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

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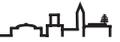
## CHAPTER 5

### 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.

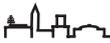
Thereby, exhibition centers are illustrative for a broader set of functions, amongst which are sports stadiums, universities, hospitals, shopping malls and tourist attractions, that are reshaping metropolitan configurations and hierarchies. Such urban functions not only bring large investment to peripheral 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



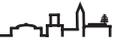
role of cities as nodes in international streams of investment, information and talent. The current economy that is thriving more and more on knowledge and interaction is inherently urban. This has resulted in a revival of cities, not only in economic, but also in cultural terms.

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



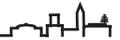
broader context in which the venue is operating is needed.

### **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 (Cappoccia 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; Capoccia and Kelemen, 2007).



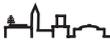
These stages of typical path dependent development might be a good starting point for the analysis of exhibition center development. The decades of growing numbers of exhibitions, exhibitors and visitors, leading to the gradual enlargement of exhibition centers until the 1980s, can be characterized as 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



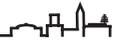
physical form of the fairground. Events can vary on the surfaces they require, number of visitors and exhibitors, the origin of visitors and exhibitors (national, international) and type of visitor (public or corporate). Moreover, the economic sector that is catered by the event influences the nature 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.

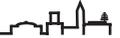
By choosing path dependency as a theoretical framework, the researcher is obliged to analyze the long lines of development. By adding the multidimensional perspective, it becomes necessary to examine the state of these dimensions for each timeframe. It is argued that the specific developments of both 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

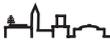
### Increasing returns in the reconstruction period

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.



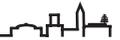
## Accommodating globalization

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,



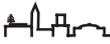
however, not a priority for the city council. Therefore, only a relatively small extension was realized because this was necessary for wrestling matches during the Olympic Games of 1972 that were held in Munich. After the Games, this hall was topped by a second floor which added another 10.000 square 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



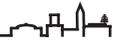
have been hard to predict. Even though there were already talks of Munich relocating because of a lack of space for extension, there was no political will to make this happen. Moreover, the development of the inner city of Munich since World War Two was fitting present needs. The choice to rebuild the 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-

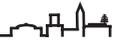


*Figure 5.3: Relocation of the Munich trade fair towards the former municipal airport*

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.

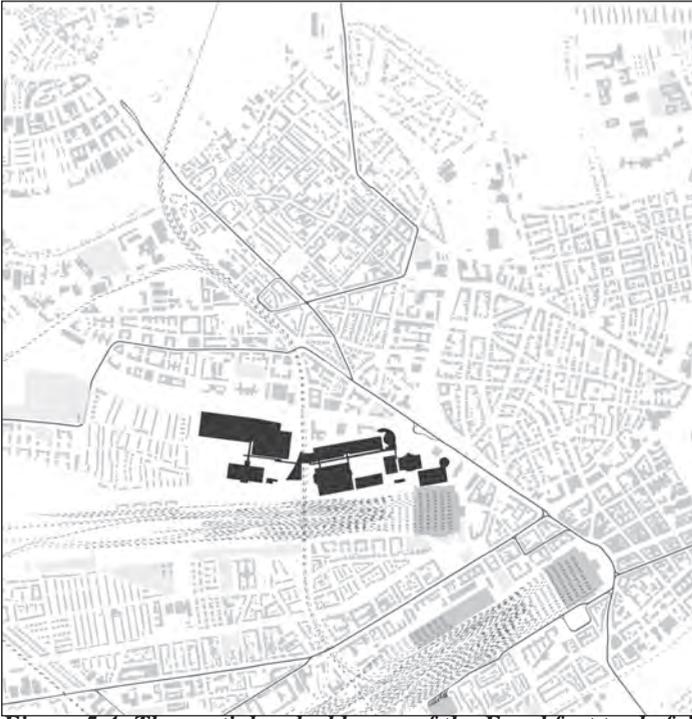


The first was a shortage of extension space as also the west part of the fairground was now fully occupied with halls. It was bounded by railway yards and a cargo station in the south, residential areas to the west, and a major street and office developments to the north and east. Second, many halls 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).

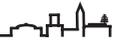
Hence, the city reacted very favorable to the idea of the fair to purchase the adjacent areas of the German Railways. Although the developing firms of the German Railways had planned to sell their property for office development, something that would render them a much higher price, they were almost 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*



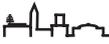
Hence, lock-in was circumvented in the case of Frankfurt by something that can be termed a spatial critical juncture: the opportunity to use the derelict railway yards. Functionally, such a physical addition was needed. Contrary to Munich, it was supported from the start by municipal government. The 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.

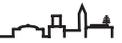
By using an analytical model that combines insights from path dependency theory with a multi-dimensional perspective, the article has been able to also show why both fairs were willing and able to cease these opportunities. In Frankfurt and even to a larger extent in Munich, the fair was in need of space 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*