it might be rational to follow another development strategy, the historically produced context might prevent the abortion of the old in favor of new development. In such situations, the old development is locked-in and it is hard to start new strategies, thereby maintaining suboptimal situations. In some situations actors succeed in breaking with this lock-in and substitute old ways of doing things for a new trajectory. The concept of a ‘critical juncture’ is used to describe such drastic shifts in development (Hogan 2006; Capocchia and Kelemen, 2007).



These stages of typical path dependent development might be a good starting point for the analysis of exhibition center development. The decades of growing numbers of exhibitions, exhibitors and visitors, leading to the gradual enlargement of exhibition centers until the 1980s, can be characterized as a period of increasing returns. This has resulted in many large scale exhibition facilities in Western Europe. However, many of those facilities turned out to be old-fashioned and outdated as large scale international events started to require increasing levels of quality and efficiency. Within a more competitive international market, this meant that facilities had to renew or perish. They needed to shift towards better quality and efficiency but did not have the facilities, nor the resources to do so. It can be argued that this situation required a critical juncture, often manifested in international exhibition center development by a move towards the periphery.

### **A multi-dimensional analysis**

Such an analysis of the situation in which exhibition centers found themselves during the last decades of the twentieth century has a mere focus on the buildings, the physical aspect of the facility. In order to properly analyze this physical development also other dimensions of development should be accounted for. For this purpose, the work of Donald Foley (1964) serves as a useful point of departure. He argues that for good urban planning several dimensions should be taken into account. These comprise normative or cultural aspects, functional aspects and physical aspects which all have both a spatial and an a-spatial dimension. The value of this conception of Foley is particularly found in his emphasis on the relationship between these dimensions: how one dimension influences the other. Although Foley focusses on the metropolitan scale rather than the scale of an individual building and on the act of planning, rather than the analysis of urban development, this poses an interesting starting point for a broader analysis. Therefore, this paper will take up Foley's suggestion to adapt and refine his model in order to suit it to the analysis of exhibition center development. Particular emphasis will be placed on the normative, functional and physical dimensions in the a-spatial sense, combined with an aggregated category for the spatial dimension (see also Chapter 3).

Foley's first dimension is comprised of physical artifacts. These are, of course, bread and butter to urban planning and, in the case of a single building like an exhibition center, of architecture. This dimension encompasses aspects like size, quality and additional facilities.

The relationship between the physical and the second, functional, dimension is traditionally well developed in urban planning. All major strands of planning theory have their take on this relation (Hall, 1988), varying from modernist logics as a place for living, recreation and work, to more complicated conceptions like interaction in the work of Jacobs (1961). This relationship is also very straightforward in exhibition center development. The size and type of events is of crucial importance for the



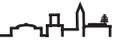
physical form of the fairground. Events can vary on the surfaces they require, number of visitors and exhibitors, the origin of visitors and exhibitors (national, international) and type of visitor (public or corporate). Moreover, the economic sector that is catered by the event influences the nature of activities which could range from exhibiting, sales and advertising through information exchange and knowledge development. Over the past decades, the sector has moved towards these latter activities which has resulted in the construction of conference facilities adjacent to exhibition centers.

Foley conceptualized norms and values as informing urban planning in a very informal way, almost as routines and inhabited ways of conduct. Throughout the years, various scholars have demonstrated the blurry boundaries between formality and informality (Crozier and Friedberg, 1977), leading to a broad body of literature on institutionalism (Hall and Taylor, 1996; Dembski and Salet, 2010) that encompasses both formal and informal institutions. Incorporating also formal elements in this dimension makes sense for our analysis as exhibition center development is often strongly guided by such aspects. Ownership structures, building regulations and zoning play a large role in determining the development of exhibition structures.

Till now, we have exclusively dealt with the a-spatial side of Foley's conceptual view on urban planning. Through the way they are distributed in space, institutions, functional and physical aspects also have a spatial dimension. For the institutional aspect, this might come up as those institutions direct towards a certain spatial distribution, for example anti-sprawl policies or weak cooperation between municipalities. Nevertheless, as institutions with a spatial and an a-spatial dimension are hard to discern, they will be treated together.

The spatial distribution of functions, however, is of crucial importance to our analysis as an exhibition center is very much dependent on its relationship with and embeddedness within the broader region. For its accessibility, the exhibition center is dependent on investments in rail, road and airport. Moreover, cities that are strong in a particular economic sector often also host internationally renowned events in that sector (Cuadrado and Rubalcaba, 1998). Amenities are also important as visitors need bars, restaurants, cultural facilities and hotels to spend the night. The image of a city turns out to be a determining factor for visitors to attend an event and thereby for the success of a facility. On the other hand, all sorts of conflicts could arise over traffic congestion, noise, nuisance and parking space. Moreover, for extension, an exhibition center often has to look beyond its own terrains to opportunities in its surroundings. This might conflict with other claims or interests of its neighbors.

Finally, the spatial distribution of the physical object, the exhibition center, is the phenomenon we want to explain for. This will therefore be treated as the outcome variable, leading to an adapted model in which attention is paid to how physical, functional, spatial and institutional aspects lead to a geographical outcome. What is crucial for the analysis is that these four dimensions influence each other.



Looking at exhibition center development from this multidimensional perspective, increasing returns are most manifest when all dimensions are aligned to facilitate the same development trajectory. Lock-in could occur when one of the dimensions is not in line with the development of the others and can not be made concurrent. This happens for example when functional development asks for an extension that is spatially not possible or institutionally obstructed by lack of funds or opposing actors. When such a situation of lock-in prevails, it might become necessary to leave the traditional development strategy and opt for a critical juncture.

### **Case selection**

In order to explore the reasons why some exhibition centers move to new locations and others stay where they are, two cases have been selected, namely the exhibition centers of Munich and Frankfurt. They have been selected because they differ in their locational strategy. Munich moved to the urban periphery whereas Frankfurt stayed at its original location in the city center. Besides these diverging strategies, the two exhibition centers share many characteristics which make them very suitable for comparison. They are both amongst the largest facilities in Germany and the world which makes them operate in the same market for large-scale international trade fairs. Also, they were both established at their inner city location in the first decade of the twentieth century.

They both operate as private businesses but are financed by a combination of the city and the Federal state (see Figure 1.3). This is of interest as relationships with the public sector are very important when it comes to new construction and acquiring new terrains. Finally, both are located in economically strong metropolises which, at least in specific sectors, play a significant part in the international economy. This makes the exhibition centers of Frankfurt and Munich arguably as similar as possible in terms of organization, orientation and development, but different in their geographical location. This difference in outcome variable makes them a good fit for comparison.

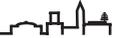
By choosing path dependency as a theoretical framework, the researcher is obliged to analyze the long lines of development. By adding the multidimensional perspective, it becomes necessary to examine the state of these dimensions for each timeframe. It is argued that the specific developments of both exhibition centers since 1945, provided the conditions for their latest rounds of extension. This development can be broken down in three periods with different developments in the four dimensions.



*Figure 5.1: Interior of the 'Festhalle' the oldest building at the Frankfurt fairgrounds*



*Figure 5.2: The old Munich trade fair, now a transportation museum*



## 5.2 The development of the Frankfurt and Munich Fairs

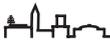
### Increasing returns in the reconstruction period

The end of the Second World War is a good moment to start the analysis of the Frankfurt and Munich exhibition centers. In 1945, both found themselves as well as their cities heavily damaged. Although resources for reconstruction were scarce in both cities, fairly soon, municipal governments decided on the reconstruction of the exhibition centers. In those early years, Frankfurt profited from its central location within Germany. As most events were largely nationally oriented, many events that were formerly held in Eastern German cities, most notably Berlin and Leipzig, moved to Frankfurt (Moller, 1989). This position was reinforced by national regulation to concentrate exhibition activities in the cities of Cologne, Hannover and Frankfurt. To support the position of the Frankfurter fair, the State of Hessen joined the city as a shareholder in 1951. Munich, on the other hand, was ruled out by this regulation but nevertheless succeeded in organizing temporary exhibitions as well as regional events.

Functionally, both exhibition centers extended the size and number of events. When the exhibition market became less regulated throughout the 1960, inter-urban competition for events increased as well. Both cities feared that exhibitors would leave if additional exhibition surfaces were not provided. In order to muster resources for the necessary improvements to cope with this competition, the Free State of Bavaria became a shareholder of the Munich Fair in 1964. As a result, Frankfurt and Munich realized large extensions during the 1960s.

At the same time, the cities of Munich and Frankfurt were reconstructed. Frankfurt centered its reconstruction around the financial sector that had left Berlin and set up base in Frankfurt. The largely destroyed central areas provided the space necessary for the construction of new offices, often in the form of skyscrapers. Munich, on the other hand, concentrated on technology and innovation. Contrary to Frankfurt, this city did not build a new modern city center but reconstructed as much as possible its pre-war city.

Although, the Frankfurt Fair developed faster than that of Munich in the 1945-1970 period, both developments are characterized by increasing returns. Functionally, both exhibition centers were hosting more and larger events, mainly catered to a national audience. The redevelopment of the fairs held equal pace with the general redevelopments of Frankfurt and Munich and were supported by city administrations, later joined by their respective states. Physically, this led to the addition of exhibition space. At first, this manifested itself in temporary pavilions and the reconstruction of demolished halls. Later permanent and larger constructions were built.



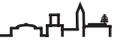
## Accommodating globalization

By the early 1970s the cities of Munich and Frankfurt were internationalizing. Post-war reconstruction had been largely successful and Germany was becoming the economic engine of Europe. Whereas the financial sector of Frankfurt had originally been mostly nationally oriented, it was now becoming the financial center of mainland Europe (Grote, 2008). The Frankfurter Airport developed congruently into an international hub. At the same time, Munich became an important European city for innovation and technology. The organization of the 1972 Olympic Games was emblematic for this renewed international orientation. This development was also witnessed in the exhibition centers of the two cities where an increasing share of exhibitors and visitors came from abroad.

Physically, this required drastic alterations and extensions. First, shifts in economic structures, away from production and towards the tertiary sector, put a larger emphasis on conferences. This required the addition and extension of conference space. Second, the internationalization of exhibition markets brought with it increased competition between cities for these events. This competition was not only fought along the lines of quantity, but to an increasing extent also on quality. This meant that exhibition centers had to get rid of their older, small and temporary halls in favor of larger and more modern halls. Often, this meant that multi story halls were exchanged for single story halls as multiple stories posed difficulties for construction of the exhibition and visitor streams.

In Frankfurt, these new demands were much more easily accommodated than in Munich. During the 1970s, the historic Festhalle (the first hall of the premise that was constructed in 1909) was renovated and the extension plan of the 1960s was completed. The real accommodation of international demands was, however, boosted by the metropolitan strategy of the city of Frankfurt that was launched in the early 1980s. The city realized that the economic way forward was found in the internationalization of the city. This internationalization was spearheaded by three pillars, notably the financial sector, the airport and the fair (Ploeger, 2004). This resulted in a new physical extension plan for the Fair in 1980. This plan, supported by the city, proposed a westward extension of the Fair, replacing the older and smaller halls for larger, new ones with a maximum of two stories. All extensions had to be of architectural excellence and were designed by famous architects. The quality of the venue was increased by a horizontal escalator through the complex and a new entrance building. By the mid 1990s, almost all of this plan was realized.

In Munich, the shift from a national to an international exhibition center was less easily made. Functionally, the fair was growing in terms of size and number of events. The city as well as the fair were operating increasingly in international networks. However, translating these developments into physical construction was hard. Also in Munich, extension and the replacement of outdated halls was needed. This was,



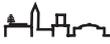
however, not a priority for the city council. Therefore, only a relatively small extension was realized because this was necessary for wrestling matches during the Olympic Games of 1972 that were held in Munich. After the Games, this hall was topped by a second floor which added another 10.000 square meters to the facilities. Investments related to the Olympics were of course much broader and entailed, apart from the Olympic park in the north of the city, also measures to make the inner city more pedestrian friendly.

Ironically, the Olympic games marked the end of the pre-war boom as the city's economy was soon hit by the oil crises of the mid 1970s. Combined with the debts from the Olympic Games, this made the demands of the Munich Fair for new investment fall on deaf ears with the city's major. Already in 1973, the Fair proposed to relocate the exhibition center to another location (Ude, 1993). The reasons for this relocation were typical of a lock-in situation. To the west and north the halls were bordered by residential areas, to the south, there was a railroad and in the east there was the Theresienwiese. Although this Theresienwiese is in principle an open area, it is home of the world-famous Oktoberfest and as such an important location in Munich that has to remain untouched. Although it was close to the attractive inner city, the possibilities for the fair to extend seemed exhausted.

Lack of political commitment and financial means, however, prevented a shift in location and led to a continuation on the original location. Throughout the late 1970s and early 1980s, the exhibition center continued to grow in terms of visitors, international appeal and economic turnover. Even though the discussion of a move never totally vanished, this led to a new extension at the original location in 1983. In a very costly endeavor, the railway to the south was lowered and covered to unlock sites for extension. On top of underground parking garages, which had to lower parking pressure in nearby neighborhoods, three new halls were built. The project, that also entailed a new restaurant, press center and service areas, enlarged the capacity to 105.000 square meters. Decisive for political support for these investments was the International Garden Exhibition that was held that year in Munich and that needed the large surfaces. After this construction, options for further extension seemed exhausted.

Hence, both Frankfurt and Munich grew and internationalized through the 1970s and 1980s. This required modern and larger facilities. Whereas in Frankfurt such a transition was facilitated by ample terrains west of the fair and a city government that made the trade fair one of the focus areas of its economic policy, in Munich this transition was ad-hoc because of only limited room for extension and a government that had priorities elsewhere. This led to a situation where extensions were only possible if they were linked to other initiatives like the Olympics and the International Garden Exhibition.

Nevertheless, Munich moved to a peripheral location in the late 1990s, whereas Frankfurt extended on its current terrains. By the early 1980s such an outcome would



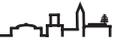
have been hard to predict. Even though there were already talks of Munich relocating because of a lack of space for extension, there was no political will to make this happen. Moreover, the development of the inner city of Munich since World War Two was fitting present needs. The choice to rebuild the urban center to its traditional layout had produced a very attractive inner city for the post-modern economy that was evolving. The combination of an exhibition center, adjacent to such an attractive inner city would provide a very powerful asset in the international competition for events and visitors.

Frankfurt, on the other hand, had much more commitment from local government. Although they had not yet been confronted with a shortage of space, future rounds of extension would definitely face similar problems as in Munich. Moreover, although the Frankfurt Fair was favorably located in proximity to the central station and the inner city, this city center, mainly consisting of high office towers, was considered much less of an asset. Moreover, internationalization was increasingly also taking place outside of the city in the Frankfurt region (Keil and Ronneberger, 1994). Relocation of the fair would fit and reinforce this development. The question therefore becomes even more pressing: why did Munich move to the periphery and did Frankfurt stay put?

### **Munich's critical juncture**

An important part of the answer to this question is to be found in rather unexpected and abrupt changes in the spatial context of the two facilities. In Munich, a new impulse to the long lasting desire of the Fair to extend and renew was given by a new mega-project undertaken by the city. The city's airport that was located in the district of Riem in the east of the city had for a long time posed the city with problems. First, it was close to build-up areas which made it dangerous to take-off and land. In fact, two large accidents had already happened. The crash of the Manchester United soccer team in 1958 received worldwide attention. Second, the noise produced by the airport prevented residential construction in the eastern part of Munich. As demands for housing had risen since the 1970s, locations for development were highly desired. Finally, the airport and its runways were too small and in need of extension. This did not suit the international metropolis in media, high tech, ICT and biotechnology the city had become. Evidently, this had led to discussions about the move of the airport and its possible location. Although there were still legal battles with residents, it was decided in the early 1980s that the airport should be moved to Erding to the northeast of the city. This would leave the former airport free for redevelopment.

The fair, still longing for a larger facility, soon tried to cease the opportunity provided. In 1985, the director of the Messe Munich publicized a memorandum on the state of the exhibition center (Märzin, 1985). This memorandum highlighted the growth of the exhibition center over the past two decades as well as its economic benefits for the city. It also emphasized the tight balance between the exhibition center and



the surrounding neighborhoods as the late extensions had increased traffic, noise and parking nuisance in the area. These problems would only enlarge as *“it is clear from rising space requirements that a further 30.000 square meters of hall space is urgently needed”* (Märzin, 1985, pp. 2). The memorandum also stated that *“although essential for the medium- and long term growth of Munich trade fairs, this amount of space cannot be provided at the Theresienhöhe, as the site simply does not have the space to build the halls to provide it”* (pp. 2). Apart from this shortage of space, halls were also outdated. Modern day exhibitions needed single story halls and some of the largest halls in Munich were still two or even three floors high. Moreover, the configuration of halls and the limited areas for handling trucks and cargo posed increasing logistic challenges. The site of the former airport in Riem was proposed as the site for new construction. Although other sites were considered in the direct aftermath of the proposal, these were all deemed undesirable because of either their limited size or problems with accessibility.

This critical juncture towards a new location was, however, blocked within the institutional domain. Although one of the shareholders, the Free State of Bavaria was easily won for the move to Riem as it was expected to enlarge benefits for the regional economy, the city of Munich reacted unreceptive. The fair still did not have priority as the relocation of the airport already tightened the municipal budget. Moreover, the fair did not fit the initial plans that were already made for the abandoned airport and was also expected to increase traffic in the southeast of the city. Especially the Green Party, which was then part of the city’s coalition, was for these reasons against a move.

The fair, however, kept stressing public benefits. A study by the IFO research institute (Ziegler, 1987) had shown the huge potential in Munich for exhibitions and the restraints to this potential that were to do with the problems of the current site. Therefore, an alternative location would not only solve the problem of nuisance for the surrounding neighborhoods but also increase the spin-off to the regional economy. Moreover, Munich was facing a housing shortage and had committed itself to solving that problem by the concepts of ‘compact, urban and green’. The redevelopment of the Theresienhöhe would fit to this ambition as the extensive exhibition halls could be replaced by a dense urban district, close to the inner city. Because the site was also property of the municipality, revenues of such a development would come to the public benefit.

This argument of an additional residential district proved very valuable to the Green Party. Still, financing the project was a huge problem. Two sources of revenue were mustered in order to make sure the project would not weight too heavily on the municipal budget. The first was the redevelopment of the Theresienhöhe. The site of the exhibition center had been leased by the fair from the municipality and would fall back to the city once the fair would leave. Revenues from this redevelopment could be invested in the new facility. Second, relocation of the fair to the edge of the municipal-

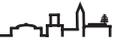


*Figure 5.3: Relocation of the Munich trade fair towards the former municipal airport*

ity would make the exhibition sector even more a regional affair. Therefore, the Free State of Bavaria, that had supported the plan from the start, agreed on buying some of the shares of the fair from the city. As it turned out, the selling of the shares and land at the Theresienhöhe made it possible to realize the project without a municipal loss. This overcame institutional barriers and made a physical critical juncture possible.

### **Frankfurt's opportunity**

By the early 1990s, spatial lock-in was looming for the Frankfurt Fair. At this time, the Frankfurter Fair had grown into one of the biggest exhibition facilities in the world. Nevertheless, it still had to keep up with competitors within Germany and abroad. For a continuation of the modernization strategy, two problems were looming.

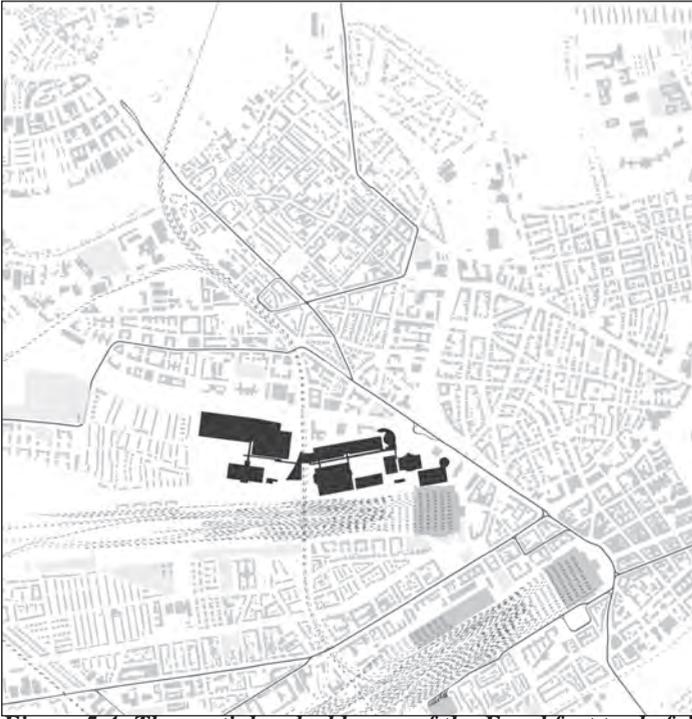


The first was a shortage of extension space as also the west part of the fairground was now fully occupied with halls. It was bounded by railway yards and a cargo station in the south, residential areas to the west, and a major street and office developments to the north and east. Second, many halls on the terrains were still not in line with the requirements of the day. Although the Festhalle derived much of its appeal from its antique image and long history, many other halls needed renovation. Many halls still had multiple floors, something that worked very well for the large consumer fairs but was undesirable at business fairs. During these events, the higher floors and older halls were avoided by exhibitors. A shortage of space for extension was manifesting itself, not only because the center needed more square meters of exhibition surface, but also because there was no space to 'spread' the multi-story halls over single or two story facilities. In 1998, the International Automobile Exhibition threatened to leave Frankfurt because the facilities did not meet modern day requirements (Langhagen-Rohrbach, 2003).

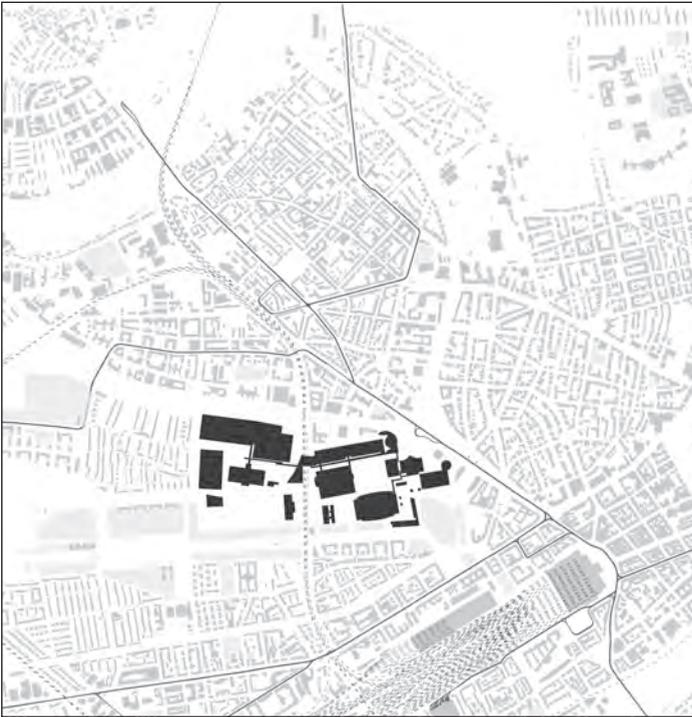
Also in Frankfurt, a change in spatial context provided the fair with a new opportunity for renewal and extension. In 1994, the German Railways were privatized, which led to a more market-oriented strategy for the company. As it owned many railway yards and other assets in cities, it decided in the 1990s that many of those assets could be sold to invest in the German high-speed network and ambitious station area development projects. One of those projects, similar to the infamous Stuttgart 21 project, was envisaged for Frankfurt as well. In order to levy the necessary funding, the railway yards and the cargo station, south of the Frankfurt exhibition grounds were to be sold for office development.

Thus, a strategic opportunity was offered to the trade fair to extend its premises into the areas of the German Railway. This was not only realized by the fair, but also by the City of Frankfurt. They were shareholder of the exhibition center and valued the central location of the facility within their municipality. The commitment of the municipality to facilitate the expansion of the fair was demonstrated when Deutsche Bank launched an alternative plan for the former railway yards. One of the main reasons for rejecting this plan was that there was not enough space for extension of the fair (Langhagen-Rohrbach, 2003).

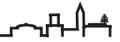
Hence, the city reacted very favorable to the idea of the fair to purchase the adjacent areas of the German Railways. Although the developing firms of the German Railways had planned to sell their property for office development, something that would render them a much higher price, they were almost compelled to cooperate. Because the city had to change the local zoning plans in order to allow development on the former railway tracks, developers were very much depending on support from the municipality. It was decided that the land would be zoned in four equal quarters for housing, offices, green space and the exhibition center. In return, the developers were allowed to build higher and more dense in the areas for offices and housing.



*Figure 5.4: The spatial embeddness of the Frankfurt trade fair in the early 1990s*



*Figure 5.5: The current spatial embeddness of the Frankfurt trade fair*



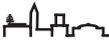
Hence, lock-in was circumvented in the case of Frankfurt by something that can be termed a spatial critical juncture: the opportunity to use the derelict railway yards. Functionally, such a physical addition was needed. Contrary to Munich, it was supported from the start by municipal government. The alliance between the city and the fair was able to easily deal with conflicting interests and proposals by the Deutsche Bank and landowners. So, although there was no critical juncture in the sense of a move to another location, the decision to extend on the former lands of the Deutsche Bahn, can be deemed as such, at least in a physical (new construction) and spatial (extending the premises) sense.

### 5.3 Conclusion

Both the fair of Frankfurt and that of Munich have recently invested in their facilities. The fact that Frankfurt extended its premises close to the inner city whereas Munich moved its exhibition infrastructure to the urban periphery can, at first sight, be explained by differing opportunities that manifested themselves at a time when larger venues were needed. In Munich, the fair could be located to the site of the former airport. In Frankfurt, former railway yards became available for the extension of the fairgrounds.

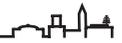
By using an analytical model that combines insights from path dependency theory with a multi-dimensional perspective, the article has been able to also show why both fairs were willing and able to cease these opportunities. In Frankfurt and even to a larger extent in Munich, the fair was in need of space for extension and modernization because of an internationalizing and growing market. This provided in both cases physical lock-in: a situation where the physical infrastructure itself provided the bottleneck for further growth. The opportunities offered to the fairs provided a change in the spatial domain that made the necessary physical change possible. In Frankfurt, such a change was easily facilitated by a good and strong relationship with the municipality that had been build up over almost a century. The fair had always been central to the city and was even one of the focal points in the metropolitan strategy that the city launched in the early 1980s. The strategy to physically renew the fair with modern buildings by famous architects, initiated with the 1980 extension plan, can be argued to have started a new path dependent development trajectory. Fifteen years of constructing expensive high-quality buildings made it logical for the fair to further build upon these investments in the mid-1990s. In Munich, the institutional setting provided another situation of lock-in as the city did not react positively on the idea to move the fair to the former airport. Only after solutions were found to these, mainly financial, doubts, the project could get under way.

The cases show that there is no autonomous force shifting the gravity of exhibition infrastructures towards the periphery. Modernization and enlargement of the facility



seem to be the main priority. Location only comes second. Rather than a periphery pulling exhibition centers towards it, they are pushed out of the inner city by limited capacity to expand and because of the nuisance and congestion they bring to the neighborhood. In Frankfurt, these concerns were mitigated. In Munich, there was no possibility to do so. This situation did not manifest itself unannounced but was the result of a decade-long development process.

Although Munich and Frankfurt have some very specific characteristics, it might very well be that also other fairs were relocated to the periphery, not primarily because of the benefits of their new sites but rather because of the constraints offered by their historical locations. Conversely, exhibition centers that stayed at inner city locations did not miss the boat of economic prosperity but rather found ways to accommodate new demands at their preferred location. This observation calls for broader research into the internationalization of the periphery through the outward relocation of urban infrastructure. It is not unthinkable that also other facilities like shopping malls, sports stadiums, universities and entertainment districts are located here because they are too much of a nuisance or are simply too big for inner cities and not because of the inherent qualities of outer sites.



*Figure 5.6: The Grimshaw-designed Hall 3 in Frankfurt*



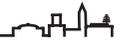
*Figure 5.7: Interior of the New Munich trade fair*

## CHAPTER 6

# Locating Exhibition Centers: How to explain divergent spatial development in Amsterdam, Frankfurt, Milan and Munich

### Abstract

**Since the 1980s, investment in exhibition infrastructure in Western Europe has followed a divergent pattern. On the one hand are investments in the extension and renewal of historical inner-city facilities while on the other hand there are many new venues created in the periphery of European metropolises. This paper tries to explain these contradictory developments by developing its own theoretical model based on path dependency theories. This model is then applied to analyze recent spatial strategies of two centrally located facilities in Frankfurt and Amsterdam and two recently constructed peripheral complexes in Munich and Milan. It is concluded that differences can only be accounted for through historically developed and local specific opportunities and constraints that manifest themselves in spatial, institutional or functional domains.**



## 6.1 Introduction

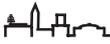
In 2000, a brand new exhibition center opened on the edge of Munich, replacing the former, centrally located trade fair. In 2005, a similar project was completed just outside Milan. At the same time, Frankfurt and Amsterdam were upgrading their inner-city exhibition centers through renovations and additional venues.

These projects are part of a broader wave of exhibition center construction that manifests itself in almost every large city in Western Europe. They also illustrate the remarkable differences through which these investments are made. Whereas before 1980, almost all exhibition centers were located at central locations, by now, more than half of the largest exhibition centers in Western Europe have a location that can be deemed peripheral, reflecting the emergent diversity of geographic patterns in European cities.

Within the urban studies literature, research on exhibition center construction is scarce. Works that do focus on exhibition centers take a city-wide perspective and place emphasis on their potential for urban renewal and their potential to attract tourists (Eisinger, 2000; Law, 1992) but do not address the specific strategies of the facilities themselves. Moreover, most of these studies were conducted in the US, leaving Western Europe as an underdeveloped field in research.

This paper fills this empirical gap by analyzing why some exhibition centers opt for a strategy to remain on their historical central locations, while others move to a new, decentralized location. Because it is expected that these differences are deeply rooted in historical and local circumstances, a theoretical framework based on path dependency is employed. This is then applied to four case studies on the aforementioned cities: Munich, Milan, Frankfurt and Amsterdam. It is argued that in order to understand the divergences in exhibition center strategies, the historically developed, local context is key. Therefore, the paper proposes a new analytical model, based on three concepts from path dependency theory: increasing returns, lock-in and critical junctures. In order to comprehensively assess the local context, these concepts are applied across four dimensions, crucial for exhibition center development: physical, functional, spatial and institutional. It is through this analytical model that the recently emerging differences in exhibition center location will be explained.

The paper starts with the observation of a highly dynamic exhibition sector. Second, the divergence in physical strategies dealing with increased competition and internationalization in Western Europe is observed. Then, path dependency is introduced as the theoretical framework. This is applied in a multiple comparative case study with two central and two peripheral cases.

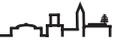


## Exhibition center development

The increase in exhibition space over the past years has been truly impressive. Between 2006 and 2011, the number of square meter exhibition space in the world increased with 12% to 32.6 million (UFI, 2012). In earlier research, the growth of worldwide exhibition space was even calculated at 40% between 2000 and 2005 (Wallace, 2007). Although this increase was largest in upcoming economies like Russia, the Middle-East and especially China (Kay, 2005), also in Europe exhibition space increased by 7%, representing one million square meter of covered exhibition space. With 15.6 million square meters, Europe is by far the largest market in the exhibition sector. Also in terms of size of individual facilities, Europe holds a dominant position. Out of the fifteen largest exhibition centers in the world, eleven are located in Europe, Moscow not included (See Appendix D). Notwithstanding the interesting developments in other parts of the world, this justifies a closer look at the strategies behind European exhibition center construction.

In the early 1980s, exhibition centers had a very central location within West-European cities. As many fairs had been developed in the first decades of the 20th century or during the reconstruction period after World War Two, even the fairs that were at the time of opening at the border of the city were in 1980 within or close to the urban center. The recent round of exhibition center construction, under analysis in this paper, however, produced a large number of fairs more distant from this center, often at locations that could be deemed peripheral. By now, eighteen out of the thirty-four largest exhibition centers within Western Europe are at such decentralized or peripheral locations (see Chapter 1). As broad a variety of cities like Stuttgart (2007), Rome (2006), Milan, (2005), Rimini (2001), Munich (2000), Leipzig (1996), Madrid (1991), Lyons (1984), Paris (1982) and Geneva (1981) have all constructed new exhibition centers outside of their urban cores. The investment involved in these projects has been enormous. Not including additional infrastructure in metros, trains and highways, the new Munich exhibition center cost 1.48 billion, Stuttgart around 1 billion, Milan 800 million and Leipzig 683 million.

Nevertheless, not all investment is targeted to the urban periphery. Forty-six percent of the worldwide constructed square meters of exhibition space are within existing venues (UFI, 2012). Cities like Frankfurt (70.000 square meter added), Cologne (54.000) and Amsterdam (17.000) enlarged their centrally located complexes considerably. Apart from extensions, many inner-city venues also invested in the replacement of outdated halls and in the quality of their venues. Hence, within exhibition center development in Western Europe centrally and peripherally oriented strategies exist side-by-side. By means of a comparison of four different projects, this paper sheds light on the motivations behind these differing strategies.



## Four dimensions of exhibition center development

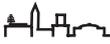
In order to understand these developments, it is important to have a better understanding of the changes within the broader international market for exhibitions. This understanding is shaped along four dimensions: the physical form, function, spatial embeddedness and institutional setting of these facilities. All four dimensions have undergone considerable changes over the past decades which have influenced location-specific changes in the strategies of exhibition centers.

In functional terms, exhibition centers have undergone dramatic changes over the past decades (Fayos-Sola et al., 1994; Rubalcaba, 1994). After World War Two, the samples fair was the dominant type of trade fair. Here, the newest products were displayed to industry and the general public, thereby mainly serving the purpose of promotion. Large fairs like the *Campionaria* in Milan and the *Herbst- and Frühjahrsmesse* in Frankfurt drew millions of visitors every year.

Apart from these large consumer fairs, smaller, more specialized fairs were held in for example horticulture (*HortiFair*, Amsterdam), construction (*Bauma*, Munich) and publishing (*Buchmesse*, Frankfurt). As economic sectors became more internationally oriented and specialized, the importance of these business fairs increased. Many general consumer fairs were divided into specialized events. At these fairs, the focus was not so much on promotion but rather on interaction between professionals. Apart from displaying products, this meant that interaction through seminars, product presentations and networking activities became more important. This demanded, apart from traditional exhibition pavilions, also spaces for conferences, meetings and dining.

With these specialized professional fairs came a more international orientation. As the economy internationalized from the 1980s onwards, many companies were operating in global markets and were buying and selling to international partners. Therefore, they choose to be only present at one or a few leading business events each year. This led to the dominance of one or two annual events for a particular economic sector on the continental or even global level. Although professional fairs generally do not reach the large numbers of visitors of the post-war consumer fairs, their visitors generally stay for multiple days. Because these people also stay the night, eat and go out with colleagues, the economic spin-off for the city and wider region is in many cases even higher than for consumer fairs.

At the same time that professional fairs gained in importance, many consumer fairs declined in popularity. These were facing increased competition from other leisure activities like theme parks, computers, city trips and the like. Many were divided into several specialized fairs for professionals. Although there are still successful consumer fairs being held and even new ones started around emerging topics, the most interesting events for most exhibition centers are now the specialized professional fairs (Rubalcaba, 1994).



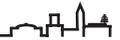
These developments made the spatial relation between exhibition centers and their host city more important. In various studies, analyzing the attractiveness of exhibition centers in the international meetings market, the importance of city-wide characteristics are stressed: their accessibility through land and air, their extra-conference opportunities and accommodation facilities, to name a few (Chacko and Fenich, 2000). Apart from such 'hard' factors, also softer factors like the image and appeal of a city play their part (Bradley et al., 2002). The relation and importance of the exhibition industry to the broader urban economy is underlined by various economic studies (AUMA, 2010; Kresse, 2005). By far the largest part of revenues fall outside the venue itself to for example hotels, catering, restaurants, airlines, booth constructors, printing firms and security companies.

Nevertheless, the relation between the city and the exhibition center is not always a positive one. Hiller (1995) states that especially the largest conventions are often conceived by residents as intrusive in their everyday life. The effects such mega-events have on traffic and the use of public functions can be disruptive. Altshuler and Luberoff (2003) also seem to hint into this direction when they pose that current urban mega projects try to do the least harm possible to residents and neighborhood life. When exhibition centers are extended or new venues are built within the existing urban fabric, this is not to go at the expense of already well-functioning urban areas.

Institutionally, most large exhibition centers in Western Europe always had strong ties with public government. Many were originally publicly funded and although most were privatized throughout the years in order to allow for more competitive and flexible forms of organization, in most facilities, cities and regions still have a strong hand through share-holder constructions. Moreover, for accessibility and complementary infrastructure, exhibition centers are dependent on public investment. Recent processes of globalization and specialization, together with an increased awareness of possible economic spin-off, sparked the interest of many public authorities in exhibition centers as a means to boost tourism, economic revenues and the image of their cities (Law, 1992; Eisinger, 2000; Sanders, 1992; 2002). Investment in exhibition centers was increasingly seen as a means in global urban competition (Rubalcaba and Cuadrado, 1995; Cuadrado and Rubalcaba, 1998).

Moreover, especially in the USA, conference and exhibition facilities, were seen by many cities as a means to regenerate waterfronts and derelict city centers (Fenich, 1992; 1995; Sanders, 2002). Some cities even went as far as to finance complementary facilities like hotels in order to boost the meetings industry (Sanders, 2005). In many cases, local ambitions were driving exhibition center development.

Given these developments, the exhibition sector can be deemed as a highly dynamic industry. The aim of this chapter is to analyze how these dynamics manifested themselves locally and combined into specific spatial and physical strategies. In the remainder of this paper, the developments within those four dimensions will be analyzed



within the case studies in order to explain for their recent differing spatial strategies. First, however, a conceptual framework will be provided through path dependency theories.

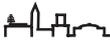
### **Path dependency**

This paper takes an historical and local approach to the development of exhibition centers through path dependency. Path dependency argues that small, sometimes almost insignificant, events can have a very large influence in later phases of development. Through positive feedback mechanisms, a particular direction for development is reinforced and strengthened. Although this could initially lead to large rewards, it could also, often at later moments in time, lead to situations where initial development trajectories become overprotected, leaving potentially more efficient or profitable trajectories undeveloped. Thereby, path dependency provides a good explanation for suboptimal outcomes and can account for static situations when dynamics are expected.

This was also the objective in the first and best known example of path dependency: the analysis of the wide-spread use of QWERTY-typewriters by Paul David (1985). He used path dependency as the explanation for why the QWERTY-format was still the dominant format despite the fact that there were more efficient arrangements of keys available. Since, path dependent theories have been applied to other cases of technological diffusion (Araujo and Harrison, 2002; Liebowitz and Margolis, 1995), institutions (Hall and Taylor, 1996; Dormois et al., 2005; Gorges, 2001; Thelen, 1999), politics (Pierson, 2000; Mahoney, 2001a; 2001b) and regional development (Simmie and Carpenter, 2008; Boschma and Lambooy, 1999; Bathelt and Boggs, 2003; Belussi and Sedita, 2009).

Throughout the years, the focus of many of these accounts shifted from an account of stable situations to explanations for change. Especially political studies and sociology focused on why development trajectories are abandoned in favor of others during for example regime shifts and institutional change (Thelen, 2003; Capoccia and Kelemen, 2007). Although studies of this kind first focused on abrupt and radical changes from earlier development, later studies focused also on gradual change (Schneiberg, 2007; Boas, 2007; Thelen, 2003; 2004). Thereby, path dependent research covers all sorts of development from static and unidirectional development to radical and incremental change. This has led to skeptic comments on the use of path dependency to the point that some scholars now argue that path dependency merely means that history matters (David, 2000; Pierson, 2000; Greener 2005; Boettke et al., 2008).

Nevertheless, path dependency has rendered some useful tools for historical accounts, which are essentially found in its three central concepts: increasing returns, lock-in and critical junctures. Increasing returns refer to the positive feedback-mechanisms that conserve earlier development trajectories through routine, complementary insti-



tutions, economies of scale or irreversible investment (Pierson, 2000; North, 1990). A situation of lock-in occurs when such conservation mechanisms prevent new, more promising, development trajectories. The situation, rendered by historical development, turns out to be incompatible with demands in a changed environment. When, despite the lock-in, a new development path is chosen, path dependency speaks of a critical juncture. Through critical junctures, old structures are radically or gradually changed to allow for new development in line with contemporary exigencies (Hogan 2006; Capoccia and Kelemen, 2007). Whereas path dependency is a very structurally based theory, it is within critical junctures that agency becomes important. It is argued that at critical junctures, the space of maneuver for actors is consciously or unconsciously enlarged in order to provide leeway to break out of the lock-in situation (Capoccia and Kelemen, 2007).

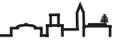
This chapter will apply these concepts to the development of the four cases of exhibition center development under examination. It is argued that their development was, at least till the early 1980s, characterized by increasing returns but that this turned into lock-in when the facilities realized they would have to change their physical setting in order to be able to deal with the dynamics in the sector described above. The chapter will then continue with an analysis of the critical junctures that led to a change in physical development. Thereby, the central question of how exhibition centers responded to an internationalizing and specializing economic sector will be treated as an exploration of their critical junctures.

### **Selection of cases**

In order to understand why exhibition centers make different choices towards their physical and spatial development, a comparative multiple case study is employed, analyzing two central and two peripheral projects. Because of the alleged role of international competition on such strategies, cases are selected from cities that are indeed acting on these international levels (Musterd and Murie, 2010; Jensen-Butler et al., 1997). Moreover, a variation in size of the facilities within the two categories of central and peripheral was employed. This resulted in the selection of cases of exhibition center development in Milan, Munich, Frankfurt and Amsterdam (see also Chapter 2).

The Milan fair today comprises 345.000 square meters of covered exhibition space and is the third largest fair in the world. It has formerly been located at the north-western part of the city where now only a small 43.000 m<sup>2</sup> exhibition and conference center is conserved. The rest of the former fairground, established in 1923, is currently being redeveloped for housing, offices and public amenities. The main pole of the fairground, costing €800 million and opened in 2005, is now located in the municipalities of Rho and Pero, northwest of Milan, strategically situated on the axis between the city and Malpensa International airport.

The new Munich fair opened in 2000 to the east of the city, after an investment of



€1.48 billion. By then, it comprised 140.000 square meters, which was later increased to 180.000 m<sup>2</sup>. The old location, centrally located within the inner city, has been redeveloped after the construction of the new fair as a location for offices, housing and green space. Some of the halls, of which the oldest date back to 1908, were preserved and given a cultural function.

The Frankfurt fair was founded at its present location in 1909 when the Festhalle was constructed. Several rounds of renovation and extension have turned it into the second largest fairground in the world (345.697 square meter). The venue is strategically located near Frankfurt's central station in the city center and profits from good connections with the nearby international airport.

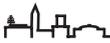
The Amsterdam exhibition center is named after the RAI association that established its first facilities in 1922. In 1961, the RAI moved a little south to a new and larger location where it developed into the 89.000 square meter facility it is today. The venue profits from the good rail and highway connections provided by the southern infrastructure ring which also ensures a good connection with the airport. The RAI is located in an attractive urban neighborhood and close to the historic inner city of Amsterdam.

These case studies primarily draw on interviews with stakeholders, involved in the different construction projects. These included, employees of the exhibition centers, municipal officials, architects, academics and local residents. Interviews were backed by analysis of documents from municipal and institutional archives as well as books on fair development and newspaper articles.

## **6.2 Development of four fairs**

### **From increasing returns to lock-in**

During the period after World War Two, the exhibition industry played an important role in showcasing and promoting economic advancement, especially in the industrial sector. Although all four venues had suffered from the war and the facilities in Frankfurt, Milan and Munich were considerably damaged, they were soon rebuild and extended (Möller, 1989). Physical capacities were increased along with demands from exhibitors for square meters of exhibition space. Although timeframes differ a little, up till at least 1980, all four facilities increased their exhibition space by, from time to time, adding new halls and pavilions. Behind these extensions was a logic of economies of scale in which the extensions facilitated the ever-growing fairs. In some cases, these facilities were permanent like in the case of Amsterdam, in other cases, facilities were temporary, like was the case with many pavilions in Milan. A path dependent development was taking place in which increasing returns were fostering a continuous enlargement of square meters through the addition of new exhibition halls.



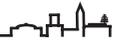
As described earlier for the general development of fairs, throughout the 1980s all four exhibition centers saw the relative importance of their large consumer fairs diminish at the expense of specialized professional fairs that were more international and demanding. Whereas the large consumer fairs had been organized by the facilities themselves, specialized fairs were often organized by independent organizations and thereby more footloose. Often necessitated to do so by their exhibitors and visitors, they were able to pose higher demands in terms of surface and quality of the venue.

All four facilities initially responded to these demands by a continuation of their earlier path dependent behavior: constructing additional halls to their already existing venues allowing for continuous economies of scale. Frankfurt was the only of the four facilities that was able to do this on its own terrains by densification and reconstruction. In 1980, an ambitious plan was launched to keep the Frankfurt Fair at the top of the international hierarchy of exhibition centers by making it more attractive for business fairs (Messe Frankfurt, 1980; Bauer, 2009). This plan aimed at an increase in both the quality of the venue as well as the quantity of exhibition space and was largely supported by local government that made the fair, together with the financial sector and the airport, one of the three spear points of its metropolitan policy (Ploeger, 2004). When this scheme was realized by the mid-1990s, the venue contained almost 300.000 square meter of exhibition space.

The other three venues had to extend beyond the limits of their fairgrounds. Especially in Amsterdam, this was met with fierce resistance. As the fair wanted to extend into the adjacent park, neighboring residents united to protect the green space. They also opposed to the extension because this would increase problems with accessibility and parking. Although the RAI was eventually allowed to extend into the park, the city and the Council of State ruled that after this extension, the venue could never extend into the park again. As the RAI was to its other sides bordered by residential areas and a highway, this meant that the 87.000 square meter facility was physically locked-into its present premises.

In Munich, the fair management had for a long time expressed the need for an enlargement of its facilities. Its site, however, had only limited possibilities to do so. This had already in 1973 led to propositions for a move (Ude, 1993). Because local government had rejected this proposal, room for extension now had to be sought adjacent to the fair. The only possible site for this extension was separated from the fairgrounds by a railway track. Initially, local government was unwilling to facilitate this development. This changed, however, with the ambition to host the International Garden Exhibition in 1983. For this occasion, the railway tracks were brought underground and the fair was extended to 105.000 square meter (Schäfer, 2005).

Possibly the facility hit hardest by the decline in consumer fairs was Milan. For decades, the *Campionaria* fair in April had been their hallmark event and all facilities were geared to this yearly occasion (Barbaresi, 2008). Therefore, the Milan fair was



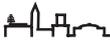
even less equipped to host international trade fairs. Although the fair realized this throughout the 1980s, extension was problematic (Castellano, 1995). Because the fair had since 1923 extended within the same area, there was relatively no space for densification. Moreover, extensions were, like in Amsterdam, met with resistance from the neighborhood that was suffering from traffic and parking pressure during events. Although a site northeast of the facility became available in 1982, extending to this site was for these reasons and because the fair initially lacked the funds to acquire the terrains, problematic. This situation would linger till well into the 1990s.

This led to a situation in which all facilities were to a certain degree locked-into their sites as possibilities for densification were largely inexistent. In all cases, except for Milan, there was no room for extending outside the fairgrounds. In Milan, Munich and Amsterdam, any possible extension was also critically watched by neighboring residents for their effects on public space, traffic and parking. Thereby, the possibilities for realization of increasing returns by simply adding new halls were limited. The fairs realized that their facilities were suboptimal for the accommodation of the growing segment of international business fairs. Physical shortcomings were many and diverse: many halls were outdated or too small; others had columns, prohibiting a flexible layout of exhibitions; other facilities were inefficient in terms of visitor flows because of multiple story-halls or odd layouts that had emerged through the years; in other complexes visitors had to cross uncovered space or long distances between halls and in almost all facilities spaces for handling logistics were inefficient and on short supply. The trade fairs found themselves at a crossroad with a paradoxical assignment: increase quantity and quality of the fairgrounds while trapped in space. A simple continuation of previous strategies seemed impossible.

### **Critical junctures**

During the 1990s, the market for fairs continued to specialize and internationalize: thereby becoming even more competitive. Hence, all four facilities saw a need to continue improving their facilities. This, however, posed problems in all four cases as space for extension was limited or, in some cases, inexistent and traffic and parking problems had sparked negative sentiments with residents. The tension between the logic of the international marketplace and locally developed contexts clearly manifested itself. In all four cases it took a change in the spatial or institutional local context in order to respond to the functional changes that the international exhibition sector was undergoing.

In both Frankfurt and Munich, this change in context was initially spatially induced. In Frankfurt, a historic opportunity was provided to the trade fair when the German Railways were selling the railway yards south of the exhibition center in order to levy funds for station area redevelopment projects and high speed railway lines (Scholl, 2005). Although the companies that were instituted by the German Railways to redevelop the area were aiming at functions like housing, retail and offices that would

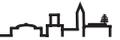


render higher returns on the land, the fair was able to acquire one fourth of the site, enough for extensive extensions. This was made possible by the City of Frankfurt that attached much value to the fair within its city center. They threatened not to change the zoning of the railway yard if not part of it would be sold to the trade fair. Therefore, in the case of Frankfurt, a spatial opportunity and a favorable institutional setting provided for the physical accommodation of a changing functionality.

Spatial change offering possibilities to the Munich fair was not taking place next to the facility but at the border of the city. The city's airport that had been located here was moved to a site more distant to the northeast of the city, allowing for a larger airport and the construction of houses on and in the vicinity of the old airport. Because the Munich fair had no space for extension at its central city location and it did not see any opportunity for extension arise, soon it proposed a move to the former airport, financed primarily by the redevelopment of the old site (Märzin, 1985). At first, the city council was unreceptive to this proposal. The redevelopment of the former site would not cover all costs for new construction and the city would also have to pay for additional infrastructure. Because the city had invested large sums in the relocation of the airport, such means were not available. A solution was provided when the State of Bavaria bought some of the shares in the trade fair from the City of Munich. Thereby, the financial burden for the city was lowered and the project of a new trade fair was made possible. Spatial and institutional changes had finally accommodated the long-lasting desire of the fair for a new venue.

In Milan, as a result of traffic and parking problems, the earlier described situation of the stalled extension lingered well into the 1990s. By then, problems with shortage of space and inadaptability of the facilities to new exigencies of the exhibition market had become worse to the point that even the proposed extension could not solve them. Therefore, the Region of Lombardia, the Province of Milan, the City of Milan and the fair agreed in 1994 on a more ambitious scheme (Lombardy Region, 1994; Vettese, 1995). The idea was to construct a new trade fair northeast of the city on the site of a former oil refinery. Once this external pole would be in place, all but the most recent halls of the old pole would be demolished so the site could be redeveloped into a new urban district. Because this would only be realizable in the long run, the initial idea of adding new halls to the existing facilities was also reinvigorated to provide for short term needs. Because the roof of these new facilities was used as parking space and because of the prospect that the largest part of the fair would be moved within a few years, local opposition against this extension was bypassed.

These extensions were realized in 1997. Again, however, the most ambitious part of the project, the construction of the external pole, was stalled. For a period of five years, no initiative was taken on this part of the agreement of 1994. In 1999, competences over the exhibition sector were transferred from the federal state to the regions of Italy, providing the Region of Lombardy with an opportunity to strengthen the

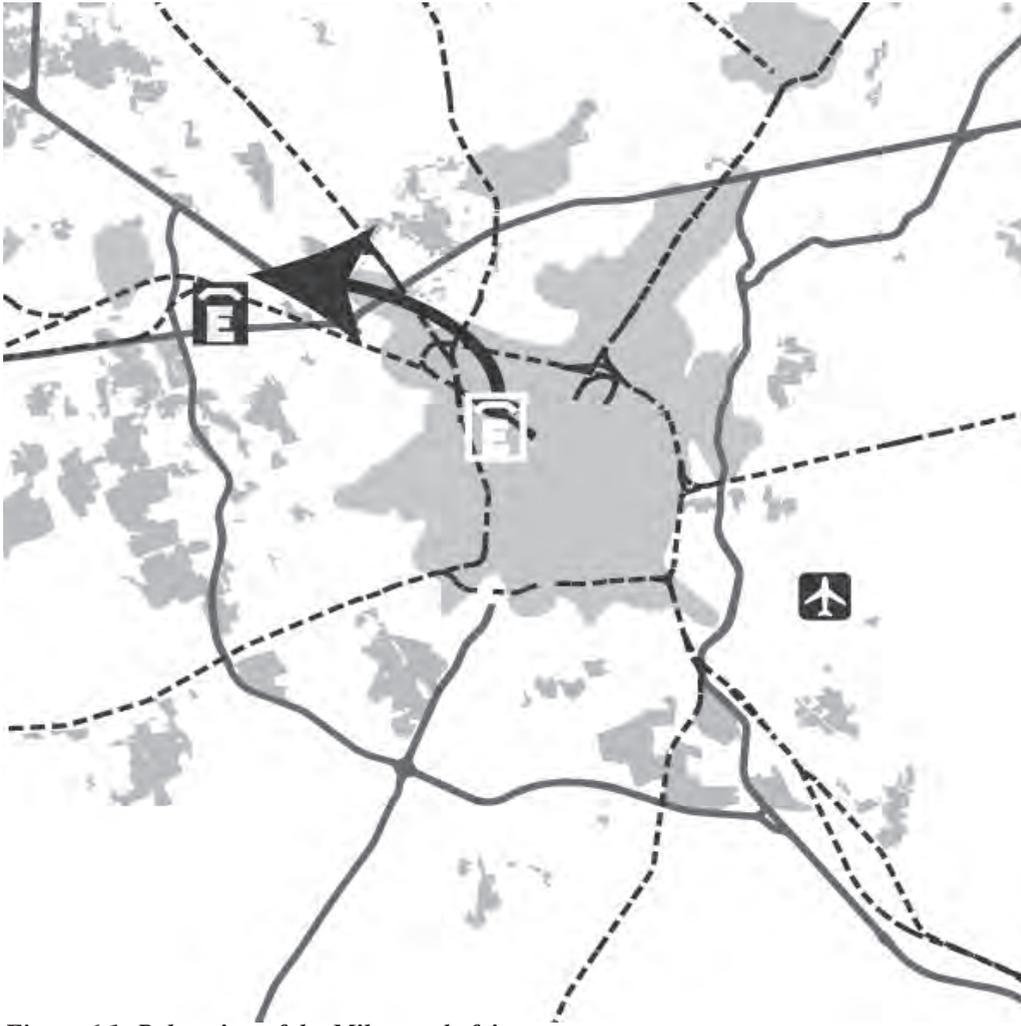


region's exhibition sector. Soon a committee was installed to investigate how this position could be enhanced. It was concluded that the realization of the external pole was necessary but that this could only be reached through a privatization of the Milan fair. Therefore, in 2000, the Milan fair was turned into a private company being responsible for the daily operation and construction of its facilities. It was anticipated that the revenues from the former fairgrounds that were destined to be redeveloped could provide the necessary revenues for this. In 2002, these revenues were complemented by the profits from a listing at the Milan stock exchange. This institutional turn allowed for a restart of the project of the development of the external pole which led in 2005 to the opening of the new venue.

In Amsterdam, the strategy of piecemeal extension prevailed even longer. Throughout the 1990s, studies were made into extending to a site at the other side of the urban ring road, just south of the complex. Bridging the infrastructure would, however, be very costly and make visitor streams within the facility very inefficient. After this idea was rejected, a new opportunity surfaced when plans were launched for a new metro stop near the venue and the complementary redecoration of the square and street in front of the entrance. The idea was launched to bring this street underground and use the newly created surface and parts of the square for the construction of an additional 30.000 square meter hall and a hotel tower (ARS, 2000). By that time, local opposition against the exhibition center extension had turned into relatively peaceful coexistence as measures to prevent traffic and parking problems were successful and the neighborhood realized it also profited from the amenities supported by the fair. This time, however, a downturn in the international meetings market and fluctuating assessments of costs for bringing the street underground raised financial doubts over the project and for these reasons the project was terminated.

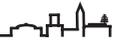
This led the Amsterdam exhibition center to seriously reconsider its strategy. The spatial opportunity provided by the idea to tunnel the street and the arrival of the metro had been a once in a decade opportunity. Because of the problems associated with an extension at the other side of the ring road and the prohibition to extend into the park, possibilities to extend its premises seemed exhausted. At the same time, the municipality started talking about a move of the exhibition center (Parool, November 6, 2008). They saw large potential revenues in redeveloping the fairground that was close to the principal office development area of the city while at the same time offering possibilities for an enlargement of the region's exhibition infrastructure on a peripheral location.

The RAI was not in favor of such a strategy because it benefited from its central and well-accessible location. This proposition from the municipality, however, further limited the changes of extension to adjacent areas. Therefore, the RAI shifted attention to its existing venues. A new strategy of renovation and densification was conceived in which quality of the venue was preferred over quantity. The venue realized that it was



*Figure 6.1: Relocation of the Milan trade fair*

in terms of size lagging far behind the largest exhibition centers in Europe, amongst which were Milan, Frankfurt and Munich, that had all extended their size during the 1990s and early 2000s. Therefore, a new high-quality building with limited size but apt for conferences, dining and high-class parties was added to the premises in 2009. Throughout the early 2000s, the physical strategy of the RAI had shifted under pressure of changing functional needs and limited spatial possibilities for extension to one of densification and quality.



### 6.3 Conclusion: between structure and opportunity

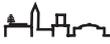
This paper looked into the strategic responses of four exhibition centers in Western Europe to a specializing and internationalizing market. Although the effects of globalization and urban competition on cities are widely analyzed in urban studies, studies of their effects on the spatial and physical strategies of individual facilities are scarce.

Analytical concepts to study these effects were provided by path dependency theories. Whereas the period from the Second World War onwards had been characterized by increasing returns, functional changes in the 1980s demanded new physical qualities. For all four facilities, this led to a situation of lock-in, in which the old strategy of adding new halls was insufficient to deal with international competition. Reconstruction of existing facilities was necessary to allow for higher efficiency, increased quality and more flexibility.

This situation of lock-in, combined with the pressure of an internationally competitive sector forced the exhibition centers to explore their possibilities. To a large extent these were dependent on historically rooted structural circumstances in the physical, functional, spatial and institutional domain: relationships with neighboring residents, support from different layers of government, the spatial structures that had over the decades evolved around the fair, the physical layout of halls and the portfolio of events that had been acquired over the years. Varying between time and place, these structures gave more or lesser space of maneuver for exhibition centers to conceive and employ new strategies.

Within these structures, the advantages and disadvantages for peripheral and central locations were clear. Central locations suffered from problems with accessibility, posed pressure on surrounding areas and had difficulties with extending their premises. On the other hand they benefitted largely from their embeddedness in urban life and could draw on facilities that were already in place. Peripheral locations inversed these pro's and con's. Here, ample land was available for development and improvements in accessibility were relatively easy to realize. Integration with the city was, however, difficult to realize. Moreover, constructing completely new facilities required large sums of investment.

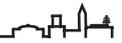
Often, what tipped development into one or the other direction were emerging opportunities. Although this meant in many cases that structures had to be changed and bargaining had to take place, all facilities tried to find an optimal equilibrium between what was best for their business and what was feasible. Thereby, strategies to adapt spatially and physically to new exigencies were to a large extent pragmatic. Neither in Munich, nor in Milan the periphery was preferred over a central location. However, the situation at their historic locations left them inapt to continue international competition. This spatial and physical lock-in necessitated a move to the periphery which provided opportunities for construction of a new state-of-the-art venue.



In most cases, exhibition centers tried to seize on opportunities provided by abrupt changes in spatial configurations like when the move of the Munich airport provided space for a new facility or when the German Railways wanted to sell the railway yards adjacent to the Frankfurt fair. Both cases also show that a spatial opportunity alone is not enough: they have to be backed by institutional support, in those cases from city and State. Amsterdam provides an example where a spatial opportunity did not materialize in new construction because the necessary funds for the tunneling of a nearby road and the proposed hall and hotel tower were not available.

In Milan, an old and ill-equipped institutional setting was the main problem for responding to changing sectoral needs. The opportunity provided here was the transfer of competences over the exhibition sector from the national to the regional level. This led to a more business-like management of the fair and aligned actors to solve the stalemate that had existed over the construction of the new fairground.

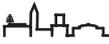
In conclusion, critical junctures in exhibition center strategies manifested themselves in all four cases. The way in which they did was, however, largely dependent on historically rooted circumstances and newly developing opportunities. The lock-in that was experienced throughout the 1980s and early 1990s, led the exhibition centers to more actively pursue these new opportunities, thereby breeding new creation out of a situation of lock-in.



*Figure 6.2: The main entrance of the New Milan trade fair*



*Figure 6.3: The interior of the New Milan trade fair*



# Epilogue

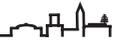
The ultimate aim of finalizing a PhD manuscript is proofing academic competences. In crafting mine, I've did my utmost to oblige to academic standards. Therefore, empirical and theoretical contribution to the field of urban studies have been central. The particular fact that I've over the past five years concurrently worked as a civil servant at the Physical Planning Department of the Municipality of Amsterdam, however, almost obliges me to pay some attention to the practical relevance of my academic endeavors.

The appropriate place to do so within the format of a thesis is in an epilogue. The appropriate way to establish linkages between theory and practice in general, I strongly feel, is through discussion. It has been my observation that foremost through sharing, confronting and debating empirical observations and practical experiences both worlds of the schizophrenic start of my professional life can come together. This epilogue is my opening for this discussion. I invite all to join and make this work more relevant.

The conclusions of this research are discouraging for the large-scale, top-down mega-project. If the current economic crisis that is sweeping municipal budgets all over Europe has not already stopped this old-fashioned way of urban development, then this work should be a warning. No matter how well intended plans can be, there should be a fertile opportunity structure in place for a project to take hold. If this is not the case, then stalemates like in Munich and Milan should be expected.

Moreover, it is often the facility itself that is the most appropriate actor to identify the opportunity structures and assess the necessity to act. This is again most prevalent in the actions taken by the Munich Fair in 1985 but also a lesson to be drawn from the acquisition of the terrains of the former railway yards by the Frankfurt Fair. Amsterdam provides a negative case where the municipal ideas of a relocation of the exhibition center were rejected by the local exhibition center. Notwithstanding the leading role of trade fairs in their development, government backing has turned out as indisputably necessary in large-scale trade fair projects. This is inherent to an economic sector that often lacks the economic cloud to finance its own physical development.

With regards to the future development of trade fair venues in Europe, the identified



divergent pattern of 'peripheral' and 'city-center' venues is an interesting one. It is very likely that both types will further specialize and develop distinctive niches. This might result in even larger and more rationalized venues in the periphery, geared at the hosting of efficient, large-scale events.

Central-city venues, on the other hand, will have to dwell even more intensively on their urban-trump card: the idea that a trade fair is more than a business event and that some activities belonging to business travel are best performed outside of dedicated venues. This means that those venues will have to restore integration with their surroundings: a radical break with the rationalization of past decades. The concept of city-wide-events in which parts of the event are held at places other than the exhibition center itself will gain in importance for this segment of the market. The ViParis consortium, in which the main conference and exhibition centers in Paris are joined under one organization, is a model that fits these kinds of events properly. Also other cities might develop poly-nuclear venue structures that can be used separately but join forces for the hosting of larger events.

The nature of the event will determine if it is best served by a peripheral or central facility. Venues that can combine an urban location with sheer size like Frankfurt and, to a lesser extent, Cologne will become rare and will have a unique competitive position.

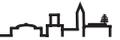
Even those locations, however, will derive the greatest competitive benefits from being at the forefront of developments in the economic sector. Throughout the decades, the focus of fairs has shifted from exchange to display to interaction. Whether these are physical in nature or stemming from the current rapid developments in ICT, facilities that anticipate earliest on new developments, will be the winners in the international competitive market for trade fairs.

Finally, when a longer term perspective is employed, it might very well be that facilities that are today relocated to the urban periphery will be encapsulated by the urban fabric, just like Frankfurt's Festhalle was in 1909 at the border of the city. History teaches us that what was once conceived as peripheral might in fact in the future be central.

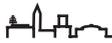


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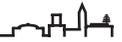
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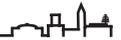
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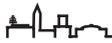
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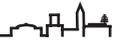
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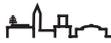
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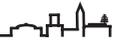
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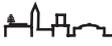
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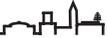


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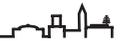


## APPENDIX A

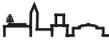
# Indexes for case selection

In order to allow for a thorough case selection, an ex-ante comparison of exhibition centers has been proposed in Chapter 2. For this end, two ‘indexes’ have been constructed, comprising the ‘metropolitanness’ and size of the venue respectively. The population was formed by the thirty-four exhibition centers introduced in Chapter 1. For the metropolitan index, the city’s population, the number of arrivals at the city’s largest airport and the number of tourists were taken into account. The index measuring size was constructed on the basis of square meters of covered exhibition surface available in a venue and its annual number of visitors. On each variable, cities (in the metropolitan ranking) and venues (size ranking) were ranked with the highest scoring object receiving thirty-four points and the lowest scoring receiving one point. For each ranking, scores were added-up to provide a final ranking.

Unfortunately not all cities and venues had data available on all variables. Therefore, some venues and cities had to be excluded from the analysis. Moreover, the year of measurement is not similar for all cases as data of the most recent year available were worked with. An overview of the two rankings is provided in the Appendix. The chart combining these rankings can be found in Chapter 2.



City	Airport Passengers <sup>1</sup>	Rank	Population <sup>2</sup>	Rank	Number of tourists <sup>3</sup>	Rank	Total Rank
London	65.881.660	34	7.668.300~	34	n/a <sup>4</sup>	34	102
Paris-Nord	60.970.551	33	2.181.374*	30	31.733.026*	33	96
Paris Porte de Versailles	60.970.551	32	2.181.374*	29	31.733.026*	32	93
Madrid	49.671.270	29	3.213.271~	32	14.816.191~	29	90
Rome	37.651.700	27	2.743.796°	31	23.727.228~	31	89
Berlin	16.919.820	21	3.460.725°	33	17.770.277~	30	84
Barcelona Montjuic	34.398.226	26	1.615.908~	28	11.940.625~	28	82
Barcelona Gran Via	34.398.226	26	1.615.908~	28	11.940.625~	28	82
Munich	37.763.701	28	1.353.186°	26	9.847.122~	26	80
Amsterdam	49.755.252	30	779.808°	19	8.309.562~	25	74
Frankfurt	56.436.255	31	679.664°	18	5.422.767~	23	72
Milan	18.947.808	23	1.307.495°	25	7.261.643~	24	72
Brussels	18.786.034	22	1.048.491~	23	5.271.014~	22	67
Cologne	9.623.398	19	1.007.119°	21	4.308.701~	21	61
Dusseldorf	18.988.149	24	588.735°	15	3.360.346~	20	59
Lyon	8.437.141	16	1.226.249~	24	3.219.581*	18	58
Stuttgart	9.582.265	18	606.588°	16	2.736.149~	17	51
Valencia	4.934.268	12	807.200~	20	3.350.886~	19	51
Birmingham	8.616.296	17	1.019.200°	22	1.717.900*	10	49
Geneva	13.111.741	20	185.726~	6	2.049.440~	15	41
Hannover	5.340.264	14	522.686°	12	1.855.671~	14	40
Nurnberg	3.962.617	10	505.664°	11	2.276.660~	16	37
Bologna	5.885.884	15	377.220~	10	1.726.714~	11	36
Zaragoza	na	1	666.129~	17	1.834.112~	12	30
Bilbao	4.046.172	11	353.340~	9	1.071.642~	7	27
Leipzig	na	1	522.883°	13	1.852.747~	13	27
Basel	5.053.664	13	165.956~	5	995.541~	6	24
Essen	na	1	574.635°	14	1.078.299~	8	23
Bari	3.725.629	9	320.150°	8	471.811~	5	22
Utrecht	na	1	311.367°	7	444.445~	4	12
Verona	na	1	na	1	1.388.119~	9	11
Herning	na	1	na	1	na	1	3
Parma	na	1	na	1	na	1	3
Rimini	na	1	na	1	na	1	3



\* Data from 2006

~ Data from 2009

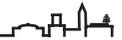
° Data from 2012

1 Source: Wikipedia: list of busiest Airports in Europe, available from: [http://en.wikipedia.org/wiki/List\\_of\\_the\\_busiest\\_airports\\_in\\_Europe](http://en.wikipedia.org/wiki/List_of_the_busiest_airports_in_Europe)

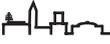
2 Source: Eurostat Urban Audit, available from: <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tgs00079&plugin=1>

3 Source: Eurostat Urban Audit, available from: <http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do?sessionId=9ea7d07d30e8f68935e9691d4eb0bbf4caa733e8978be340aN8PchaTby0Lc3aNchuMc30Se0?tab=table&plugin=1&pcode=tgs00079&language=en>

4 For London there was no data on tourism in the Eurostat Urban Audit collection. Other sources like Euromonitor's Top 100 City Destinations Ranking traditionally point out London as Europe's busiest tourist destination.

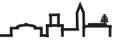


City	size <sup>1</sup>	Rank size	visitors <sup>2</sup>	Rank visitors	Rank total
Frankfurt	345.697	33	3.370.436	25	58
Milan	345.000	32	5.551.847	26	58
Hannover	466.100	34	2.239.249	23	57
Madrid	200.000	25	2.607.342	24	49
Dusseldorf	262.704	30	1.406.436	17	47
Birmingham	198.983	23	2.100.000	22	45
Cologne	284.000	31	1.219.423	11	42
Munich	180.000	22	1.753.776	19	41
Berlin	160.000	19	1.980.330	21	40
Bologna	200.000	24	1.267.093	13	37
Barcelona Gran Via	205.000	26	1.178.358	9	35
Brussels	115.000	14	1.847.106	20	34
Valencia	230.602	28	332.739	1	29
Verona	135.904	17	1.235.000	12	29
Nurnberg	160.000	18	1.195.870	10	28
Essen	110.000	10	1.400.000	16	26
Basel	162.000	20	852.074	3	23
Barcelona Montjuic	115.000	13	1.178.358	8	21
Lyon	113.719	12	1.172.601	7	19
Amsterdam	89.000	1	1.586.558	18	19
Geneva	102.407	4	1.284.156	14	18
Utrecht	102.000	3	1.284.933	15	18
Herning	110.000	9	900.000	4	13
Stuttgart	105.200	5	1.140.000	6	11
Rimini	109.000	7	820.295	2	9
Leipzig	101.200	2	1.048.513	5	7
Bilbao	108.000	6	na	na	na
Parma	110.000	8	na	na	na
London	110.411	11	na	na	na
Zaragoza	120.000	15	na	na	na
Bari	128.000	16	na	na	na
Rome	167.000	21	na	na	na
Paris Porte de Versailles	228.211	27	na	na	na
Paris-Nord	241.582	29	na	na	na



1 Source, UFI, 2012

2 Source EMECA, member profiles section, (Available on: <http://www.emeca.com/member/>) and various Annual Reports.



## APPENDIX B

# Interviewees and visited archives

This research would have been impossible without the help of people willing to share their knowledge and expertise. It is indebted to the people interviewed and the archives that provided secondary sources. Therefore, and for the sake of academic scrutiny, a list of interviewees is included. Moreover, the following libraries and archives greatly showed their hospitality:

*Bibliotheek Universiteit van Amsterdam*

*Deutsches Architecturmuseum Bibliotheken, Frankfurt am Main*

*Institut für Stadtgeschichte, Frankfurt am Main*

*RAI Amsterdam archief (with Syb Hanrath)*

*Stadsarchief Amsterdam*

*Stadtarchiv München*

*Universiteitsbibliotheek Vrije Universiteit Amsterdam*



## People Interviewed

Name		Date of interview	Association
Theo	Bauernschmidt	22-2-2012	Consultant (interview by telephone)
Uwe	Behm	17-11-2011	Frankfurt Fair
Scholl	Bernd	30-8-2011	ETH Zurich
Ids	Boersma	15-7-2011	RAI Amsterdam
Isabella	Botto	18-10-2012	Province of Milan
Laura	Danese	22-10-2012	City of Milan
Stefano	Di Vita	19-10-2012	Politecnico de Milano
Valeria	Fedelli	19-10-2012	Politecnico de Milano
Gerhard	Gerritzen	1-2-2013	Munich Trade fair
Syb	Hanrath	29-6-2011	RAI Amsterdam
Anton	Heisler	17-11-2011	Frankfurt Fair
Frank	Hof	16-11-2011	Albert Speer and Partners
Sanne	Jolles	5-10-2011	RAI Amsterdam
Klaus	Kellerer	2-2-2012	Munchen Riem GmbH
Ulrich	Kriwall	18-11-2012	City of Frankfurt
Luca	Larosa	22-10-2012	City of Milan
Andrea	Lovati	22-10-2013	Milan Trade Fair
Luca	Mocarelli	22-10-2012	University of Milano Bicocca
Marleen	Munniksmma	9-3-2011	Vrienden van het Beatrixpark
Gianluca	Nardone	18-10-2012	Researcher and Consultant
Angelo	Nespoli	22-10-2012	Milan Trade Fair
Lorenzo	Pallotta	23-10-2013	Expo 2015
Piet	Polderman	16-3-2011	Former president of Rivierenbuurt municipal district
Stefan	Reiss-Schmidt	31-1-2012	City of Munich
Jan	Siegenbeek van Heukelom	4-3-2011	Stichting Overleg RAI-Buurten
Maurits	Van der Sluis	11-8-2011	RAI Amsterdam
Sacha	Wenzler	17-11-2011	Frankfurt Fair
Heymen	Westerveld	10-3-2011	Benthem Crouwel Architects

## APPENDIX C

# Overview of exhibition center locations

The following pages provide background information on the 34 exhibition centers that were under scrutiny in Chapter 1. For each facility information is provided on its name, year of establishment, year the current facility opened, size (according to UFI, 2012), and relative location within the urban region. To illustrate this last variable, a regional map is provided placing each venue in relation to the urban fabric, highway-system and airports. The maps are based on data provided by the open-source *openstreetmap.org* that provides geographical data. The information from this website was then adapted with desktop-software into the subsequent maps. A legend for these maps is provided at the end of the appendix. All maps are drawn on the scale included in the map of the Frankfurt region. Finally, a floor plan is provided for each facility. An analysis of these data is provided in Chapter 1.

# Frankfurt

Venue:

*Messe Frankfurt*

Established:

1909

At curent location since:

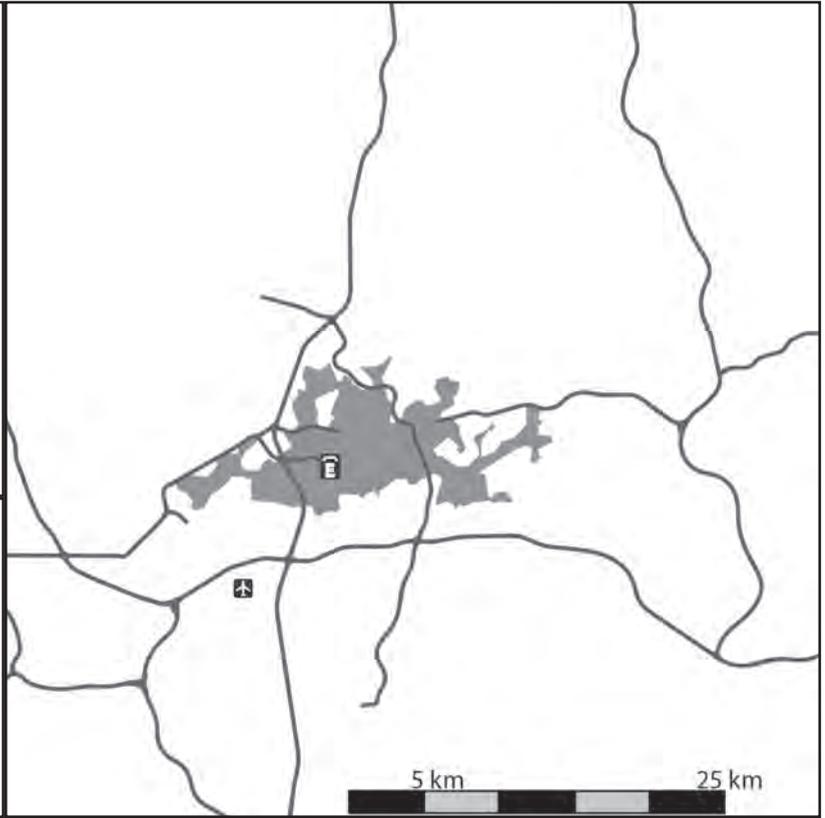
1909

Location:

*Central*

Size:

345.697



# Essen

Venue:

*Messe Essen*

Established:

1913

At curent location since:

1913

Location:

*Central*

Size:

110.000



## Berlin

Venue:

*Messe Berlin*

Established:

1914

At current location since:

1914

Location:

*Central*

Size:

160.000



## Paris

Venue:

*Porte de Versailles*

Established:

1923

At current location since:

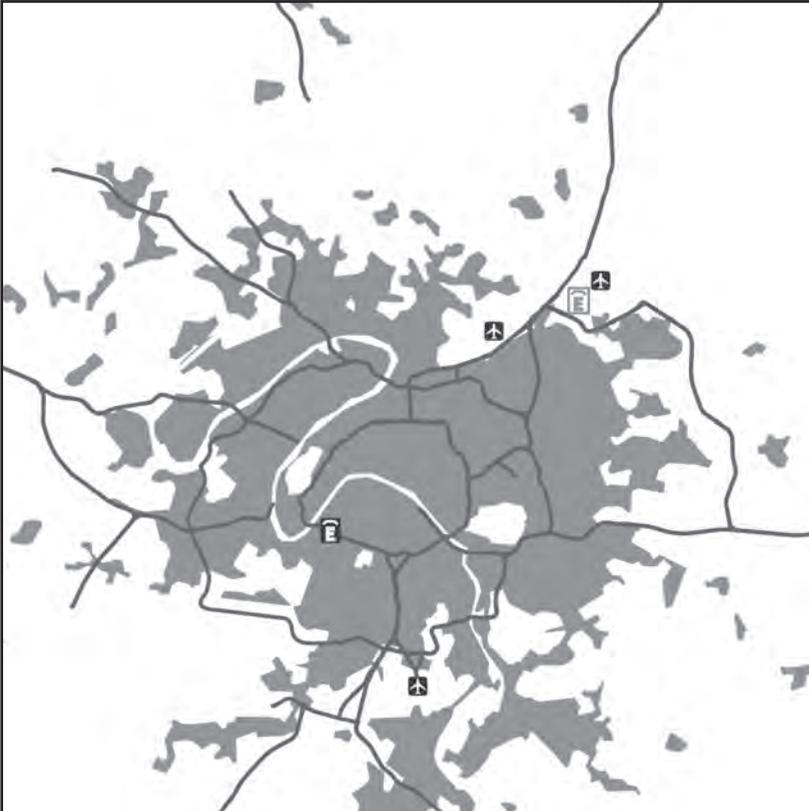
1923

Location:

*Central*

Size:

228.211



## Cologne

Venue:

*Kölnmesse*

Established:

1924

At curent location since:

1924

Location:

*Central*

Size:

284.000



## Basel

Venue:

*Messe Schweiz AG*

Established:

1926

At curent location since:

1926

Location:

*Central*

Size:

162.000



## Barcelona

Venue:

*Montjuic, Fira*

Established:

1929

At curent location since:

1929

Location:

*Central*

Size:

115.000



## Bari

Venue:

*EA Fiera de Levante*

Established:

1930

At curent location since:

1930

Location:

*Central*

Size:

128.000



## Brussels

Venue:

*Brussels Expo*

Established:

1935

At curent location since:

1935

Location:

*Central*

Size:

115.000



## Zaragoza

Venue:

*Feria de Zaragoza*

Established:

1941

At curent location since:

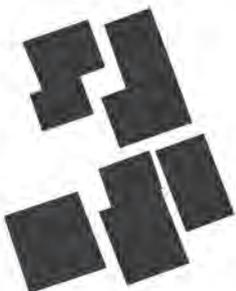
1941

Location:

*Peripheral*

Size:

120.000



## Hannover

Venue:

*Messe Hannover*

Established:

1946

At curent location since:

1946

Location:

*Peripheral*

Size:

466.100



## Herning

Venue:

*Messecenter Herning*

Established:

1954

At curent location since:

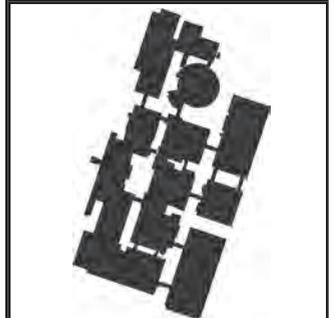
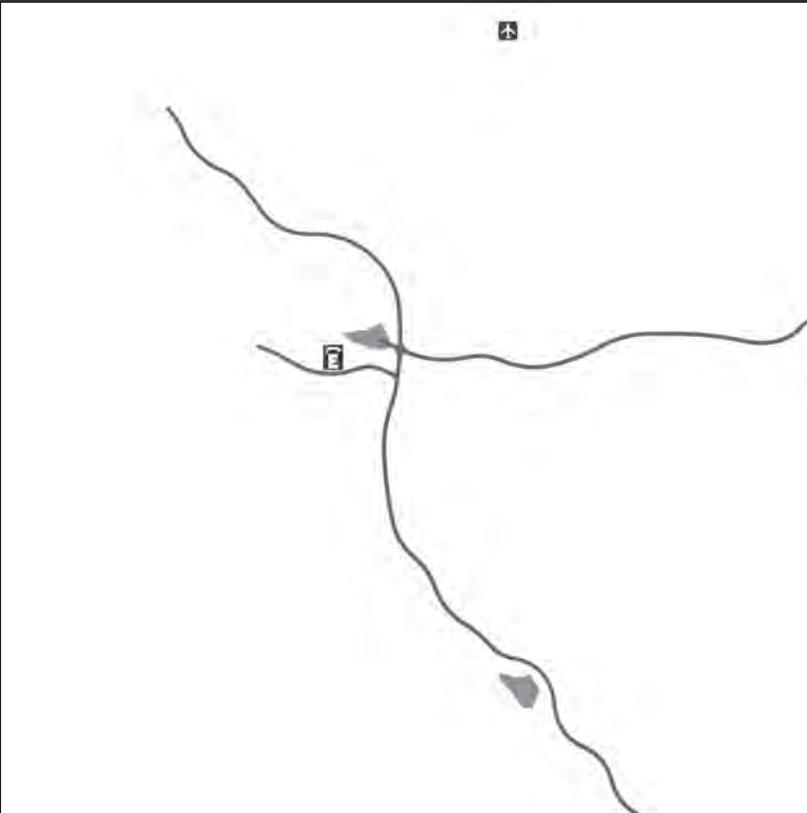
1954

Location:

*Peripheral*

Size:

110.000



# Utrecht

Venue:

*Jaarbeurs Utrecht*

Established:

1921

At curent location since:

1956

Location:

*Central*

Size:

102.000



# Amsterdam

Venue:

*RAI Amsterdam*

Established:

1922

At curent location since:

1961

Location:

*Central*

Size:

89.000



## Bologna

Venue:

*Bologna Fiere*

Established:

1965

At curen location since:

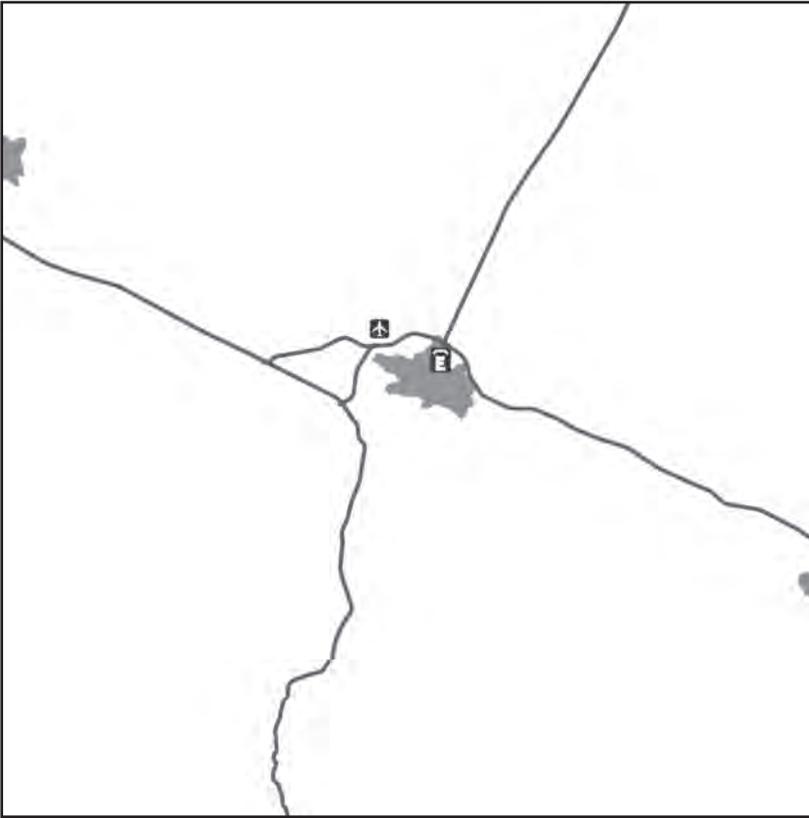
1965

Location:

*Central*

Size:

200.000



## Valencia

Venue:

*Feria Valencia*

Established:

1917

At curen location since:

1969

Location:

*Peripheral*

Size:

230.602



# Düsseldorf

Venue:

*Messe Düsseldorf*

Established:

1926

At current location since:

1971

Location:

*Central*

Size:

115.000



# Nürnberg

Venue:

*Messe Nürnberg*

Established:

1974

At current location since:

1974

Location:

*Peripheral*

Size:

160.000



# Birmingham

Venue:

*The NEC*

Established:

1976

At curent location since:

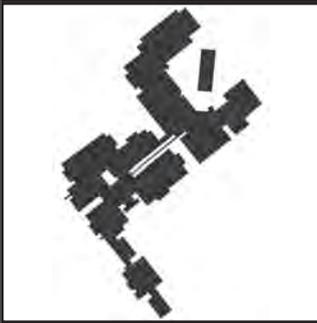
1976

Location:

*Peripheral*

Size:

198.983



# Verona

Venue:

*Verona Fiere*

Established:

1977

At curent location since:

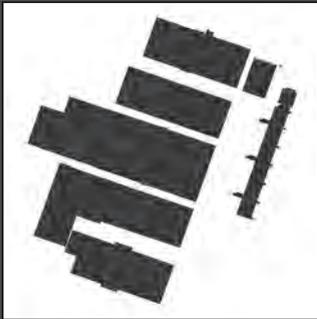
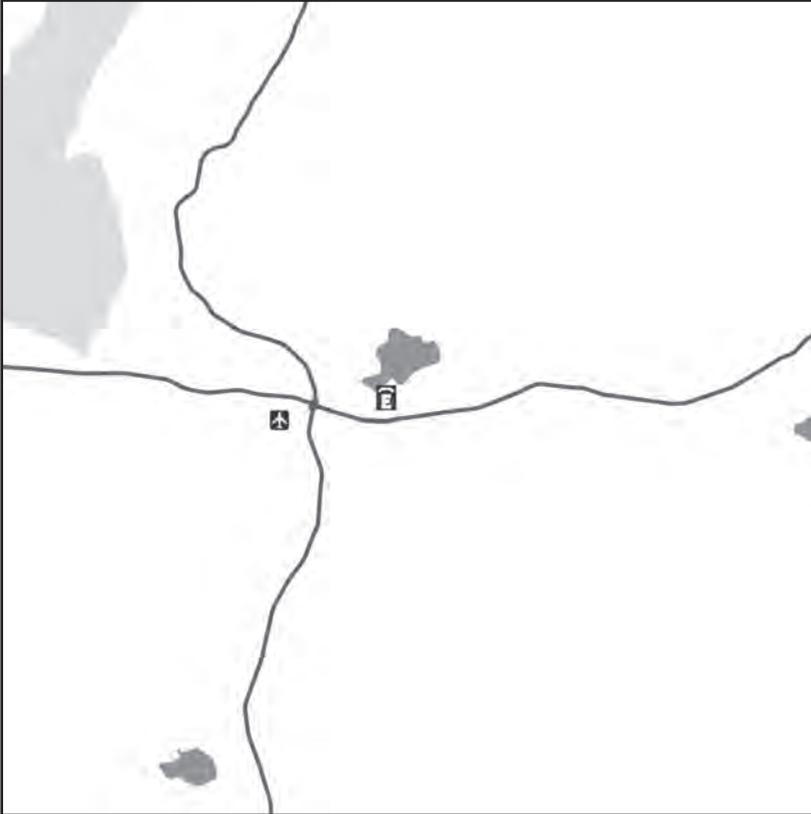
1977

Location:

*Peripheral*

Size:

135.904



# Geneva

Venue:

*Palexpo Geneva*

Established:

1926

At curent location since:

1981

Location:

*Peripheral*

Size:

102.470



# Paris

Venue:

*Paris Nord Villepinte*

Established:

1982

At curent location since:

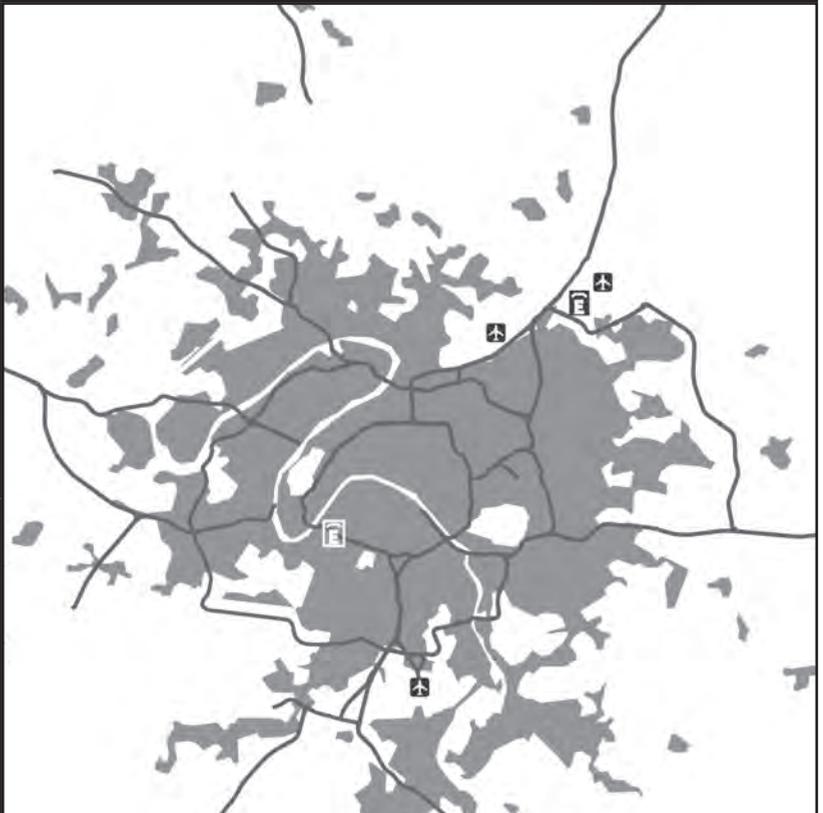
1982

Location:

*Peripheral*

Size:

241.582



## Lyon

Venue:

*Eurexpo*

Established:

1984

At curent location since:

1984

Location:

*Peripheral*

Size:

113.719



## Parma

Venue:

*Fiere di Parma SpA*

Established:

1985

At curent location since:

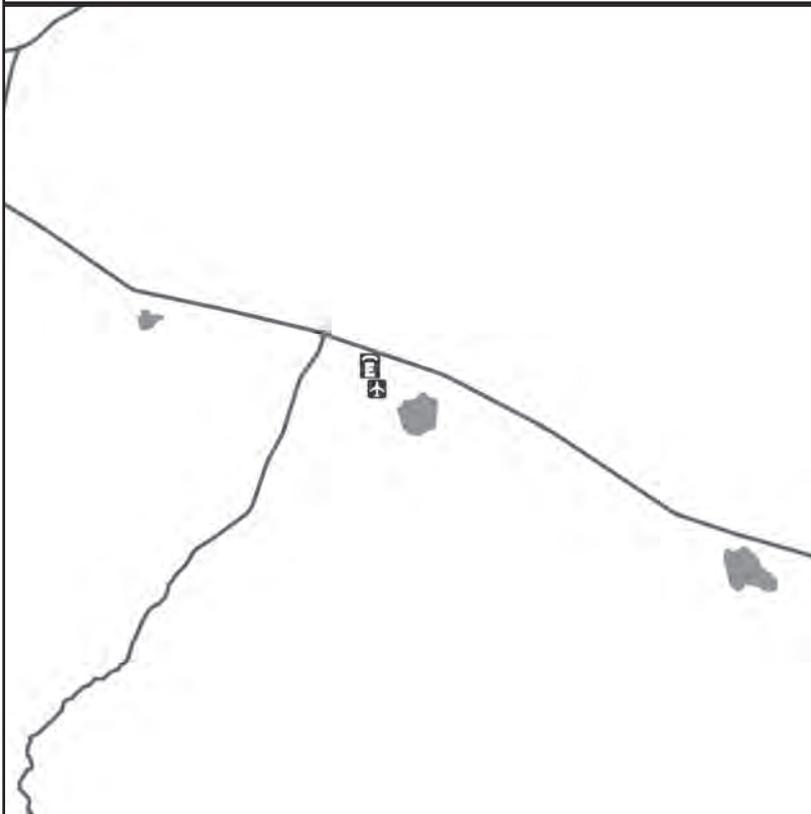
1985

Location:

*Peripheral*

Size:

110.000



# Madrid

Venue:

*Feria de Madrid*

Established:

1991

At curent location since:

1991

Location:

*Peripheral*

Size:

200.000



# Leipzig

Venue:

*Leipziger Messe*

Established:

1920

At curent location since:

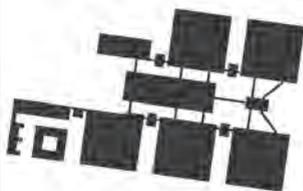
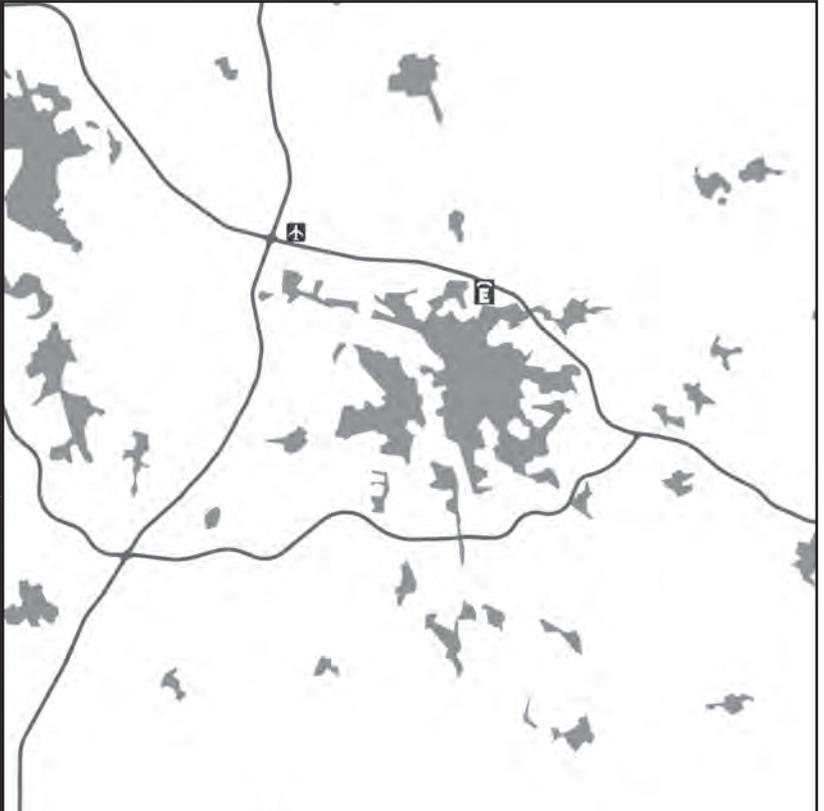
1996

Location:

*Peripheral*

Size:

101.200



## Munich

Venue:

*Messe München*

Established:

1908

At current location since:

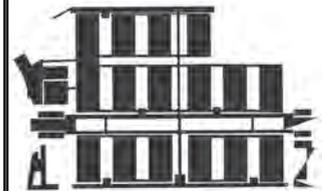
2000

Location:

*Peripheral*

Size:

180.000



## London

Venue:

*Excel London*

Established:

2000

At current location since:

2000

Location:

*Central*

Size:

110.411



# Rimini

Venue:

*Rimini Fiera*

Established:

1968

At curent location since:

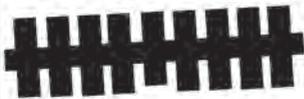
2001

Location:

*Peripheral*

Size:

109.000



# Bilbao

Venue:

*Bilbao Exhib. Center*

Established:

2004

At curent location since:

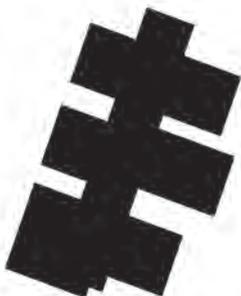
2004

Location:

*Central*

Size:

108.000



## Milan

Venue:

*Fiera Milano*

Established:

1923

At current location since:

2005

Location:

*Peripheral*

Size:

345.697



## Rome

Venue:

*Fiera di Roma*

Established:

1955

At current location since:

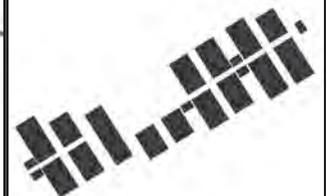
2006

Location:

*Peripheral*

Size:

167.000



# Barcelona

Venue:

*Gran Via Venue*

Established:

2007

At curent location since:

2007

Location:

*Peripheral*

Size:

205.000



# Stuttgart

Venue:

*Messe Stuttgart*

Established:

1939

At curent location since:

2007

Location:

*Peripheral*

Size:

105.200





Urban areas



Exhibition center



Water



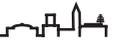
Other exhibition center in area



Highway



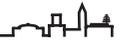
Airport



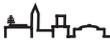
## APPENDIX D

# List of major exhibition centers in the world

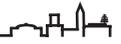
This Appendix provides a list of the 150 major exhibition centers in the world by covered exhibition space (in square meters), according to UFI (2012).

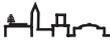


	<b>Venue</b>	<b>City</b>	<b>Country</b>	<b>Size</b>
1	Messe Hannover	Hannover	Germany	466.100
2	Messe Frankfurt	Frankfurt	Germany	345.697
3	Fiera Milano	Milan	Italy	345.000
4	Chinese Export and Import Commodities Fair Complex – Pazhou complex	Guangzhou	China	338.000
5	Kölnmesse	Cologne	Germany	284.000
6	Messe Düsseldorf	Düsseldorf	Germany	262.704
7	Paris Nord Villepinte	Paris	France	241.582
8	McCormick Place	Chicago	USA	241.524
9	Feria Valencia	Valencia	Spain	230.602
10	Porte de Versailles	Paris	France	228.211
11	Crocus International	Moscow	Russia	226.399
12	Fira de Barcelona: Gran Via	Barcelona	Spain	205.000
13	Bologna Fiere	Bologna	Italy	200.000
13	Feria de Madrid/IFEMA	Madrid	Spain	200.000
13	Shanghai New International Expo Centre (SNIEC)	Shanghai	China	200.000
16	The NEC	Birmingham	United Kingdom	198.983
17	Orange County Convention Center	Orlando	USA	195.077
18	Wuhan International Expo Center	Wuhan	China	190.000
19	Las Vegas Convention Center	Las Vegas	USA	184.372
20	Neue Messe München	Munich	Germany	180.000
21	Chinese Export and Import commodities Fair Complex - Lihua Complex	Guangzhou	China	170.000
22	Investimenti SpA (Fiera di Roma)	Rome	Italy	167.000
23	MCH Messe Schweiz AG	Basel	Switzerland	162.000
24	Messe Berlin	Berlin	Germany	160.000
24	Nürnberg Messe	Nürnberg	Germany	160.000
26	IMPACT	Bangkok	Thailand	137.000
27	Verona Fiere	Verona	Italy	135.904



28	Georgia World Congress Center	Atlanta	USA	130.052
29	EA Fiera del Levante	Bari	Italy	128.000
30	Velethry	Brno	Czech Republic	120.300
31	Feria de Zaragoza	Zaragoza	Spain	120.000
31	Yiwu International Expo Center	Yiwu	China	120.000
33	Brussels Expo	Brussels	Belgium	115.000
33	Fira de Barcelona: Montjuic	Barcelona	Spain	115.000
35	EUREXPO	Lyon	France	113.719
36	Excel London	London	United Kingdom	110.411
37	MCH Messecenter Herning	Herning	Denmark	110.000
37	Messe Essen	Essen	Germany	110.000
37	Fiere di Parma SpA	Parma	Italy	110.000
37	Chengdu New International Convention and Exhibition Center	Chengdu	China	110.000
41	Rimini Fiera	Rimini	Italy	109.000
42	Bilbao Exhibition Center	Bilbao	Spain	108.000
43	Messe Stuttgart	Stuttgart	Germany	105.200
43	Shenyang Exhibition Center	Shenyang	China	105.200
45	Shenzhen Convention and Exhibition Center	Shenzhen	China	105.000
46	Korea International Exhibition Center (KINTEX)	Seoul	South Korea	104.000
47	Poznan International Fair	Poznan	Poland	102.791
48	Palexpo Geneva	Geneva	Switzerland	102.470
49	Kentucky Exposition Center	Louisville	USA	102.183
49	New Orleans Ernest N. Morial Convention Center	New Orleans	USA	102.183





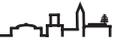
# Summary

Trade fairs have a long history in Western Europe and can be traced back to medieval markets, international exhibitions and post-World War Two reconstruction schemes. Since the 1980s, this particular economic sector underwent some drastic changes that brought significant functional and physical modifications to the exhibition centers of many Western European metropolises. Functionally, focus has shifted from exchange and display to interaction as the dominant activity at trade fairs. Moreover, trade fairs have rapidly internationalized and specialized.

These developments have resulted in the construction of many new exhibition centers and the extension and renovation of others. Since 1980, fourteen new exhibition centers with over 100.000 square meter of covered exhibition space have been constructed in Western Europe. Between 2006 and 2011, one million square meter of exhibition space was added to the European stock. These projects are conceived to cater for new demand coming out of changing functionalities and simultaneously part of fierce competitive efforts over the attraction of the most appealing and profitable events.

These recent dynamics coincide with general transformation processes in which European cities have found themselves for over twenty years now. The traditional hierarchical pattern of center and periphery along which urban regions were formed has been giving way to more networked urban constellations. Especially international and metropolitan-scale functions are for the first time in the history of urban Europe decentralizing on a large scale. This is radically shifting the historical center-periphery divide. Peripheral locations around airports, nodes of public transportation and highway interchanges are attractive locations for the kind of specialized activities that traditionally were located at central urban locations.

Across Europe, new exhibition center developments show remarkable differences in spatial location. Whereas exhibition centers were traditionally sited at central locations within metropolitan regions, a large part of the new generation of venues is located outside of the continuous urban fabric in what can be called ‘suburban’ or ‘peripheral’ locations. By now, eighteen out of the thirty-four largest exhibition centers in Western Europe can be found at such peripheral locations. On the other hand are many historic and centrally located facilities extended and updated. Herewith, exhibition center development is part of and embedded in a broader discussion on the changing periphery in the 21st century metropolis. The question where to locate new



exhibition centers –in the historical center or in the former periphery- has herewith become a very pressing and important question.

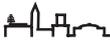
This thesis has tried to explain for this divergent pattern. It analyses the drivers behind different investment decisions from the perspective of the exhibition center. The research departed from the assumption that the nature of development of exhibition centers is determined by the specific convergence of structural conditions and the actual opportunities of the specific context in which the decision is taken.

For these location-dilemmas, an explanation is sought in an institutional approach to path-dependency. Starting from the opportunity-structure of specific exhibition centers, an analysis is made of the path dependencies that over time developed and the extent to which these dependencies were changed to allow for new economic and institutional trajectories. In order to grasp the tensions between conserving structures and opportunities for change, a new analytical model has been developed on the basis of path-dependency literature. Rather than the general and stretched notion of path dependency, however, its central concepts of increasing returns, lock-in and critical junctures were used to provide better analytical value. Moreover, because processes of urban development are typically multi-dimensional, it is argued that those analytical concepts should be applied within different dimensions. This will allow the research to not only explain through historically developed structures but also to explain on the basis of emerging opportunity structures within and between different domains. Four dimensions were deemed of crucial importance for the development of trade fairs: their function; physical form; spatial embeddedness and; institutional setting.

Traditionally, exhibition center development has been characterized by increasing returns in which all four dimensions aligned harmoniously to cater for the physical growth of exhibition centers to facilitate larger, mainly national, events. Changes in the sector, however, placed new exigencies on trade fairs which were felt in all four dimensions. By the 1980s, new strategies had to be found to cater for the internationalization and specialization of trade fairs.

The initial response of exhibition centers was to continue along the traditional path of development: enlargement of the facility. Soon, however, they faced problems that can be characterized as spatial lock-in. All four case studies, although to various degrees, encountered problems with a lack of space for extension and three out of four were confronted with neighborhood complaints over congestion and nuisances and attempts to halt extensions. Hence, it were foremost the spatial and institutional domains that were blocking new development.

Faced with this lock-in, exhibition centers were forced to reconsider their strategies. In conceiving these, they had to navigate between what was best for their business and what was actually feasible. Whereas it was often history that structured path dependencies, it were changes in context that provided temporary opportunities or critical junctures, to break out of these structures.



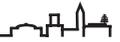
In Frankfurt this change was spatial and came at an early point when lock-in was not yet clearly manifested. The chance to buy parts of the underused railway yards just south of the fairground provided a unique opportunity to not only enlarge its premises but also renew outdated facilities. This case also shows that an opportunity alone is not enough for a critical juncture to take shape. In its efforts, the fair was strongly backed by the city of Frankfurt that has traditionally showed great interest and care for a fair within its city center. If these historical ties would not have been present, then the railway sites would most likely have been sold for private development of offices and housing.

The case of Munich also shows the importance of a good relationship between city and fair. Moreover, in comparison with Frankfurt, it shows that there are different kinds of spatial opportunities that can lead to different geographical outcomes. Here, the spatial opportunity manifested itself not adjacent to the fair but on a site at the border of the city where the city's airport was relocated from in the early 1980s. Because the Munich exhibition center had been in desperate need for extension but without the opportunity to do so for over a decade, the trade fair seized this opportunity and proposed a move towards the former airport. Because the city administration was, however, not convinced of the economic necessity and financial feasibility of such a move, it would again take fifteen years before the new trade fair was indeed opened.

Also the story of the relocation of the Milan exhibition center is one of stalemates. Already in the 1980s, the fair realized that its premises were very suitable for hosting large consumer fairs but not for large-scale international trade fairs. Even with a possible site for extension northwest of the venue, however, local opposition and fear for congestion in this area of Milan blocked modernization of the exhibition complex. The situation of lock-in deteriorated until 1994 when the situation was no longer sustainable. A solution was found in the short term extension of the complex and the mid-term redevelopment of the older parts of the trade fair into an office and residential area in return for a new and larger complex in the northeastern periphery of Milan.

Although the short-term extension was soon realized, the relocation was again stalled. This time, the opportunity to change this situation came from the institutional domain when competences over the exhibition sector were shifted from national to regional government. This provided an impetus to regional ambitions with the Milan trade fair and new actions to realize the new fair complex. These included the transformation of the Milan trade fair to a private, stock-exchange listed company. This provided the opportunity to finally conceive and finalize the relocation of the Milan trade fair.

Also in Amsterdam, the initial response to a changing market was to look for ways to continue old strategies. As this turned out unfeasible due to a lack of space for extension and neighborhood opposition, they shifted from a focus on quantity to the quality of the venue. In this strategy, the location in between and close to both the airport and the city center was crucial. Therefore, the fair rejected the suggestion of the municipality to move to a different location.



Within each of the four cases, the particular advantages and disadvantages of peripheral and central locations were assessed by the respective exhibition centers. For central locations, there was a fine balance between positive and negative externalities to their immediate surroundings. Moreover, there was the problem of integrating extensions in dense urban environments. At peripheral sites, ample land was available, accessibility could be provided for and nuisance could be limited. An appealing local and urban context, however, was missing at most of these locations. Moreover, construction of a new facility required exhibition centers to muster large sums of money all at once, an endeavor that they could not face without the help of government.

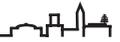
As such the relocation of many exhibition centers to the urban periphery is not the result of intrinsic advantages of the periphery over the city center but rather the cumulative result of many complex local trade-offs. Often, emerging opportunities were what tipped the balance into one or the other direction. Although this meant in many cases that structures had to be changed and bargaining had to take place, all facilities tried to find an optimal equilibrium between what was best for their business and what was feasible. Thereby, strategies to adapt spatially and physically to new exigencies were to a large extent pragmatic.

# Samenvatting

Beurzen kennen een rijke geschiedenis in West-Europa die terug voert op middeleeuwse jaarmarkten, wereldtentoonstellingen en de wederopbouw na de Tweede Wereldoorlog. Sinds de jaren tachtig is deze sector echter fundamenteel veranderd wat fysieke aanpassing van de expositiecentra in West Europese steden vereiste. Functioneel verschoof de nadruk van economische transacties en tentoonstelling naar menselijke interactie. Bovendien specialiseerden en internationaliseerden beurzen zich in hoog tempo. Deze ontwikkelingen hebben geresulteerd in de ontwikkeling van een reeks nieuwe expositiecentra en de uitbereiding van reeds bestaande faciliteiten. Sinds 1980 zijn er veertien nieuwe expositiecentra met meer dan 100.000 vierkante meter overdekte expositieruimte in West-Europa gebouwd. Tussen 2006 en 2011 werd er een miljoen vierkante meter aan het aanbod toegevoegd. Deze projecten beantwoorden aan een nieuwe en veranderende vraag die voortkomt uit ontwikkelingen in de sector en zijn tegelijkertijd onderdeel van een heftige concurrentiestrijd om de meest aansprekende en winstgevende beurstitels.

Deze recente dynamiek in de ontwikkeling van expositiecentra valt samen met de transformatieprocessen die in de laatste twintig jaar in Europese steden plaatsvinden. Hierin maakt het traditionele hiërarchische patroon van stedelijke regio's die zijn onderverdeeld in een centrum en periferie steeds nadrukkelijker plaats voor een organisatie langs stedelijke netwerken waarbinnen functies ruimtelijk zijn uitgesorteerd. Met name van internationaal en grootstedelijk georiënteerde functies vindt voor het eerst in de geschiedenis van Europese steden een aanzienlijke decentralisatie plaats. De vroegere scheiding tussen centrum en periferie verandert hierdoor structureel. Perifere locaties rond luchthavens, kruisingen van hoofdwegen en knooppunten van openbaar vervoer zijn aantrekkelijke locaties geworden voor vestiging van gespecialiseerde activiteiten die voorheen voornamelijk in centrumgebieden gesitueerd waren.

Verspreid over Europa laten de recente projecten interessante verschillen zien in hun ruimtelijke neerslag. Waar expositiecentra traditioneel waren gesitueerd in stedelijke centra is een groot deel van deze nieuwe faciliteiten te vinden op plekken die vroeger met 'periferie' zouden zijn aangeduid. Inmiddels liggen achttien van de vierendertig grootste West Europese expositiecentra buiten stedelijke centra. Aan de andere kant worden veel historische en centraal gelegen expositiecentra vernieuwd en uitgebreid. Hiermee is de recente ontwikkeling van expositiecentra onderdeel van een bredere



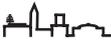
discussie over de veranderende rol van de periferie van metropolitane regio's in de 21e eeuw. De vraag waar nieuwe vestiging van expositiecentra plaats zal vinden – in het oorspronkelijke centrumgebied of in de periferie van de stad – is hiermee een zeer urgent vraagstuk geworden.

Dit proefschrift heeft geprobeerd dit tweeslachtige patroon te verklaren en onderzoekt, vanuit het perspectief van expositiecentra, de drijvende krachten achter investeringsbeslissingen. Het gaat uit van de aanname dat de aard van de ontwikkeling van expositiecentra bepaald wordt door een specifieke samenloop van condities en dat hun handelingen vorm krijgen binnen deze context.

Voor dit locatiedilemma wordt een verklaring gezocht aan de hand van een institutionele benadering van padafhankelijkheid. Redenerend vanuit de keuzesituatie van de betreffende complexen wordt nagegaan welke patronen van padafhankelijkheid zich in de loop der tijd hebben gevormd en in hoeverre zich vernieuwingen aftekenen in deze economische en institutionele paden van afhankelijkheid. Om de spanningen tussen conserverende structuur en verandering te duiden is op basis van padafhankelijkheidsliteratuur een nieuw analysemodel ontwikkeld. Vanwege de brede interpretatie die aan padafhankelijkheid wordt gegeven, is gekozen drie analytische concepten uit deze theorie centraal te stellen: *increasing returns*, *lock-in* en *critical juncture*. Omdat stedelijke ontwikkeling door verschillende factoren wordt beïnvloed is bovendien gekozen voor een multidimensionaal model waarbinnen deze concepten kunnen worden toegepast. Hierdoor kunnen ontwikkelingen niet uitsluitend worden verklaard vanuit historisch gegroeide patronen en structuren maar ook vanuit mogelijkheden die ontstaan uit de dynamiek van het hier-en-nu. Functie, fysieke vorm, ruimtelijke inbedding en institutionele omgeving zijn geïdentificeerd als bepalende dimensies voor de ontwikkeling van expositiecentra.

Traditioneel wordt de ontwikkeling van veel expositiecentra gekenmerkt door toenemende meeropbrengsten (*increasing returns*) waarin de vier dimensies gezamenlijk de fysieke uitbereiding van expositiecentra mogelijk maken om zo steeds grotere, voornamelijk nationale, evenementen te kunnen houden. Een veranderende sector stelde echter nieuwe eisen aan expositiecentra die hun doorwerking hadden in alle vier de dimensies. In de jaren tachtig moesten nieuwe strategieën worden ontwikkeld om de internationalisatie en specialisatie van beurzen te faciliteren.

Aanvankelijk reageerden expositiecentra echter door verder te gaan op dezelfde weg: het uitbreiden van hun faciliteiten. Al snel werd deze strategie op veel plaatsen geconfronteerd met een probleem dat zich het best laat beschrijven als ruimtelijke insluiting (*lock-in*). Alle vier de onderzochte expositiecentra werden, hoewel in verschillende mate, geconfronteerd met een tekort aan ruimte voor uitbreiding. In drie van de vier gevallen werd tevens geklaagd door buurtbewoners over overlast, congestie en parkeerdruk en werden acties ondernomen uitbreiding tegen te gaan. Het waren dus vooral het ruimtelijke en institutionele domein waarin ontwikkelingen werden geblokkeerd.



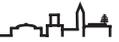
Geconfronteerd met deze insluiting zagen expositiecentra zich genoodzaakt hun strategieën te heroverwegen. Hierbij moesten ze navigeren tussen wat vanuit het oogpunt van hun bedrijfsvoering gewenst was en wat praktisch mogelijk was. Aan de ene kant waren het historisch gegroeide structuren die zorgden voor padafhankelijkheid terwijl aan de andere kant veranderingen in context mogelijkheden boden om met deze historische patronen te breken.

In Frankfurt kwam de verandering uit het ruimtelijke domein op een moment waarop het gebrek aan uitbreidingsmogelijkheden zich nog niet volledig manifesteerde. De kans om een gedeelte van de zuidelijk van de beurs gelegen rangeerterreinen te kopen bood een unieke mogelijkheid op het uitbreiden en vernieuwen van het historische maar deels verouderde beurscomplex. De casus laat echter ook zien dat enkel een mogelijkheid in het ruimtelijke domein onvoldoende is voor vernieuwing. Het expositiecentrum werd in haar handelen gesteund door de gemeente Frankfurt die traditioneel veel waarde hechtte aan de beurs en haar locatie in de binnenstad. Zonder deze steun is het goed denkbaar dat het rangeerterrein in haar geheel was verkocht aan projectontwikkelaars voor de bouw van woningen en kantoren.

Ook de ontwikkeling van het expositiecentrum in München laat het belang van de relatie tussen gemeente en beurs zien. Bovendien leert een vergelijking met Frankfurt dat verschillende ruimtelijke ontwikkelingen kunnen leiden tot totaal andere geografische uitkomsten. In München deed de ruimtelijke kans zich niet voor naast het beurscomplex maar aan de rand van de stad waar begin jaren '80 een locatie vrijkwam door het verplaatsen van een vliegveld. Op dat moment was de beurs al geruime tijd, maar zonder veel succes, op zoek naar uitbreidingsmogelijkheden. Daarom greep de beurs van München deze kans met beide handen aan en stelde een verplaatsing naar het voormalige vliegveld voor. Doordat de gemeente in eerste instantie echter niet overtuigd was van de economische noodzaak en financiële haalbaarheid van het project zou het nog vijftien jaar duren voordat dit nieuwe complex ook daadwerkelijk werd geopend.

Ook het verhaal van de verplaatsing van het expositiecentrum in Milaan gaat over de impassen rond projecten. Reeds in de jaren '80 realiseerde de beurs zich dat haar terreinen zeer geschikt waren voor het houden van grote publieksbeurzen maar niet voor grootschalige internationale vakbeurzen. Hoewel er ten noordwesten van de beurs een terrein beschikbaar was, werd uitbreiding van het complex tegengehouden door de vrees dat dit te veel congestie en parkeerproblematiek voor omliggende buurten met zich mee zou brengen. Hierdoor verslechterde de positie van de Milanese beurs totdat deze in 1994 niet langer houdbaar was. Een oplossing werd gevonden in de op korte termijn uitbreiding van het bestaande complex en op middellange termijn verplaatsing van een groot deel van de beurs naar het noordoosten van de Milanese periferie. De vrijgekomen beursterreinen zouden dan worden herontwikkeld met woningen en kantoren.

Hoewel de korte termijn uitbreiding spoedig werd gerealiseerd belande de verplaats-

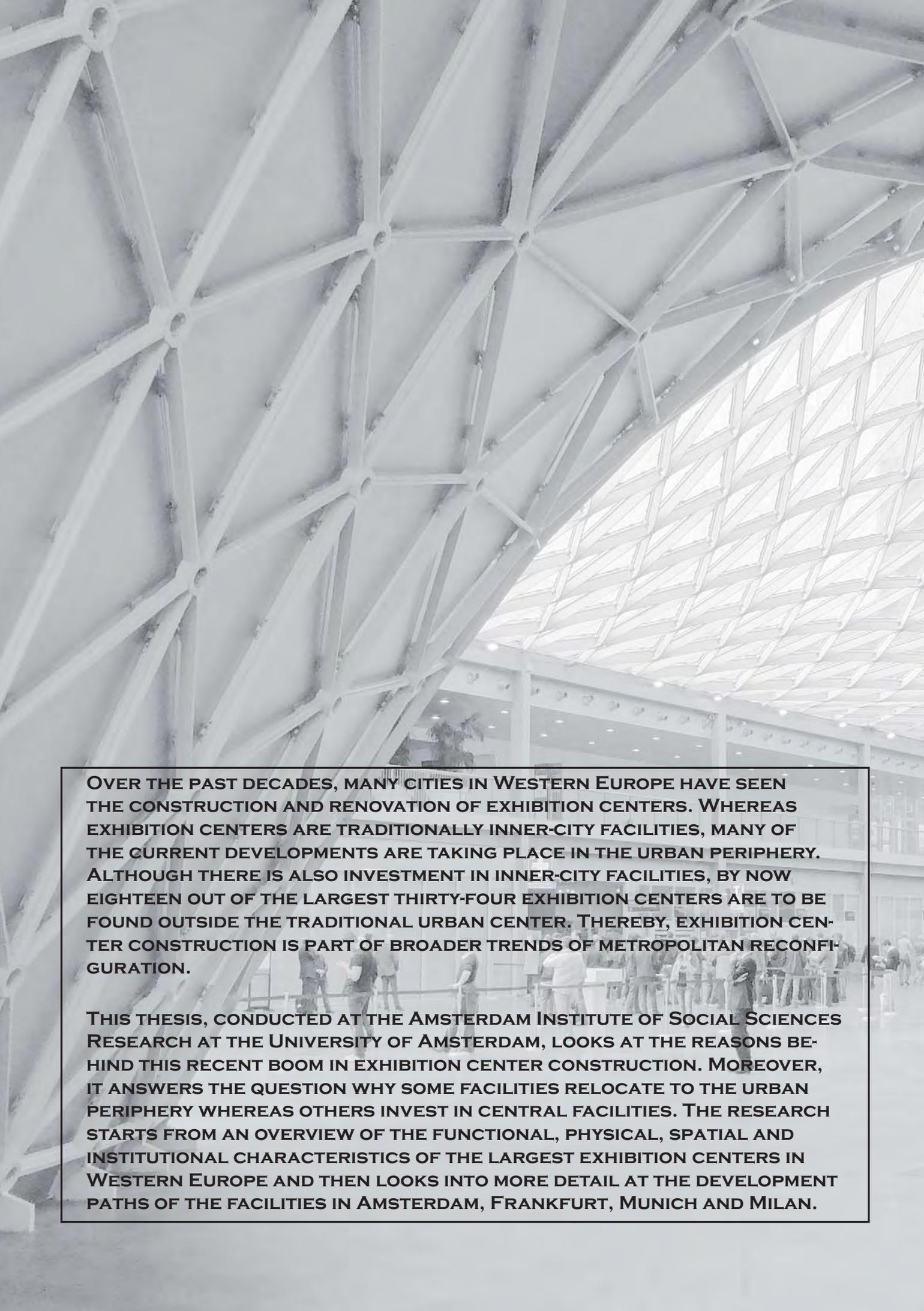


ing van de beurs opnieuw in een impasse. De mogelijkheid deze te doorbreken kwam uit het institutionele domein toen de bevoegdheden over de expositiesector werden gedecentraliseerd van de nationale naar regionale overheid. Dit zorgde voor regionale ambities op de zakelijk toeristische markt en hernieuwde acties om de ontwikkeling van het nieuwe beurscomplex van de grond te krijgen. Onderdeel hiervan was de beursgang van het moederbedrijf van de beurs. Hierdoor werd het mogelijk de verplaatsing te organiseren en te financieren.

Ook in Amsterdam was de eerste reactie op de veranderingen in de markt het vasthouden aan de bestaande strategie. Toen dit door een gebrek aan uitbreidingsruimte en lokale weerstand onhaalbaar bleek, werd de focus verlegd van groei in kwantitatieve omvang naar kwaliteit van het complex. Voor deze strategie was de locatie van de beurs nabij zowel het historische stadscentrum als het vliegveld cruciaal. Dit was ook de reden dat de beurs een door de gemeente voorgestelde verplaatsing van het complex afwees.

In alle vier de onderzochte cases zijn de specifieke voor- en nadelen van een centrale en perifere locatie door de expositiecentra ingeschat. Op centrale locaties was altijd sprake van een wankel evenwicht tussen positieve en negatieve externe effecten op de buurt. Bovendien was er bij iedere uitbreiding de uitdaging deze goed in de omgeving te integreren. Op perifere locaties was doorgaans voldoende grond beschikbaar, kon de bereikbaarheid goed worden geregeld en kon overlast tot een minimum worden beperkt. Deze locaties missen echter de aantrekkingskracht van een stedelijke omgeving met lokale karakteristieken. Bovendien vereist de bouw van een nieuw complex een grote investering, vaak enkel mogelijk door participatie van de overheid.

De verplaatsing van expositiecentra naar de periferie is dus niet het gevolg van intrinsieke voordelen van dergelijke gebieden ten opzichte van centraal stedelijke locaties maar veel eerder het resultaat van een groot aantal complexe afwegingen. In veel gevallen was het aan zich lokaal en in de tijd ontvouwende kansen te wijten dat een investeringsbeslissing een bepaalde kant op viel. Het veranderen van bestaande structuren en onderhandelingsprocessen was vaak nodig om succesvol in te kunnen spelen op deze kansen. Hierbinnen moest een evenwicht gevonden worden tussen de beste strategie voor het beurscomplex en wat praktisch mogelijk was. Daartoe waren nieuwe strategieën die fysiek en ruimtelijk probeerden in te spelen op veranderende markten in hoge mate pragmatisch.



**OVER THE PAST DECADES, MANY CITIES IN WESTERN EUROPE HAVE SEEN THE CONSTRUCTION AND RENOVATION OF EXHIBITION CENTERS. WHEREAS EXHIBITION CENTERS ARE TRADITIONALLY INNER-CITY FACILITIES, MANY OF THE CURRENT DEVELOPMENTS ARE TAKING PLACE IN THE URBAN PERIPHERY. ALTHOUGH THERE IS ALSO INVESTMENT IN INNER-CITY FACILITIES, BY NOW EIGHTEEN OUT OF THE LARGEST THIRTY-FOUR EXHIBITION CENTERS ARE TO BE FOUND OUTSIDE THE TRADITIONAL URBAN CENTER. THEREBY, EXHIBITION CENTER CONSTRUCTION IS PART OF BROADER TRENDS OF METROPOLITAN RECONFIGURATION.**

**THIS THESIS, CONDUCTED AT THE AMSTERDAM INSTITUTE OF SOCIAL SCIENCES RESEARCH AT THE UNIVERSITY OF AMSTERDAM, LOOKS AT THE REASONS BEHIND THIS RECENT BOOM IN EXHIBITION CENTER CONSTRUCTION. MOREOVER, IT ANSWERS THE QUESTION WHY SOME FACILITIES RELOCATE TO THE URBAN PERIPHERY WHEREAS OTHERS INVEST IN CENTRAL FACILITIES. THE RESEARCH STARTS FROM AN OVERVIEW OF THE FUNCTIONAL, PHYSICAL, SPATIAL AND INSTITUTIONAL CHARACTERISTICS OF THE LARGEST EXHIBITION CENTERS IN WESTERN EUROPE AND THEN LOOKS INTO MORE DETAIL AT THE DEVELOPMENT PATHS OF THE FACILITIES IN AMSTERDAM, FRANKFURT, MUNICH AND MILAN.**