



## UvA-DARE (Digital Academic Repository)

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

Vermeulen, R.

**Publication date**  
2013

[Link to publication](#)

#### **Citation for published version (APA):**

Vermeulen, R. (2013). *Spatial opportunities of exhibition centers: Explaining path-dependencies in Amsterdam, Frankfurt, Munich and Milan*. [Thesis, fully internal, Universiteit van Amsterdam].

#### **General rights**

It is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), other than for strictly personal, individual use, unless the work is under an open content license (like Creative Commons).

#### **Disclaimer/Complaints regulations**

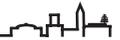
If you believe that digital publication of certain material infringes any of your rights or (privacy) interests, please let the Library know, stating your reasons. In case of a legitimate complaint, the Library will make the material inaccessible and/or remove it from the website. Please Ask the Library: <https://uba.uva.nl/en/contact>, or a letter to: Library of the University of Amsterdam, Secretariat, P.O. Box 19185, 1000 GD Amsterdam, The Netherlands. You will be contacted as soon as possible.

## 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.**



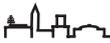
## 4.1 Introduction

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.

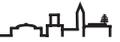
The case study shows that urban policy seeking to enhance urban competitiveness has only indirectly motivated recent physical construction, and that this is not the sole nor most important explanatory factor in the case's physical realities. It also shows that different strategies have been contemplated 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).

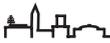
Being a specific niche within the visitor economy, cities have realized the potential of business tourism for attracting visitors to the city (Fayos-Sola et al., 1994; Rubalcaba and Cuadrado, 1995; Cuadrado and Rubalcaba, 1998). Not only is this an international economic sector growing at an equal pace 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.

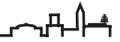
Based on this observation, the use of path dependency was stretched to also incorporate change. It was argued that stable development paths are punctuated by moments of drastic change at which the path is reversed. Such contributions focus on examples of revolutions (Mahoney, 2001a), institutional change (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

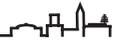
#### The hegemony of increasing returns

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.

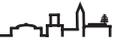
As large national exhibitions continued to grow in terms of visitors, exhibitors, and number of events, the complex was enlarged again in 1969 and 1982. This was made possible by utilizing parts of the leftover green rim space between the two city districts. Moreover, this space was also used for its 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.

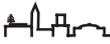


In 2001, revenues from the exhibition sector dropped and raised doubts over the financial capacities of the RAI. Moreover, calculations of the cost of tunneling the Europaboulevard fluctuated and could not be guaranteed. These uncertainties terminated the idea of bringing the Europaboulevard underground, 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.



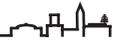
At the same time, internationalization was also affecting the exhibition industry (Möller, 1989). The growth of the international market and decline of the national market for exhibitions manifested themselves at the same time. Internationalization brought with it an increased level of supranational 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.

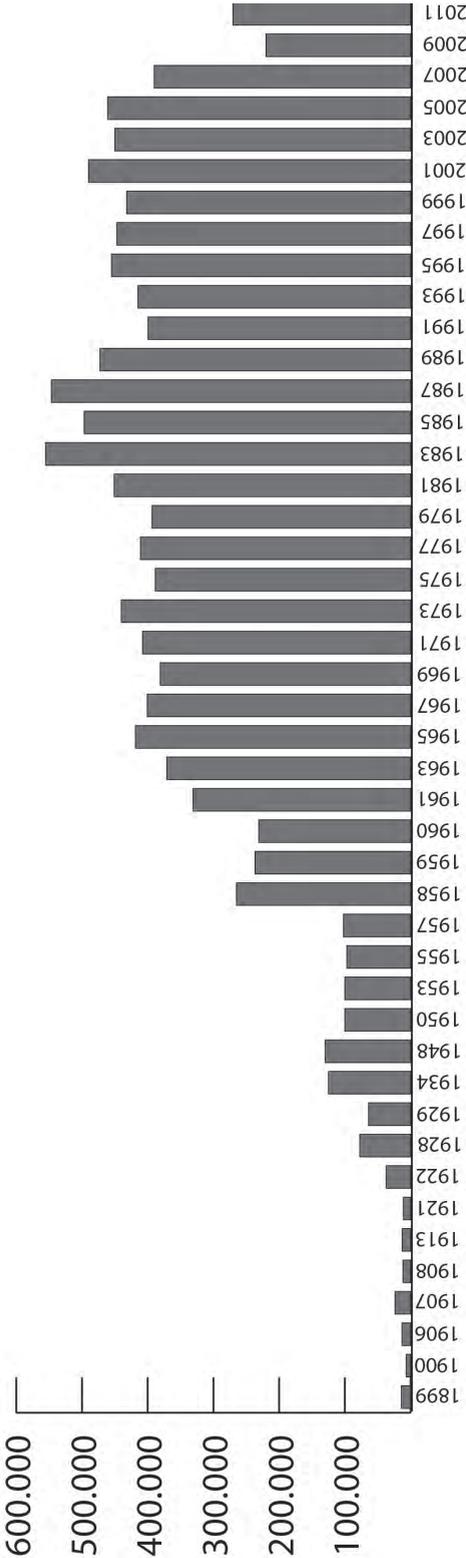
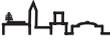


Figure 4.4: Number of visitors to the AutoRAI (1899-2011)

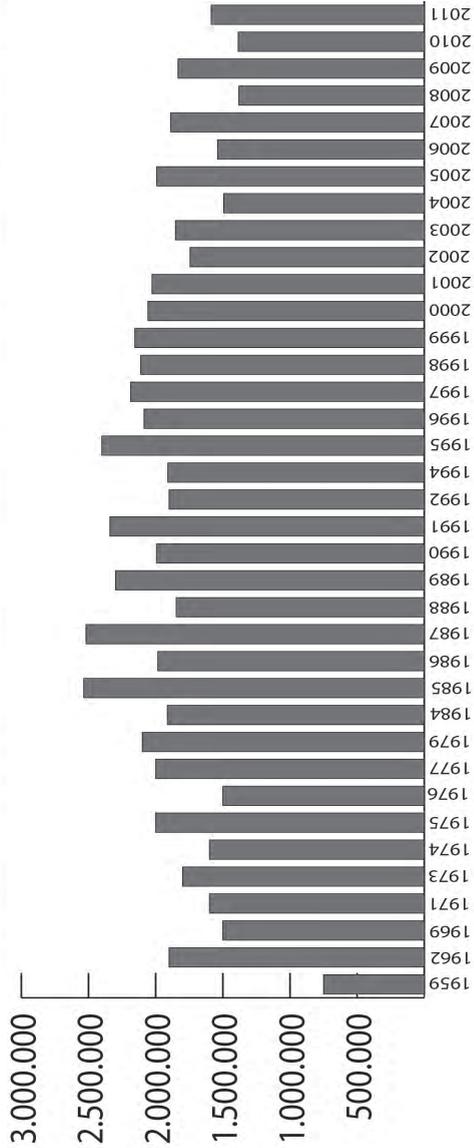
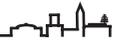


Figure 4.3: Annual number of visitors to the RAI complex for selected years (1959-2011)



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*