Building for consumption: an institutional analysis of peripheral shopping center development in northwest Europe

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In West Europe, one of the most contested kinds of urban development is the out-of-town shopping center. Pointing to the US experience, these are viewed as threats to the vitality of traditional town centers, and are often actively discouraged by planning legislation. This notwithstanding, ever-larger shopping malls were being built in Europe as the 1990s progressed. Contrary to conventional wisdom, this did not always conform to the classic North American style mall; local variation was apparent in many cases. The book Building for Consumption takes an institutional approach in its investigation of this issue, asking what factors were crucial in influencing the decision-making process to approve development, and under what specific conditions this took place. To this end, it examines one peripheral retail development project in the Netherlands, Germany and the United Kingdom showing how local actors utilized, manipulated or circumvented national policy and local opportunity structures, and how this resulted in different kinds of shopping center development.
BUILDING FOR CONSUMPTION

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**FOREWORD**

In well-organized cities [retailers] will be pretty well those of feeble physique who are not fit for other work. They must stay around the market, buying for money from those who have something to sell, and then again selling at a price to those who want to buy.

— Plato, Republic II-371

The demise of small shops in central cities ought not to be mourned. Like it or not, much of the general consolidation and restructuring of the urban retail sector is unavoidable and efficient.

— Nivola (1999: 30)

Wie unsere Städte und ihre Randzonen in Zukunft aussehen, ist nicht nur (aber selbstverständlich auch) eine Frage des Marktes, sondern primär eine politische Frage. Wenn die Gesellschaft mehrheitlich der Meinung ist, diese Entwicklung dem Markt überlassen zu können, werden wir lang über kurz amerikanische Verhältnisse haben.

— Hans H. Blotevogel (2000:16)

Five years ago I started laying the groundwork for the book you now have before you. I had just finished reading *Downtown Inc.* by Frieden and Sagalyn, and was challenged to undertake writing a European account of this phenomenon. Since my youth in the United States, shopping malls have exercised a visceral repulsion on me, and I wished nothing more than to write an academic exposition condemning them and all they represent. I had watched how the city center in my hometown had gradually withered and finally succumbed under the weight of two mammoth malls situated on its edge. Borrowing a recently coined term from Koolhaas, I too felt that shopping malls — indeed most “modern” retail spaces — were junkspace: a scourge on urban development, a parasite to the city, a bane to community, not to mention just being garish eyesores.

Since that time, my attitudes towards large-scale retail development have grown more tempered. Soon after beginning this study, it became clear that Europe was in an entirely different situation. The “malling” of Europe had not (yet) happened, city centers seemed to be thriving and many countries had enacted policy measures restricting out-of-town development. It was obvious that a European version of *Downtown Inc.* was out of the question — the institutional differences were far too great. This however suggested another area of inquiry, namely, to explore Europe’s ambivalent relationship with new retail formats, investigate the conflicts that erupt with each new shopping center proposal and note how these are resolved. This goal has led to taking a more detached attitude towards shopping mall development than was originally envisioned, but hopefully also one that is more balanced and fair to those involved.
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Although I take full responsibility for the content and any inaccuracies in this book, many people have contributed, in one way or another, to its realization. The research was entirely supported by the University of Amsterdam, and I am indebted to this institution for both funding the project, and providing the facilities to carry it out. As regards the ideas expressed within the book, I would first like to extend my gratitude to all the people in my institutional theme group that provided a periodic sounding board and reminded me that I was not alone (Luis Arribas, Lianne van Duinen, Enrico Gualini, Leonie Jansen, Stan Majoor, Julie Lawson, Ralph Ploeger, Willem Salet, and Jacques van de Ven). Of course, I must thank my supervisors Jacques van de Ven and Willem Salet, and extend a special thanks to Willem Salet for driving to Oberhausen on a rainy day and, despite a three-hour long traffic jam and car trouble, still managed to remain enthusiastic and interested. I am also grateful to Pieter Terhorst for combing through an early version the theoretical chapter and supplying useful criticism. Julie Lawson also did a good deal of reading and critique in the context of a “chapter swap” arrangement. Enrico van Dijk also helped immensely with the Dutch case study by faithfully providing me with the neighborhood newspaper for Zuidoost for several years. An additional thanks to Ernst Berkhout from the helpdesk for, on more than one occasion, waving a magic wand and miraculously bringing my sick computer back to life. I would also like to thank Val Gildea of the Manchester University Planning Department library for her expert retrieval abilities and giving me special treatment with the copy machine. I also would like to thank all of those I interviewed, and in particular Ludger Basten for writing such a finely detailed book on CentrO Oberhausen, which I recommend to all who can read German. Finally, I would like to thank those at the Ruimtelijk Planbureau for their interest and moral support, particularly those who assisted me with a last-minute manuscript printing effort, and to Renske Emmelkamp and Jochem de Vries for correcting my Dutch summary.

The deus ex machina of the dissertation drama is, of course, Rosalba, who showed me that there was more to life than worrying about shopping malls. And, finally, my deepest and most sincere thanks to my parents Ella and Jon for their unflagging belief that I should, in one way or another, be a writer.
A NOTE ON SOURCES AND ABBREVIATIONS

In the course of the research, approximately 3,200 sources were collected, read and their bibliographical information entered into a database. As the inclusion of all sources would result in an unacceptably long bibliography, I have decided not to list newspaper and some periodical sources, opting instead for noting the source and date in the main text. Sometimes these citations used abbreviations in order to conserve space and assist readability; the full-out versions can be found in the list below, along with some frequently used acronyms.

Abbreviation | Periodical
--- | ---
AB# | ArenA Boulevard and issue number
AP | Associated Press
AS | Amsterdams Stadsblad
FD | Financieele Dagblad
ICSC-SCT | International Council of Shopping Centers: Shopping Centers Today
MEN | Manchester Evening News
NRC | NRC Handelsblad
NRZ | Neue Ruhr Zeitung
PW | Planning Week
RW | Retail Week
TAZ | Die Tageszeitung
TC | Trafford Centre press releases
TCIP | Trafford Centre Information Pack
TK | Tweede Kamer (Dutch Second Chamber of Parliament)
VGM | Vastgoedmarkt
WAZ | Westdeutsche Allgemeine Zeitung

Abbreviation | Organization
--- | ---
DETR | Department of Environment, Transport and the Regions (UK)
DoE | Department of Environment (UK)
DRO | Dienst Ruimtelijke Ordening Amsterdam (municipal planning agency)
EZ | Ministry of Economic Affairs (Netherlands)
GEG | Grundstückentwicklungsgesellschaft Oberhausen (ad hoc development organization)
GMC | Greater Manchester Council
KvK | Kamer van Koophandel (Dutch Chamber of Commerce)
NRW | Land of Nordrhein-Westfalen
OMC | Ontwikkelingsmaatschappij Centrumgebied
ROA | Regionaal Orgaan Amsterdam (Amsterdam metropolitan council)
VAC | Vereniging Amsterdam City (city center shopkeepers association)
VROM | Ministry of Housing, Spatial Planning and the Environment (Netherlands)

Abbreviation | Concept
--- | ---
CPT | Central Place Theory
FOC | Factory Outlet Center
GDV | Geconcentreerde grootschaligdetailhandelsvestiging (large-scale retail)
GEP | Gebietsentwicklungsplan (regional development plan)
PDV | Perifere detailhandelsvestigingen (peripheral retail)
PPG | Planning Policy Guidance note
SME | Small and Medium Sized Enterprises
UDC | Urban Development Corporation (UK)
UEC | Urban Entertainment Center
WTC | World Tourist Center
CHAPTER 1: INTRODUCTION

1.0 Introduction
One of the most significant urban developments of the late twentieth century has been the dispersal of population from the great cities to the surrounding regions. Beginning in the early decades in the United States, this push outwards mainly became an issue in the postwar era when swelling incomes, demographic growth, and the ubiquitous car enabled a considerable proportion of the population to relocate themselves and their families outside the traditional city.

In the early years of American suburbanization, many conventional urban functions — retail, cultural, entertainment — remained in the cities well. However this began to change over time, and even these functions began to migrate outwards as well (Jackson, 1985; Fishman, 1987; Garreau, 1987; Kunstler, 1994; Longstreth, 1997; Rusk, 1999). The most conspicuous were retail functions whose presence had long defined the vitality and character of city and town centers. In the US, the movement of shops to the periphery and their consolidation is epitomized by the enclosed mall (Kowinski, 1985; Sorking, 1992; Borking, 1998). This “building for consumption” catered to the specific demands of the new suburbanite; it was car-friendly, protected from the elements, safe and clean. During the height of the shopping mall building period (1960-1980), almost 30,000 malls were constructed in the US (Lowe and Wrigley, 2000: 646). Other formulas such as superstores, retail warehouse parks and factory outlet centers continued this trend. As construction boomed in peripheral areas, retail sales plummeted downtown (Frieden and Sagalyn, 1989: 13). Especially during the 1970s, core cities of metropolitan areas gained the unwanted reputation as centers of decay, filth, lasciviousness and crime, and some even faced fiscal ruin. Since about the 1980s, American public officials have retaliated with projects to revitalize the old centers: urban renewal, civic monuments and public amenities, and a deluge of cultural activities and events. Perhaps the most visible of these projects was the building of “downtown malls” — stylish retail centers designed to compete with their suburban counterparts. The alliances forged and methods employed in this endeavor signaled for many a new era in planning.

Although similar demographic, economic and social pressures exerted themselves in Europe, albeit less intensively than the United States, the response has been much more differentiated and belated. The first real out-of-town shopping center (Parly-2 outside of Paris) only opened its doors in 1969, decades after this had become an established phenomenon in the US. Europe has always been much more heterogeneous than the US in terms of its administrative and corporate cultures, economic systems, legislation and planning systems. In fact, many European nations have enacted legislation and imposed planning restrictions specifically designed to prevent, halt or slow the growth of out-of-town retail developments (Davies, 1995; Pilat, 1997; Guy, 1998a). There is a palpable difference between Anglo-Saxon and Continental cities in their urban morphology (Berry, 1973; Fishman, 1987). Today, however, the opening up of markets and liberalization processes related to European Union regulations and continuing globalization are offering private development interests increasing opportunities for crossing borders. Indeed, some parts of Europe seem now to be experiencing the outflow of retail functions that typified the US half a century ago, particularly Eastern Europe (ICSC-SCT, 1998; Volkmann, 1998; Blotevogel, 2000; Kolen and Bell, 2000). At the same time, countries with similar economic profiles still have vastly different retail structures. Understanding this variation is key for understanding the
mechanisms driving retail development. Ultimately, the course that spatial developments will take — i.e. whether the retail structure will increasingly resemble the US model, or whether traditional or other retail forms will prevail — depends largely on the innovative and/or preemptive measures taken by Europe’s public and private sector actors. Thus, powerful global trends notwithstanding, the course of retail development is, I argue, not a foregone conclusion but dependent on local contextual factors.

Before commencing with my account on how Europe is building for consumption, I want to take a step back and consider the subject of retail development at a more abstract level. This is the topic of the next section, which provides an analysis of the term, and reflects on the buildings for consumption themselves (supply side: physical manifestation) as well as motivation behind building for consumption (demand side: consumer preferences) and how the two are intertwined. Once this is complete, this introductory chapter will turn to how to study this phenomenon using a comparative institutional approach, and how this research can contribute to the current body of literature in the area of planning and retail. This will entail a presentation of a main research question and theoretical framework as well as a justification for the choice of narrowing the focus to large-scale peripheral shopping centers in Germany, the United Kingdom and the Netherlands.

1.1 Retail development as an object of study

When we talk of retail development we essentially are talking about the spread and location of shops in a particular area. Research in this area takes on manifold forms, such as studies on the disappearance of greengrocers in French village centers or the Scottish countryside to the growth of commercial strips in the American Midwest, the political furor surrounding the construction of Factory Outlet Centers on the outskirts of Berlin, the future of suburban megamalls in California and the advent of slick themed consumerist temples like Niketown in Portland, Oregon. Not only is the subject matter diverse, so too are the disciplines involved in studying it, ranging from diverse subdisciplines within economics to policy analysis, urban planning, geography, sociology, and marketing (Marshall and Wood, 1995). The methods used also reflect a degree of conceptual polarization. On one side, quantitative methods are employed to design sophisticated models of distributional logistics or inform locational decision-making (e.g. Jones and Simmons, 1990; Hernández et al, 1998; Clarke, 1998; Müller-Hagedorn, 1998). At the other extreme, retail studies also seems to include a mélange of sociological-cultural explorations, indictments, critiques or celebrations of consumerism which are usually couched in postmodernist terminology and which link shopping to identity (see e.g. Sorkin, 1992; Urry, 1995; Zukin, 1995, 1998; Miller and Jackson, 1998; Clarke et al, 1998; Miles et al, 1998; Featherstone, 1998; Crewe, 2001; Clarke, 2003). Somewhere in the middle lie the concerns of town and country planners, the ones who are confronted on a day-to-day basis by the physical problems posed by new retail formats such as traffic congestion, shifting levels of provision, urban revitalization and disappearance of open space (e.g. Dawson, 1983; Thomas, 1990; Guy, 1994a; Davies, 1995; Boekema et al, 2000). Definitions on what constitutes “retail” or “development” will vary eclectically from context to context, depending on what the researcher has studied. As mentioned, there is no agreement or consistency on key terms such as shopping center, peripheral or out-of-town, retail park or superstore, and this is exacerbated by language problems in international comparisons (Guy, 1994a, 1998b; Helfferich et al, 1997; Reynolds, 1998).

In order to negotiate the conceptual quagmire that typifies the literature on retail development, it is essential to gain a better understanding about what we actually mean when we use the term. If the aim is to understand and explain the phenomenon on its own terms, it
is not sufficient for the researcher to simply impose a definition, but to arrive at a definition after reflecting on the object of study and the way it is studied. As Julie Lawson recently remarked, “Rather than begin with theory imposition, the explanatory process can begin with the object of study, by abstracting its complex, interacting dimensions and developing a practically adequate theory of explanation” (Lawson, 2001: 1403, emphasis in original). This having been said, the purpose of this section is to consider the term retail development, unpack its intrinsic characteristics and their implications and then observe its manifestations.

1.1.1 Definition/deconstruction of retail
Retail, as an economic practice, is usually subsumed under the more general heading of services, a classification that unfortunately obscures some of its specific qualities (Davies, 1984: 7; Marshall and Wood, 1995; Sayer, 2000: 19). Granted, retail is a service, but it should also be remembered that retail is a particular kind of service far removed in many respects from those activities performed by auditors, security guards or legal consultants because it deals with trade in tangible consumer goods. Due to its different nature, one can therefore also expect that it will differ in the way in which it manifests itself over time and across space. A casual reflection would seem to confirm this: settlement patterns of, for instance, designer shoe shops in a metropolitan area are for the most part quite different from those of law offices or call centers.

In order to explore this further, a logical starting point would be to consider some formal definitions of “retail” in order to uncover the roots of this difference of outcome. According to the Oxford English Dictionary, retail is defined as “the practice of selling goods in small quantities to the general public.” Already from this definition, and the modifications made to it by those in the field, some important distinctions can be made which will be useful for explanations of retail development. First, there is an indication of a relationship between a single seller and a larger public, thus excluding pure business-to-business transactions (e.g. wholesale). This has significant spatial implications in that “the general public” has much different accessibility requirements and demands of (and impacts on) the surroundings than do other businesses, something that will be returned to in more detail later.

This dictionary definition has been given greater specificity in the retail marketing literature. Many authors include an additional restriction in the definition that excludes the sale of goods by producers, such that merchandise sold directly to consumers by a manufacturer is not considered retail. This, usually done to emphasize the traditional position of the retailer as a middle link in the supply chain, is becoming increasingly untenable in the wake of e-tail and factory outlet center formulas. Other definitions of retail include a provision that the goods may not be consumed at the premises at which they were purchased, in an attempt to distinguish between, for example, buying food in a shop (retail) and in a restaurant (non-retail). However, as with the above, novelties such as take-out food establishments have blurred this distinction as well (PW 3 April, 1998: 13; Boekema et al, 2000). Finally, as the physical setting at which retail trade takes place can vary greatly, from makeshift kiosks in open air markets to ostentatious theme-park malls, further problems of definition can arise vis-à-vis leisure and entertainment functions (Crawford, 1992; Newby, 1993; Terhorst and Van de Ven, 1999; Kooijman, 1999a, 2000; Romeiß-Stracke, 2001; Loeng, 2002).

While the above may appear to some as overzealous hairsplitting, understanding exactly what we mean by the object of study can have major implications for the way it is researched and, ultimately, in the explanations generated. The degree of austerity of definition of retail can and has produced, for example, variation in the time at which the phenomenon is said to have
originated, and the times at which (if any) so-called “retail revolutions” have taken place (Gayler, 1989; Bromley and Thomas, 1993; Fernie, 1998; Dawson, 2000). Moreover, the definition will affect research on the forces that are said to cause shops to diffuse, cluster or concentrate under certain circumstances, the type of data collected to understand this, and on policy that seeks to control it. The intention is however not to produce a new definition or description of retail, but more to show a conscious appreciation for the issues involved in its study. Thus, for the purposes here, it is sufficient to utilize the dictionary definition above coupled with an appreciation of the different limits — retail versus wholesale, retail versus catering and retail versus entertainment — suggested by the literature, bearing in mind that these are useful, but inherently fuzzy distinctions. Thus, a definition such as “the practice of selling goods to the general public to be consumed elsewhere” would be a tolerable starting point.

As with retail, the term “development” should be briefly touched upon. Again, the relevant OED definition can be considered: “to build or change property on an area of land, esp. for profit” (p. 318). This notion, as dealing with the status of land, is therefore inextricably linked to the notion of property rights, and more specifically to the urbanization process because it usually involves a conversion of land to new uses. A great deal has been written on the politics of property development, and this will receive more attention in Chapter 2. However, for our purposes here, it is better to confine the discussion to the topic at hand. When applied to the concept of retail, what is specifically interesting is the spread of shops — as fixed point-of-sales for retail merchandise within a permanent structure — over space, rather than
other types of retail trade such as e-tail (unless, of course this directly leads to atrophy in the current retail structure). Together, retail development then refers to the physical construction or modification of such sales space, which can range from closings, openings or expansions of inner-city shops to the construction of freestanding hypermarkets.

This conceptualization of retail development is inherently political as much as it is economic. When a parcel of agricultural or derelict industrial land is designated as retail, its value can increase significantly, and landowners often actively lobby for rezoning. The public sector may also welcome the extra tax income generated by the higher value. In Western Europe, where public authorities generally wield comparatively high levels of power in land use decision-making, rezoning involves an appeal to the government and preparedness to make concessions if so demanded. On the other hand, the increases in land value at one site also impacts the surrounding area, such as spin-off investment in the form of new buildings or refurbishment that may engender a positive cycle of investment, bringing new funds into the public treasury and improving the image of the locality. Sometimes these spin-off effects are deemed significant enough to demand concessions from the public sector. When land use is altered to support retail, not only does it produce changes in land value but it also alters the structure of retail provision and the field of competition. As discussed in the definition of retail above, profits in this sector are closely tied to the local consumer market and the nature of the competition. Competition is fiercest in zero-sum branches where there is little room for organic growth, and where there are only limited gains available. Taking the example of the freestanding hypermarket, this format has been blamed not only for its environmental externalities but primarily for its capacity to shift sales from other localities — ultimately compromising their land value — due to the product range offered. Therefore, retail development can be seen as highly politicized, but politicized in a different way than other aspects of urban development. Generally the politics is played out within a small circle of vested interests — developers, retailers, real estate investors, planners and local politicians — rather than within society at large. Rarely do political parties hold consistent stances on retail development issues. Conservative parties are generally torn between promoting free-market competition and supporting vested businesses interests, while the left has both promoted large-scale development as a boon to consumers and condemned it for its adverse environmental impacts (Arribas and Evers, 2001).

1.1.2 Retail manifestations (supply)

This section seeks to familiarize the reader with the most common ways that retailing manifests itself. Taking into account the variation in conceptions and terminology and the work on definition above, this will provide a few basic distinctions in outlet type and format according to several dimensions. This will become more important in the case studies in later chapters. For the sake of convenience, non-store retailing such as Internet shopping and post order companies will be excluded from consideration as this does not concern a physical structure; this is, after all, a study about buildings for consumption. An adequate starting point for a classification of retail building types is given in Guy (1994a: 12), depicted in an adapted form below. The first criterion noted by Guy is whether the point-of-sale involves a single or multiple structure, and the second deals with size and ownership.

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1 Namely a wide and deep assortment of merchandise that is generally only bought only once by consumers such as milk, bread and toothpaste. It is highly unlikely that more provision of such products will result in increased levels of purchase. Other ranges such as designer brand clothes, compact discs and electronic equipment can produce higher cumulative consumption overall.
Although this figure may seem quite simplistic to those within the field, its value is in showing a sorting-out of retail types commonly encountered in the metropolitan area. It should be added that there are many hybrid forms imaginable, and various distinctions to be made within categories according to certain additional criteria. Product range, for example, is an important distinguishing characteristic when referring to retail concepts. An even more important distinction regards the location. The first category, for example, of a free-standing store can take on many forms depending on its size and location; this changes its meaning significantly for the various actors involved in the development process. A proposal for a new grocery store in a residential neighborhood is quite different than one for a 10,000 m² hypermarket at an out-of-town location. More central to the purposes of this thesis, depending on the location, shopping centers may be seen by planners as blights on the metropolitan landscape, or enthusiastically welcomed as opportunities for urban regeneration.

Because the position of a proposed outlet or center in relation to other established centers is so important for urban development, a wide range of concepts have been used in the trade literature and policy to denote location, sometimes having formal definitions established in law. Developments outside of existing centers have been referred to as peripheral, fringe, greenfield, edge-of-town or out-of-town depending on the author, context or attitude towards the development. Although this is a very important concept, I have chosen to use all these terms interchangeably, depending on the connotation and the context, rather than confine myself to a single term. One reason is that this enhances readability, because terms can be employed purposefully to stress the negative or positive connotations of the development. Another reason is that each national context has a slightly different conceptualization of the center/periphery problem, and using English equivalents of the terms used may preserve this richness. This may, however, at times give the impression of a bias against peripheral development.

Finally, something must be said of the large-scale hybrid forms at the center of the chart, the malls and urban entertainment centers. In terms of sheer mass, these are perhaps the most

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2 Clifford Guy, who has continually called for a single terminology in retail studies (1994, 1998b, 2000), introduced a new concept, that of “off-center” to refer to these locations in a non-pejorative manner (however, even here, one could argue that “off-center” also has a negative connotation).
interesting retail forms for those interested in urbanization patterns because they usually exceed 30,000 m$^2$ of sales space and can be highly controversial. Due to their massive size, they are usually realized in out-of-town or suburban locations. Shopping malls are collections of shops within a single structure, traditionally in the form of a galleria flanked by two department stores (Gruen and Smith, 1960; Borking, 1998; Kooijman, 1999a). This formula was developed in the United States before the Second World War, but only started appearing in Europe much later. Despite signs that American consumers may be beginning to tire of this concept (Duan, 1995; Labich and Hadjian, 1995; Berry, 1996; Lucas, 1996; PW 27 Nov, 1998: 14), this tried-and-true method continues to be applied today across the world. These forms of retail, which can have potentially enormous impacts on the existing retail structure, will comprise the basis for the detailed case studies.

1.1.3 Consumer behavior (demand)
Although the focus thus far has been primarily on retail development as the provision of new shops, and will continue to be so, one of the driving forces is ostensibly the perception of market demand. The qualifier “ostensibly” is used in light of recent evidence that shows that, “changes in retail structure … are more attributable to changes in the cost structures of firms than to changes in the preferences of consumers” (Munroe, 2001: 357). This point will be revisited when discussing the selection of actors for the conceptual framework in Chapter 3.

In spite of the dubious influence of the consumer, a great deal of attention has been devoted to the study of consumer behavior in retail studies, and a high level of causal importance has been attributed to this. The bulk of this research is aimed at identifying (niche) markets, and often operates on the basis of hypothetical consumer typologies or modes of consumption. Detailed studies are regularly commissioned by retailers, municipalities and developers as to the characteristics of a particular area in terms of levels of car use, affluence and population in order to forecast potential turnover levels, or impacts on existing centers. Although the techniques used are becoming increasingly sophisticated, making full use of advancements in information technology, it remains notoriously difficult to pinpoint the causality between supply and demand. This is partly because a dynamic relationship exists between retailers responding to new demands in society (and hence shaping new expectations for the sector) on the one hand, and retailers actively creating new demand via marketing strategies on the other.

![Figure 2: Cycle of supply and demand](image)

In other words, patterns of expectation among consumers do have an indirect causal impact on the retail structure. For example, a shift has occurred in some segments of the industry (particularly food retailing) from small neighborhood boutiques to large cash-and-carry formats. Here, the convenience of selection and value-for-money has won out against proximity. After consumers become accustomed to driving to a supermarket instead of walking to a neighborhood shop, demand for traditional forms of retailing may decline.
further. Hence we can see that, rather than being an autonomous linear process, specific retail development outcomes can impact the retail development environment.

Over time, the evolution in the patterns of expectation of consumers in Europe and North America seems to have become increasingly crystallized in two distinct kinds of shopping behavior. Not only are there different kinds of consumers, but the same consumers can act quite differently when in different shopping modes or “moments” (Jones, 1999). For certain kinds of shopping, more demands are placed on price and car accessibility, while other kinds of shopping are marked by an emphasis on less tangible factors such as aesthetics, service and a pleasant atmosphere. Dion Kooijman analyzed this divergence using the terms “machine” and “theater” in his PhD dissertation, and the Dutch trade literature has adopted the curiously Anglicized terms runshoppen and funshoppen to denote the same. Although there has been some attempts by retailers traditionally associated with errand shopping (such as supermarkets) to dabble in providing leisure-oriented amenities — what Kooijman calls “hybrid shops” — the two categories remain astonishingly stable for the vast majority of retail formats. The table below summarizes the two shopping modes, using a more neutral intentional/recreational distinction (Sources for table: IMK, 1993; Borchert, 1995b; Lehtonen and Mäenpää, 1997; Kooijman, 1999a, 1999b; Bak, 2000).

<table>
<thead>
<tr>
<th>Intentional shopping (serves needs, run)</th>
<th>Recreational shopping (serves wants, fun)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rational, routine</td>
<td>Hedonistic, experience</td>
</tr>
<tr>
<td>All-under-one-roof</td>
<td>Atmosphere</td>
</tr>
<tr>
<td>Wide and deep assortment</td>
<td>Identity/branding</td>
</tr>
<tr>
<td>Accessibility</td>
<td>Differentiation</td>
</tr>
<tr>
<td>Convenient opening times</td>
<td>Entertainment and leisure</td>
</tr>
<tr>
<td>Discount/bargain prices</td>
<td>Retail mix (targeted selection)</td>
</tr>
</tbody>
</table>

Figure 3: Intentional versus recreational shopping

Much of the development process for intentional shopping formats is fairly straightforward for retailers and investors: success is usually a function of location, competition and demographics within the catchment area. This is comparably unproblematic to model in quantitative terms, although the phenomenon of combination trips (usually work/shopping) has made this more problematic (Timmermans et al, 1982). Even more difficult to model are motivations within the experiential sphere. Recreational shopping formats, especially large-scale projects like shopping malls and urban entertainment centers are so complex because the goods they offer are less linked to survival and more to intangible qualities such as identity and taste. Often an implicit assumption is made that a link exists between leisure quality and sales. The argument is that providing a pleasant atmosphere and auxiliary activities and amenities will have a synergy effect and increase the attraction of a center, drawing more people and inducing them to stay within the sales environment for a longer period of time, hence increasing the potential for sales. Thus, shopping centers as consumption-generating machines are supplemented with cinemas, libraries, restaurants and cafes, post offices, ice-skating rinks, carnival rides and so forth. In the United States, shopping malls already attract more tourists than traditional attractions (Die Zeit, 13 Dec., 1996), and one Florida mall even considered charging admission (ICSC-SCT 9 June, 1999). After the incorporation of theme parks into megamalls like the West Edmonton Mall in Canada, theme parks like Euro-Disney are building supplementary malls (FD 30 Dec, 1997). The extent to which such factors actually translate themselves into profit is the subject of an intense but unresolved debate within the retail development literature (leisure proponents include Duan, 1995; Frehn, 1997; Van Papendrecht, 1997; Clement, 1998; Kooijman 1999a, 2000; Jones, 1999; VGM Sept, 2000: 6-8; dissenting opinions include Newby, 1993; VGM
June, 1999: 29; Ackermann et al, 1999; VGM Sept, 2000: 12-14). Nevertheless, it is clear that the ambition to produce synergy between shopping and leisure has left a clear imprint on both industries.

An additional difficulty faced by large-scale retail projects is that an “attractive environment” is difficult to define, let alone quantify. Indeed, the differentiation of society has necessitated that difficult decisions be made as regards the production of a shopping environment and selection of appropriate motifs. An environment that, for example, exudes “family values and safety” will be embraced by some, but not all consumers. Indeed,

…the range of responses can include everything from no response at all (that is a failure of the symbolic content to stimulate), to a variety of reactions dependent on individual associations invoked by the environment, to a negative response, and even displeasure (Gottdiener, 1997: 5).

The result is, more than is the case with intentional shopping, increased market segmentation (Hajer and Reijndorp, 2001). In some cases the realization of major retail projects that focus on a particular target group can bring about a social-sorting process between those who value and use the new facilities and those who prefer the traditional urban environment. If these projects are located out-of-town, the social sorting becomes a spatial one as well. All three case studies will grapple with this issue.

Finally, it should be noted that retail structures tend to have a limited life cycle. The department store and shopping arcade define the state-of-the-art in nineteenth century retailing, but have largely given way to the self-service supermarket and shopping mall in the twentieth. At present, the life-cycle turnover for new retail formats seems to be accelerating as traditional centers undergo continual facelifts in an effort to keep up with the introduction of new formats (Tordjman, 1994; Hajer and Reijndorp, 2001: 53; Chung et al, 2002). Whether or not this dynamic is driven by the desires of consumers for something new and exciting or by the retail and development industry in their attempt to distinguish themselves in a competitive arena is open to debate. However, one thing is clear: the structures that house retail functions have an increasingly fleeting, impermanent character, that is, they are buildings for consumption.

1.2 Literature/contribution

A great deal has been written on the development of regional shopping centers in the United States within the context of urban and regional planning. This literature chronicles the exodus of retail functions from the traditional cities to new, rapidly developing suburban regions in the 1960s and 1970s, and their subsequent, cautious, return to the cities in the 1980s and 1990s. In addition to conventional economic-geographic studies of the “retail impact” kind, marketing research, and ethnographic or postmodernist research on consumerism, this phenomenon has also been examined from an institutional perspective, which analyzes how the relevant stakeholders operate within a specific policy environment. The most comprehensive study was undertaken by Frieden and Sagalyn (1989) in their account of public/private deal-making in the development of downtown malls in the United States.

When one turns to the literature on Western Europe, the picture is more fragmented. Here, similar developments have been observed with regard to the diffusion of retail activities and

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3 Although far from common, modernization, theming and renovation can even create opposition from those worried that the area would lose its integrity and authenticity, as was the case with Seattle’s Pike Place Market (Frieden and Sagalyn, 1989).
the rise of public-private partnerships in retail center development, but there has yet to be a comprehensive and comparative study that ties this to the institutional context. For example, much of the literature on planning (public-sector point of view) generally focuses upon policy within a single country or region, while much of the literature on retailing (private-sector point of view) stresses internationalization. As the literature is still in formation, much of it is of the descriptive or survey kind. Texts on retailing in Europe from a private-sector perspective, for example, generally focus on the experiences firms have when crossing borders (e.g. Dupuis and Dawson, 1999). For the public-sector side, descriptive accounts of retail policies in various European countries have been published as chapters in Davies (1995) Retail Planning Policies in Western Europe and the European Union has facilitated the comparison of planning systems with their Compendiums on Spatial Planning, also descriptive and oriented towards formal systems and rules. While such research is certainly useful in describing the playing field upon which retail development occurs, it says little about the actual forces at play and provide causal explanations. Hallsworth (1995b: 257) argues for a more institutional approach:

Textbooks on retail regulations and related law-making are usually rather bland and "factual" in nature rather than critical and penetrating … we should certainly never be naïve as to why laws are enacted and we should be alert to which power-brokers are being benefited by the process.

In one of the few authoritative institutional works on retail development that seeks to bring the private and public realms together in an explanatory rather than descriptive study (but unfortunately confined in its analysis to the UK), Clifford Guy (1994a: 4) noted that:

The academic study of property development and its relationships with institutional factors, particularly development finance and land use planning, seems still to be in its infancy … It is to be hoped that some of these ideas will be taken up elsewhere and subjected to more rigorous analysis. One way in which this might be done would be through international comparisons of retail development and its institutional influences.

This research seeks to address this gap in the literature by taking an institutional approach to retail development in Germany (CentrO Oberhausen, Ruhrgebiet), the United Kingdom (Trafford Centre, Manchester conurbation) and the Netherlands (ArenA Boulevard, Amsterdam region). The research aims to gain insight into the mechanisms responsible for large-scale retail development in these three northwestern European countries. It will examine what factors influence the strategies and orientation of the various actors involved in the supply of retail facilities, and how this interaction produces a certain retail structure. This study therefore fits in well with the suggestions made by Cliff Guy and Alan Hallsworth above.

Research in this area is all the more needed because retail development has not received the attention it is due within the spatial planning literature. In urban studies and planning textbooks, retail is usually mentioned only in passing and rarely is a chapter or even a section devoted to the subject. This is odd considering that its impact on the vitality of a city is so visible. When retail functions depart they can leave behind a space that is bleak, lifeless, and potentially dangerous: a city devoid of retail is experienced as a "dead" city. By extension, the diffusion of shops from traditional urban centers to the outskirts has serious implications not just in terms of economic vitality for shopkeepers but also the very livability and well-being of urban areas. At the same time, as new and increasingly sophisticated retail facilities are springing up at dynamic peripheral locations such as highway interchanges this can create a new kind of urbanism. Arguably, the most important development of this sort is the out-of-town shopping mall, or megamall, because it attempts to replicate (a sanitized version of) the urban environment, and offers quality merchandise otherwise only found in city center
locations (Judd, 1995; Borking, 1998; Kooijman, 1999a; Evers, 2001). If we wish to understand what is happening to our metropolitan areas, it is essential to gain more understanding about how these retail structures get built, and what (f)actors influence the process.

In addition to this substantive contribution to the retail/planning literature, this research can also have relevance in the theoretical realm as an empirical application of a new institutionalist approach. When one views retail development through an institutional lens, the conclusions do not only have implications for the subject matter under investigation, but also reflect on the method employed to arrive at them. As will be discussed in Chapter 3, the new institutionalism is growing in influence but remains splintered in terms of disciplinary origin and its perspective on the relative influence of actors and structures on social phenomena. It is hoped that this thesis may serve as an example of one way in which some of the ideas expressed by new institutionalist theoreticians have found their way into empirical case study research.

1.3 Main research question
Having stated the justification for the project in terms of its practical and theoretical importance, and the contribution it can make to the existing literature, the main research question can be presented:

How do institutional factors influence the decision-making process on large-scale retail developments in the Netherlands, Germany and the UK?

In order to answer this, a number of operational subquestions can be posed for each country under investigation:

1. What institutional conditions (economic, administrative, spatial) exist that impact the retail development sector?
   a. What retail policy is enacted, and how do these kinds of rules affect retail developments?
   b. What dynamics can be observed in the retail sector, and how do these influence urbanization patterns?

2. Who are the relevant actors and what are their interests?
   a. What actors and interests can be discerned in the private sector (e.g. developers, financiers, retail stores and organizations), and how is the retail market organized?
   b. What actors and interests can be discerned in the public sector (e.g. municipalities, regional administrations, sector agencies), and how is it organized?

3. Finally, how do these forces (actors and environment) combine to result in certain decisions on large-scale retail projects?

There is an inherent dialectic to these subquestions. The first two require observation and inventory of retail development to be carried out within their political/policy settings. The next subquestion addresses the players in the process, their interests and institutional positioning. The final subquestion completes the circle by asking how the interactions between these forces result in actual retail developments. The specific nature of this interaction will be explored in the next section.
1.4 Theoretical framework
Since spatial developments can be examined in an almost infinite number of ways (geographically, culturally, economically, politically, socially, etc.), it is essential to clarify what criteria and concepts will be used to first isolate and then analyze the object of study. As stated, this research endeavors to view the spatial development of retail functions from an institutional perspective, one that is interested in how actors operate within a perceived environment. Here, “institutional” is not merely taken to mean its dictionary definition of formally established bodies such as government agencies, universities and churches, but rather encompasses a wider meaning of the “rules of the game” in society (North, 1990; Ostrom, 1991). These include the written and codified rules such as laws, but also the norms and values (some of which have evolved organically, others cultivated over time) that have become embedded into the fabric of social relations (Giddens, 1984; Healey, 1997; Scharpf, 1997; Salet, 2002). Institutions, thus seen, become expressed in a profusion of organizations, alliances and antagonisms with varying degrees of explicitness, durability and formality. These then constitute part of actors’ parameters for action, the decisions those actors make and any activities (outcomes) performed on this basis, which, in turn, feeds back into the system of institutionalization. This dynamic conceptualization of institutional relations has been called “the new institutionalism” in the social scientific literature (Peters, 1999). What is at issue here, of course, is how such institutional parameters frame the decision-making context for actors involved in retail development. Unlike most institutional approaches that focus exclusively on rulemaking in organizational terms, this conceptualization of institutionalism encompasses economic and spatial dimensions as well. As an inherently economic activity (see §1.1.1) the inclusion of this aspect is understandable. But space is also increasingly becoming acknowledged as a structuring force:

Conceptions of space — which are central to any ontology — are part and parcel to notions of reality. Much more than simply a world view, this sense of space, one’s ‘spatiality’, is a fundamental component of one’s relationship to the world (Shields, 1992 quoted in Richardson and Jensen, 2000).

This fairly abstract formulation can be clarified schematically. The figure below provides a graphic representation of how strategies and actions of actors can be framed by institutions. It is proposed that the final pattern of retail development arises from the interaction between the institutional dimensions and the mediating structures in practice. The issues discussed here then provide concrete focal points for the empirical case study research.

**Figure 4: Hypothetical illustration of institutional interaction**
The highest level of abstraction I have chosen to call the *institutional environment*. This concerns the often-latent value judgments regarding social interaction that comprise one’s lifeworld or ontology. On a collective scale, when *conventions* or *norms* become so embedded in social interaction that they assume a taken-for-granted character, they will influence the way in which agendas are set (what situations are problematized, and what are not). In terms of retail development policy, this will include deeply ingrained beliefs about the sanctity or imperfection of the free market and private property, the role of the government, and beliefs regarding consumer choice and protection in a particular country. It also relates to whether problems are commonly resolved via consensus, compromise or conflict. This level also concerns the rules that govern what kinds of rules can be made, often established in *constitutions* or *framework laws*. Finally, basic aspects of a country’s geography can affect retail development such as its level of urbanization or topography, can also be placed in this category.

Stepping down a level are the *structures* that mediate between the institutional environment and the operational level of strategy and policy. These are often the everyday manifestations of what already exists at the institutional environment level. The first of these, the *administrative structure*, has two main components: coercive authority and fiscal discretion. The first regards the formal rules and practices that have been established regarding the relationship between governmental level — specifically plan coordination, legal powers of appeal, and whether the system displays top-down, bottom-up features, or a combination of these. This is because “formal elements of a system … have significant structuring power, acting as a form of ‘hard infrastructure’ of a system” (Vigar et al, 2000: 7). With respect to retail planning, this often regards the kind of retail policy in place to deal with out-of-town or large-scale development (size-based, location-based criteria) and the degree of restrictiveness. The second, fiscal discretion, acknowledges that much intergovernmental power is determined by the disbursing or withholding of funds.4

The *economic structure* is also of paramount importance to retail planning and development. Here, we can make a distinction between supply and demand. On the supply side one may consider economies of scale, behavior of lenders that determine the availability of capital, retailer disposition regarding suitable sites, locus of investments, experience and competition. On the demand side, one can look to policies like the relaxation of opening hour restrictions, but also trends in consumer behavior. Equally important is the role of the state in regulating the retail economy, either through competition legislation, opening hours, protective measures for small shopkeepers, or (again) via planning restrictions on out-of-town development.

Finally, the *spatial structure* needs to be considered. This can also be divided into two main parts: morphological and functional. Morphological factors relate to the physical topography of an area, including impediments to retail development such as large bodies of water, mountains and poor land which restricts building size as well as locational factors such as proximity to harbors, airports, and residential settlements exhibiting interesting socioeconomic attributes. Other aspects of the morphological structure include the degree of (sub)urbanization, monocentricity or polycentricity of metropolitan regions, and the country as a whole since this will affect business decisions on outlet siting. The functional category concentrates on the land-use characteristics of the area such as the jurisdiction and binding

4 Thus, it is important to know if most local revenue is received from central or local sources, what conditions might be attached to these funds, and what possibilities exist for obtaining other sources of income.
nature of zoning plans, whether regional plans exist as well as the movement of population and capital over space.

At the most concrete level of the scheme one encounters the operational strategies (right-hand side of the figure), agreements, and missions of private organizations and policies of public agencies as they interact with rules established at the structural and institutional level. This behavior, naturally, is perceived by other actors in the field, who adapt their actions accordingly, thus forming situations of conflict and cooperation in the process. Studied in isolation, this interaction forms the basis of game theory and rational choice theory. However, in this institutionalist conceptualization, actor interaction is influenced by and also feeds back into the structuring parameters described above.

As a result of this dynamic actor/environment model, certain themes will reoccur in the analysis, such as how the positions, interests and behavior of some actors will influence those of others in producing retail development. Sometimes this can be described in terms of collective action problems. Another theme is how some actors are able to work within a given system to come up with creative results. An example of this is how certain local authorities have adopted an entrepreneurial planning style in order to promote developments they feel are desirable, rather than simply forbidding unwanted developments.

### 1.5 Methodology

The purpose of methodology is to provide a conceptual link between the theoretical and the empirical parts of a particular piece of research. This section aims to show how a comparative case study method using the theoretical ideas expressed above is appropriate for addressing the main research question. A justification for choosing the Netherlands, Germany and the UK will also be given in this section, as well as the rationale behind focusing on large-scale out-of-town projects.

At this point it is helpful to recall the main research question: how do institutional factors influence the decision-making process on large-scale retail developments in the Netherlands, Germany and the UK? From the very wording of this question, a few things can be mentioned. The first is the nature of the question; it is a “how” question rather than a “why”, “where”, “who” or a “how much” question. This already suggests that the answer will be in the form of an identification and analysis of mechanisms (i.e. institutional factors) and their effects on behavior and outcome. This study can therefore be seen as a strategic exploration into a particular phenomenon with the intent to explain. There is no ambition to advance or refute a general theory of urban development, but instead the goal is to understand a particular (type of) development in full. This disposition is also reflected in the fact that the contexts are listed by name in the research question: only three Northwest European cases are considered in the analysis, and thus only these three will receive attention in the conclusions. Although this research may very well have relevance for other regions, and it is certainly hoped that others may build upon the work presented here, the scope of the substantive conclusions is not intended to exceed the scope of analysis. Naturally, any theoretical insights produced by this thesis can be more broadly applied to other cases.

Now we can turn to why a comparative case study method was employed to study retail development. Besides the fact that naming three countries in the main research question already necessitates such an approach, there are some other advantages worth mentioning. First, as will be argued in more detail below, case study research allows for the kind of depth demanded by institutional approaches. Case study research also provides the flexibility to
account for many different kinds of institutional variables over time, and to examine the
effect these have on actors. Multiple cases involving different institutional contexts allow
comparisons to be made, thus enabling the generation of insight into the role of particular
contextual factors in producing a particular outcome. Finally, one can consider that this is a
well-established method and that much research in the field of urban and regional planning is
now taking the form of cross-national comparative case studies (Masser and Williams, 1986).
This method is less developed within the retail literature, but after some clear calls for more
cross-national comparative research (Guy, 1994a, 1998a), there has been a promising growth
of work in this area as well (e.g. Davies, 1995; Dupois and Dawson, 1999; Howe, 2003).

1.5.1 Methodological justification
Although a few reasons were provided above for the decision to approach the issue of retail
development using a case study approach, more can be said on this issue. The purpose of this
section is to explain in more detail why this method was selected above other kinds of
methods. Addressing this, Sayer (2000) distinguishes between “intensive” and “extensive”
methods in explanatory research, and the kinds of phenomena they are best suited to explain.
Extensive methodologies cover a large number of cases and attempt to draw conclusions
from an analysis of the variations and regularities observed between them. The methods
usually involve survey data and statistical analyses of databanks. This approach is common in
the natural sciences, and is from time to time advocated in the social sciences by those
wishing to attain a similar claim to “scientific” legitimacy. Concerning retail development,
taking an extensive approach could tell us about the extent to which certain phenomena are
observable (e.g. number of hypermarkets), which could then be correlated with other
variables (e.g. consumer spending levels, car ownership rates). If one wishes to gain a more
thorough understanding of the causal processes at play, however, there are significant
drawbacks to such an approach. First, if one is interested about, for instance, why northwest
European countries differ in their retail structure, the number of cases is simply too small to
produce interesting conclusions at the national level. Subdividing these into regions will not
help much as some variables — opening hours, planning restrictions — are set at the national
level, and complete data sets are often difficult to obtain at lower levels of scale. Another
problem regards the comparability of data across countries, as different criteria are often used
in collection. This steps towards the development of a more comprehensive databank has been
made by Eurostat (European Commission, 1997), and this holds promise for quantitative-
minded researchers in the future. At the moment, however, EU-level data remains rather
limited and general, and for the time being it is more practical to search for explanations by
examining fewer cases in more detail, the mission of “intensive” research. Comparative
intensive research is also, I would like to argue, better suited to address the concerns raised in
the main research question and the ideas expressed in the theoretical framework on the
institutional approach. This is because intensive research seeks to study individual agents in
their causal contexts in order to understand why change happens (Sayer, 2000). Taking a
comparative intensive approach would help to explain why certain types of decisions are
made in one context and not in another, and as such, intensive research “is strong on causal
explanation and interpreting meanings in context, but tends to be very time-consuming, so
that one can normally only deal with a small number of cases” (Sayer, 2000: 21). This

5 Some countries’ data include, for example, car sales as retail, while others do not. In addition, the distinctions
made earlier in the paper regarding retail versus food and entertainment carry on though into the quantitative
data collected.

6 The limited scope this implies is not necessarily a weakness, nor does it make the study any less scientific —
the relationships uncovered which are found to produce the difference between the cases can then be applied to
other cases. All in all, for matters as complex as retail development, in which a market/policy dialectic is clearly
limitation should not be an issue for this thesis because only three case studies are being considered.

In this institutional intensive research project, each case will be analyzed on its own terms, so that answers to the research questions will be allowed to arise from a general investigation into the case. A conceptual framework, drawn up in Chapter 3, will guide the process. The result will read like a case history of a development project, with the emphasis on how the most important actors have responded to institutional conditions and various contingencies. This kind of institutional approach

...provides a halfway position between a theoretical system that, like neoclassical economics, substitutes universal and standardized assumptions for empirical information on the one hand and purely descriptive studies of individual cases on the other (Scharpf, 1997: 41).

Considering these points, the research is qualitative in nature, relying heavily on interviews and the interpretation of written source material such as plans, contracts, newspaper clippings and professional journal articles (in fact, over 3,200 sources were collected). This was felt to be the best method by which to uncover the institutional factors that influence retail development as embedded within a specific context. A quantitative “extensive” approach would have been unfeasible anyway because there is a lack of reliable quantitative data on retail development across countries (here, the problem of definition becomes magnified and contaminates data) and for the length of time envisioned. There has yet to be a comprehensive spatial inventory of retail developments in Northwest Europe, and undertaking one within the framework of this research is certainly beyond its scope.

1.5.2 Rationale behind country selection

Northwest Europe was selected for several reasons. Since the differences in retail structures and policy between North and South Europe on a number of counts are considerable, and Eastern Europe presents a unique problem, an analysis spanning Europe as a whole would soon become prohibitively complex or purely descriptive. In addition, the decision to confine the research to the Netherlands, Britain and Germany was motivated by reasons both conceptual and practical. Pragmatism aside, these are arguably three of the most important markets of Northwest Europe in terms of population density and purchasing power. According to a number of relevant retail indicators (e.g. turnover per capita, workforce, floorspace per capita, consolidation), these countries also exhibit striking similarities in their basic retail structure (European Commission, 1993, 1997; Davies, 1995: 10; Péron, 2001). On the demand side, GDP per capita in these three countries is also similar, and the share of retail sales in that GDP is around 20% for each of these countries (Dobson and Waterson, 1999: 140). There are also some overall similarities in some aspects of shopping behavior within these countries (Eurostat, 1999). More importantly, all three of the selected countries, like many other European nations, had introduced some form of controls on shop location in the postwar period. However, unlike most Southern European countries and Belgium, retail planning in Germany, the Netherlands and the UK was introduced not for reasons of economics (i.e. using maximum size criteria for applications for new stores to protect small shopkeepers from superstore development) but for reasons of planning and spatial observable (Davies, 1995; Guy, 1998a), such an approach is warranted if one wishes to remain sensitive to the subtleties of the relationships involved. It should come as no surprise, therefore, that “virtually all cross-national comparative research [in planning] takes the form of case studies” (Masser and Williams, 1986: 16).

Belgium, in contrast, tends to exhibit some southern European characteristics and it is partly for this reason that is has been excluded from the study.

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development (i.e. using location-based criteria to evaluate retail applications) (Guy, 1998a: 967; Arribas and Evers, 2001). Thus, this thesis can be placed within the tradition of those following the comparative-studies logic of studying the differences within a group of seemingly similar objects (Eckstein, 1975; Masser and Williams, 1986; Blaikie, 1993). This is also reflected in the choice of case study regions within the countries — all are large metropolitan areas dealing with growing polycentrism and economic restructuring.

The difference is in the geographic distribution of retail: while all countries may have similar amounts of retail space per capita, the nature of this space and its spatial distribution is rather different. At present, in both Germany and the UK a considerable part of food shopping is done at out-of-town hypermarkets, while this is virtually negligible in the Netherlands (EIM, 1999). Similarly, unlike the other two countries, the Netherlands has no out-of-town shopping center. Even more astounding is the development of retail over time. This is illustrated by the figure below that depicts the growth of hypermarkets (large and usually in out-of-town locations) in the selected countries. Please keep in mind when reading this chart that the UK and Germany are much larger markets than the Netherlands, and these are absolute and not relative figures. Even so, the proportional difference is striking: in the 1975-1995 period, Germany nearly doubled its number of hypermarkets, the UK trebled while the Netherlands remained relatively stable.\(^8\) Obviously there is more at hand driving retail development than macroeconomic factors alone.

\[\text{Figure 5: Hypermarket development in case study areas}\]

Finally, in addition to these formal reasons for case selection, some pragmatic ones should be mentioned as well.\(^9\) As mentioned above, the research was funded and carried out in the

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\(^8\) The difficulties in obtaining reliable data for this figure also illustrates the difficulty in performing cross-cultural research on retail development. Figures for Germany, for example, become confused due to the addition of the new states (which, incidentally had initially explosive levels of hypermarket development in the early 1990s). On the other hand, while the Dutch generally do not collect data on the number of hypermarkets (certain outlet size) but count aggregate floorspace at “peripheral sites”, other countries keep records on the number of large stores (e.g. hypermarket), regardless of location.

\(^9\) Matters of pragmatism are commonly and unjustly viewed as inherently inferior to formal scientific justifications. I would like to argue that they are of a different nature, but no less important to the writing of a thesis. Usually purely scientific explanations belie important practical motivations, such as language. Indeed,
CHAPTER 1: INTRODUCTION

The Netherlands at the University of Amsterdam, which made a Dutch focus reasonable as a starting point. Another important consideration is language. Because an institutional approach entails an in-depth analysis of documents and interviews, this demands a reasonable command of the language in question. This explains the restriction of cases to English, German and Dutch speaking regions. As a final consideration, France and Southern Europe were also excluded because they comprised the research territory of a colleague (Luis Arribas) at the same institute.

For each country, after a description and analysis of the institutional factors, a case will be examined in detail. The cases all concern large-scale shopping center projects (sometimes called Urban Entertainment Centers) on the urban periphery that represent the new frontier of retail development. These projects are born out of and also stretch the limits of the rules of the formal system and thus provide a good indication of how planning clashes with economic and political practice. The reactions in each country to these projects will also serve to highlight the structural and institutional differences between them.

1.6 Plan of book

In this introduction, the central themes and problem areas were introduced and, where applicable, defined. This included a discussion and deconstruction of retail development, and a brief examination of supply and demand issues in the retail sector. The chapter included the statement of the main research question and some discussion of methodology and theory. It was stated that the research object will be analyzed in terms of the interplay between actors and their environment, here identified along three main dimensions: spatial, economic, and administrative.

The next chapter elaborates on §1.1 by examining the forces driving retail development. It argues that retail development cannot be interpreted in simplistic terms of convergence towards a single (US-style) structure, but that the spread, kind and scale of shops depends on myriad other factors such as economic conditions, (planning) policy and politics. In so doing, the three dimensions identified in the first chapter are analyzed according to their impact on retail development. In general, the (classical) economic approach views retail development as a natural process governed by quantifiable factors such as distance, catchment population attributes and manifested as trends such as consolidation. In contrast, the spatial planning approach sees retail development as partly the output of specific policies, usually to restrict the spread of out-of-town shops. The last approach acknowledges that retail development is also politically motivated, specifically with respect to retail-based city center regeneration schemes. The chapter closes with a few theoretical statements about the environmental factors that shape the decision-making process of those involved.

Chapter 3 seeks to ground the substantive insights of the previous chapter within the theoretical literature. First, the institutional approach taken in the thesis is positioned within the growing body of (new) institutionalist literature. Then, a conceptual framework is presented to illustrate the interplay between actors and structures in retail development. The various constituent parts of this conceptual framework (decision-making environment, actors, outcome) are then discussed to show how this can act as a working model to understand retail development in the case studies. Finally, a few hypothetical questions arising from the

Williams notes that, “language is a major issue to be faced in comparative research… [but] there is surprisingly little discussion of this in the literature on comparative methodology” (Masser and Williams, 1986: 35).
conceptual framework and the insights gained in Chapter 2 will be posed for further investigation in the case studies.

Chapter 4 is the first case study, and focuses on the struggle of Oberhausen in the German Ruhrgebiet to develop its geographical center following the closure of a large factory. The catalyst for development was the shopping mall CentrO, and was hotly contested by surrounding communities, who had been successful in blocking a larger scheme a few years before. The tale is one of municipal rivalry and distrust within a context of a decentralized and inflexible planning system.

Chapter 5, the second case study, focuses on the Trafford Centre in the Manchester conurbation. In this case, an administrative change (the abolition of the Greater Manchester Council), coupled with an enticing market for out-of-town shopping center development unleashed a deluge of planning applications in the region. Almost a decade of legal battles would ensue before the developers of the Trafford Centre finally emerged victorious. The UK case illustrates how even (and perhaps especially) in centralized systems, planning can be derailed by political shifts.

Chapter 6, the last case study, turns to Amsterdam in the Netherlands. In this case, a restrictive national policy on peripheral retail development prevented localities from realizing out-of-town malls like CentrO and the Trafford Centre. A relaxation of policy in the early 1990s enabled a few cities to build (within a series of strict parameters) large-scale retail schemes at the edge of town. The ArenA Boulevard in Amsterdam Zuidoost is such a project. The Dutch case illustrates a different kind of dynamic than that found in Germany and Britain. Here, a culture of compromise, inclusion, and mutual adjustment had resulted in the creation of a center without internal cohesion and little commercial flair. The desired outcome (that it not damage existing centers) may have been achieved, but the costs to the ArenA Boulevard within a context of further liberalization of retail policy might be too high.

The last chapter sums up the lessons learned in the case studies and projects them against the theoretical backdrop of the institutional approach. It reiterates the interrelationship between the institutional context (administrative, spatial, economic), content (actual development, design), and practice (strategies and standpoints of actors). In addition, the main research question posed in this chapter and the hypotheses posed in Chapter 3 are revisited and reflected upon.
CHAPTER 2: RETAIL DEVELOPMENT

2.0 Introduction

The previous chapter provided a general introduction to the problem of retail development and its manifestations, a working definition, and sketched out a framework by which to understand it. The task of this chapter is to discuss further some of the structural forces that are said to drive the location and spread of shops, and the role that various actors play in the process. In so doing, some concrete issues will be introduced and analyzed, specifically the center/periphery discussion in planning, the capacity for public sector coordination in metropolitan areas, corporate and spatial consolidation and the homogenization of shopping areas. These and other issues will be discussed according to the three dimensions identified in the previous chapter (economic, administrative and spatial) as each of these corresponds to a different body of literature circumscribing the object of study. This will provide the foundation for the argument in Chapter 3 for constructing a conceptual framework within the context of the emerging new institutionalism.

The most common conceptualization of modern retail development is that the suburbanization of retail demand (i.e. housing location) is gradually followed by a suburbanization of retail supply (O’Brien and Harris, 1991: 66). According to the conventional wisdom, as demand for residential and commercial space outstrips the capacity of the traditional city form, and as the retail sector modernizes, successive waves of out-of-town retail outlets will spread outwards (Ferrie, 1998; Thomas and Bromley, 1993; Dawson, 1995; Kooijman, 1999a; Bak, 2000). There is a wide literature that chronicles how family-run corner shops in urban neighborhoods progressively give way to large-format chain stores at the edges of towns, and how high-street shops and department stores abandon city centers in favor of out-of-town locations. Adopting Darwinian market logic, there is an implicit assumption that a natural selection of retail types is inevitable as stronger retail formats replace weaker ones. Eventually, so it is assumed, people will one day no longer shop at small-scale independents in neighborhoods, but patronize large-scale formats run by big corporations at fringe sites or within planned centers (Dijkman, 1994; Bak, 1997; Blotevogel, 2000). A consequence is a global convergence of retail structures: “European cities are inching closer to the idealized ‘Western’ city which is more typically the product of North American and Australian urbanization” (Knox, 1984: 168).

While some evidence for this certainly exists (Tordjman, 1994; Reid, 1995; European Commission, 1997), some European cities are displaying astonishing resilience to the trend; if there is convergence, it is certainly not rapid and certainly uneven (Davies, 1995; Guy, 1998a, 2001). East Germany may have “Americanized” its retail structure within a matter of years after unification (Jürgens, 1995), but Italy continues to be dominated by “anachronistic” small family-owned shops (Pellegrini, 1995), and the heavily (sub)urbanized Netherlands has yet to build a single out-of-town shopping mall (Borking, 1998). Even the apparently unassailable superstore/hypermarket concept has been received with vastly different levels of enthusiasm in Europe.\(^\text{10}\) This is even more the case for more complex retail formats such as regional shopping malls, urban entertainment centers and factory outlet villages which

\(^{10}\) For example, the share of food retailing accounted for by hypermarkets in 1995 was 28% for Germany, 24% for the UK, 18% for Belgium and 4% for the Netherlands (Pilat, 1997: 23)
require coordination between various local actors, consent of local planning authorities and withstand resistance from local shopkeepers.\textsuperscript{11}

In the words of leading retail scholar John Dawson “Retailing in Europe remains, however, as it has all last century, a response to local European culture… many aspects of [European] retailing show features of divergence rather than convergence” (2000: 120). Rather than helplessly submitting to the forces of inevitable retail globalization, local actors have repeatedly asserted themselves to redirect the flow of development, confounding internationalizing firms and market analysts alike (see Alexander, 1997; DuPuis and Dawson, 1999). These actors acted and reacted to a variable mix of local circumstances. These include but are not limited to: economic climate and opportunity structures, the nature and disposition of other actors (potential rivals and allies), geographic attributes and the “rules of the game” established by public authorities. The fact that retail development has occurred so differently in different institutional contexts despite a far-reaching and ongoing international consolidation in the sector is testament to the importance of the dynamics of the local decision-making arena where building permits for new retail outlets are issued. It is therefore of paramount importance for any study seeking to explain retail development to understand what economic, spatial and administrative variables frame the parameters for action by the various actors involved in its production. The intent of this chapter is to provide a critical evaluation of the different ways in which retail development has been explained and discuss some of the mechanisms of its production. This will provide the basis for developing a conceptual framework for understanding and explaining retail development in different institutional settings, the objective of the following chapter.

2.1 The economic approach to retail development

Typing the keyword “retail” into library or online search engines will typically bring up (in addition to a plethora of online shopping opportunities) results relating to the nature of retail firms, distribution and management. Documents on planning policy and urban development appear secondary within the worldwide conceptualization of retail. This is not without reason, as retail development — as we have seen in deconstructing its definition (§1.1.1) — is above all an economic activity, and generally studied within that paradigm. It is also an important sector of the economy in terms of turnover and employment (McKinsey, 1997; Dobson and Waterson, 1999; Pilat, 1999).

Certain aspects of the distribution sector are relatively well-researched and undergo continual theoretical renewal and empirical documentation such as market penetration, changes in consumer demand, management techniques and buying leverage.\textsuperscript{12} In contrast, students of urban development wishing to understand the spatial distribution of retail functions are confronted with a handful of seemingly outdated and reductionistic theories from economic geography, and a rather unreflective and anecdotal body of literature on retail real estate issues. This section on economics is divided into two parts: the first part examines the rather

\textsuperscript{11} For the purposes here, the term “local” is used simply to contrast against the global/international level and thus includes the national level. Later, when discussing governmental levels of scale, the term will be used more precisely to denote exclusively the municipal level.

\textsuperscript{12} Most conferences and research dealing with retail issues take place within the wider project of understanding the “distributional trades” (which includes wholesale). Usually this is done to better inform practitioners. Scholarly publications such as the esteemed \textit{International Review of Retail, Distribution and Consumer Research} reflect this predisposition. An unfortunate consequence for urban scholars is that the spatial component is underrepresented, and location when considered at all, is viewed as one factor among many that determine the course of the sector and the turnover of individual firms.
deductive and formal neoclassical models explaining retail development. The second part discusses actual trends observed in the retail market.

2.1.1 Modeling retail outlet location

Most theories of the location behavior of firms (or shops) have not been developed by geographers, but by neoclassical economists. Within the discipline of (retail) economic geography, a widespread rejection of these theories has produced a new direction of research along interpretivist lines (Blotevogel, 2000; Barnes, 2001; Parr et al, 2002). These new ideas have yet to take hold outside the academy however. Despite continuous criticisms by the academic community, it is common practice for professionals and practitioners to analyze the retail development market according to neoclassical economic principles (Lambooy et al, 1997). Although a comprehensive survey of the prevailing neoclassical location theories is certainly both beyond the scope of this thesis, and not entirely germane to the argument, it is nonetheless necessary to gain a basic understanding of these theories as they continue to frame the way in which retail development as a phenomenon is conceived by certain major actors in the decision-making process.

Generally, the theories in question introduce two spatial factors to general economic theory, that of transport costs and that of neighborhood effects (Beckmann, 1968: 3). The premise that transport costs figure heavily in the distribution of retail outlets has prima facie a great deal of merit for retail development. Hoover and Vernon (1959) in their study of metropolitan New York state that: “Whether retail buyers have traveled on foot, by horsecar, or by auto, one element has been the desire to conserve the time and cost of transportation. Ideally buyers would wish outlets to be at their doorsteps” (p. 111). This factor of distance had already comprised the basis for economic theories such as Von Thüren and Weber to describe optimal production locations in relation to a central marketplace, and factory location in relation to resources and markets respectively (see figure below). A fundamental problem of many theories in this context is that they erroneously equate travel costs with physical distance. This will be discussed in more detail later (§2.3.2).

![Figure 6: Two basic transport-cost theories (Von Thüren and Weber)](image)

2.1.1.1. Central Place Theory

The work of Walther Christaller and August Lösch elaborated and vastly improved on the basic travel cost model mentioned above. Their theories used many of the Cartesian presuppositions of their predecessors in the “German school” that predicted the distribution of facilities over space. In his seminal work Central Places in Southern Germany (1933, English translation 1966), Christaller argued that, given an even distribution of distance-sensitive population, various distribution centers located at central points will emerge to
service this population depending on the goods involved (Christaller, 1966; Carter, 1972: 69-79; Short, 1996). Although other factors were involved in determining urbanization patterns, Christaller felt the marketing principle was “the primary and chief law of distribution of the central places” (1966: 192). In this sense, Christaller and Lösch gave retail a central position within economic geography.

Central place theory (CPT) as applied to marketing is premised on the relationship between a maximum distance (range) that consumers are willing to travel for particular goods, and the minimum amount of demand (threshold, or lower limit) that must exist for a shop to be economically viable within a particular area (Christaller, 1966: 54-55; Eppi and Shilling, 1996; O’Brien and Harris, 1991: 71). By distance, Christaller was not necessarily interested in the physical separation of places but the implied travel costs, what he called economic distance:

> This economic distance is a very important element for determining the range of a good, by which we mean the farthest distance the dispersed population is willing to go in order to buy a good offered at a place — a central place. If the distance is too great, the population will not buy this good because it becomes too expensive for them; or they will buy it at another central place … every good has a special characteristic range (Christaller, 1966: 22, emphasis in original).

According to Christaller, if the range supports the threshold values, the result was the well-known hexagonal pattern of central places, with an even spread of ordinary goods among various sub-centers and more specialized or “higher order” items being offered in more central locations. The variation of this model that is usually applied to retail maximizes the service area with the fewest number of centers, and is presented in graphic form below.

Figure 7: Central Place Theory (Christaller, 1966)

Christaller’s work provided a general theory to explain retail and urban development patterns. It was also the first (and some would argue, the only) comprehensive economic-geographic theory to do so. The influence of Christaller/Lösch on retail geography cannot be underestimated. Although Christaller’s groundbreaking work had an empirical base —

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13 Items that are purchased infrequently like diamond rings can be located in central B-places, while everyday goods like milk and eggs will require smaller, closer centers (m-place).
attempting to explain settlement patterns in Southern Germany — the theory has been widely
applied by geographers and planners ever since. For example, in his influential book, Berry
(1967) devised a translation of these central places into specifically retail terms, making
classifications of regional, district and neighborhood shopping centers, and providing
evidence from his research in the United States. The intention is boldly stated in the first
sentence of the preface:

The thesis of this book is that the geography of retail and service business displays
regularities over space and through time, that central place theory constitutes a deductive
base from which to understand these regularities, and that the conversions of theoretical
and empirical regularities provides substance to marketing geography and to certain
aspects of city and regional planning (1967: vii).

The impact that this has had probably exceeded Berry’s wildest expectations. For decades,
central place theory (CPT) has dominated retail geography, and whether or not one agreed
with its suppositions or conclusions, it was unavoidable. CPT not only provided the lens by
which to view retail and other functions over space, but work by Berry and others on center
types also provided a blueprint for urban development. In planning agencies throughout
Western Europe, the designation of centers was often uncritically translated into official
planning policy, thus completing a transition from dominant paradigm in thought to actual
policy backed by legal coercion.

Blotevogel (1996) charted the career path of CPT, with early empirical applications and
modifications in the 1950s and 1960s giving way to a paradigmatic dominance in the field by
1970 (see figure below by Gebhardt, 1998 on the basis of this data). Although he seemed to
predict CPT’s demise in Geography by 2000, it continues to be widely used in planning,
especially in his home country of Germany (see §2.2.1 and §4.1.2) and is currently
experiencing a revival in British planning as well (see §5.1.3.6). One of the reasons that
might explain the theory’s long-lasting influence is the fact that it remains one of the few
coherent theories in place that explains the spread of functions over space: “it demonstrated
that spatial economic phenomena could be expressed in an explicitly abstract, formal, and
rationalist vocabulary, and directly connected to the empirical world” (Barnes, 2001: 2).
Moreover, CPT was especially appealing to planners since its claim to model an optimal and
efficient provision of goods over space could be almost effortlessly translated into a
normative framework for plan design. This point will be discussed further in §2.2 on spatial
planning and §3.2.2 on actors and interests.
Chapter 2: Retail Development

2.1.1.2 Spatial interaction models

Christaller modeled an equilibrium situation in which retailers positioned themselves in space so as to serve a particular market area. Once this was achieved, there was no overlap of catchment areas possible: it was a question of provision rather than competition. This is rarely the case when one looks to real cities. Within a given Christallerian range one will find not one but many rival merchants and centers (Blotevogel, 2000). This is exacerbated when the distance consumers are willing to travel increases and the range expands. In this kind of market situation, the presence of one center may profoundly affect the viability of another — the neighborhood effect. Viewing retail development in this way requires a different form of modeling that captures the “spatial interaction” between centers. Although also employing travel costs as a starting point, some of the conclusions of spatial interaction modeling directly conflict with CPT because the point of departure is profit rather than provision.

The spatial interaction modeling approach, as it is commonly applied, assumes that consumers within a given bounded space — i.e. catchment area — will be willing to travel greater distances for preferred destinations. The method of calculation, first employed by Reilly (1929) for two opposing centers, resulted in what he called the “law of retail gravitation” which could be used to predict the expected market share of each interacting center (for references see to Reilly, Converse and Huff see Löffler, 1998; Müller-Hagedorn, 1998). Converse (1943) then used this to calculate “breaking point” where the gravitational pull of both centers was equal, that is, the point in space at which a potential consumer will decide to patronize one center over the other. Huff (1964) considerably increased the sophistication of retail gravity modeling by granting greater agency to consumers. To take into account that people do not just choose one center or the other, but may visit both (exercise a choice), he adapted his spatial-interaction models to allow for this overlap. As with Reilly and Converse, Huff used distance and attractiveness (size) as variables. This model enabled several variables to be predicted: the sales volume of a center, the sales flows in a particular area, the catchment area
and the impact on neighboring centers. While the central formula has remained relatively intact, the variable “distance” has generally been replaced by travel time, or more accurately, the subjective experience of travel time (given the flexibility offered by the car); adaptations have also been made to weigh “attractiveness” not only according to quantitative (size) criteria, but qualitative criteria as well (Guy, 1980: 21; Okoruwa, 1996; Clarke, 1998). These include a center’s leisure potential, perception of quality, subjective appeal of (niche) exclusivity (see §1.1). Additional features that are assumed to determine attractiveness to consumers include parking facilities, multi-purpose trip potential, low prices, aesthetics and charm, and the product range. Research in this field has often encountered difficulties when quantifying these factors. Other technical problems with Huff’s model and others include the assumption that consumers with similar demographic attributes have similar shopping behavior. Indeed, many of the flaws of spatial interaction modeling can be traced back to the a priori assumptions on which they were based (Timmermans and Veldhuizen, 1981).

Over time, other approaches have emerged that are more sensitive to organizational and commercial issues, trends in consumer behavior, and planning legislation (O’Brien and Harris, 1991). Here, the focus shifts from the decision-making process of consumers in creating demand to that of (shopping center) developers in creating supply, that is, building for consumption. Obviously, the institutional approach introduced in the previous chapter and which will be elaborated in the following chapter, continues in this direction.

### 2.1.2 Effects of transport-cost theories on practice

Within an institutionalist perspective, it is important to note that these theories, and more sophisticated models based upon them, influence the behavior of important actors such as retail experts and commercial property developers. In fact, most of the research being done by consultants and academics on retail location can be traced back to these basic principles and methods, the most common being market potential studies and economic impact reports. In other words, while much of the above may seem highly theoretical, these models and concepts have important implications because they have been internalized by those actually playing the retail development game. These ideas can therefore be expected to affect retailer preferences regarding location (in-town vs out-of-town sites) and, as such, will place pressure on the urbanization process.

On the other hand, these methods are extremely business-centric in their approach, and consequently limited in their explanatory potential of retail development. Christaller’s CPT and other theories model retail location distribution, but are rather silent on the conditions and processes that drive this. For this, we need to look at the dynamics in the actual retail market that drive retailers to expand, relocate or downsize operations. This can be done by taking a historical perspective of retail change over time and space, the subject of the next section.

### 2.1.3 Dynamics in the retail market

Studies that abandon the aspiration of a hypothetical, deductive explanation of retail development and instead look to what has actually occurred over time also draw disparate conclusions about the forces that drive the location pattern of shops. This more pragmatic

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14 For a more detailed description, including the associated equations, see Müller-Hagedorn (1988).

15 It should be pointed out that retailers are usually even less sophisticated than consultants and scholars, relying on personal experience or simple checklists, although there is evidence that they are increasingly availing themselves of more advanced but nevertheless predominantly quantitative techniques (Clarke, 1998).
empirical approach is especially taken in the commercial real estate and retail marketing literature, both of which have a direct stake in retail development, and favor the identification of trends above the design of grand theories. The result may be less visually appealing — there are no geometric representations but instead a list of concepts that frame what actors themselves consider germane to the retail development market — but nonetheless equally important to an institutional analysis.

2.1.3.1 Consolidation

A seemingly ever-pervasive trend in the retail market is that of consolidation, at both the organizational level (mergers and acquisitions) and territorial level (larger outlets at fewer locations). Although organizational consolidation had been identified as a major force driving retail development for at least the past thirty years, the scale and pace at which it is now occurring is unprecedented. Whereas in the 1950s and 1960s studies focused on regional or local scale increases, today, retail firms operate at a national, international or even global level (Wrigley, 1993).¹⁶ For example, all three countries investigated in this thesis have at least one multinational retail giant, but even the largest (Ahold, Netherlands) trails significantly behind America’s Wal-Mart. Firms once confined to particular cities or regions have rapidly expanded into national and international markets via aggressive franchising, mergers and acquisitions and joint ventures. Developments such as the global mobility of capital flows, common market constructions (e.g. NAFTA, European Union) and the opening of new markets (e.g. Eastern Europe and Asia) have accelerated this internationalization process so much that 1990s retailers soon felt confronted with the question of not if, but when to “go global” (Alexander, 1997; ICSC-SCT, Jan 1998, May 1998, Aug 1998, March 1999; Dupuis and Dawson, 1999). The sums of money involved in retail corporate deals are also staggering, with total mergers and acquisitions growing from about $5 billion in 1990 to almost $20 billion at the end of the decade (Economist 19 June, 1999). In terms of business economics, the reasons for expansion include taking advantage of economies of scale (efficient distribution channels, information technology) and to capture new markets. Another consequence of global consolidation is that local authorities are coming into contact with increasingly powerful internationalizing firms in the land-use decision-making process and, correspondingly, these firms are discovering the differing ways the retail development game is played in various contexts (Rudolph and Busch, 1999; Hallsworth and Evers, 2002). Retailers like Ikea and Marks & Spencer’s have also discovered that the differences in consumer culture sometimes require adaptation of their retail concept, however solid in the home market. Indeed, the trade (and academic) literature is rife with anecdotal accounts of failures of companies to understand the dynamics of new markets (e.g. Alexander, 1997; Dupuis and Dawson, 1999).

The phenomenal growth in the retail sector during the 1950s and 1960s was primarily fuelled by demographic expansion (baby boom) which has given way to a “birth dearth” in the past decades (Reid, 1995). Consequently, certain parts of the retail market have become highly competitive, where gains and losses are often perceived in a zero-sum manner and where growth can often only be achieved by capturing market share.¹⁷ The addition of new and

¹⁶ At the same time, it should also be noted that in comparison to other sectors of the economy, retail is less globally concentrated than other industries. This may suggest that there is room for even further concentration (Dawson, 2000: 123).

¹⁷ In 1990s Germany and the Netherlands, spending on retail items even declined as a proportion of personal expenditure (to the expense of rising housing costs, services and vacations), and parts of Germany have experienced a decline in real terms. This is most pronounced in the grocery sector where there is little room for growth: while sales of durables such as shoes and personal electronics may increase with additional supply and
powerful players can wreck havoc upon the dynamics of an often-fragile détente between market forces, as the case of Wal-Mart’s entry into Europe has illustrated.\footnote{Hark Husson, a senior food and drug analyst at Merrill Lynch remarked at a retail convention that: “Wal-Mart coming to your village is like the black plague of death arriving” \textit{Shopping Centers Today}, 25 May, 1999.} Often this is met with further consolidation (to coax more favorable rates from suppliers and sometimes as a preemptive maneuver to avoid takeover) in the sector, or investments in new stores or store expansions to offer a more competitive assortment (Pilat, 1997: 9). Independent of the rationale behind the process of consolidation, it is clearly to the detriment of small independent businesses, who cannot achieve the economies of scale to make investments in marketing (including sophisticated information technology techniques such as data mining), extract favorable terms from manufacturers, engage in price wars, or stave off takeovers (Wrigley, 1993; Stobart and Hallsworth, 1999). In European countries without specific protective measures to preserve traditional retail forms, these have declined considerably over the past half-century, and there are no signs of this slackening.

The other form of consolidation — spatial — is a product of two interrelated trends: an ever-increasing amount of total retail floorspace, and a falling number of outlets. The increase in shop size often manifests itself, as noted in §1.1.3, as large-scale formats at peripheral locations that specialize in everyday items. The growth in this kind of retailing is often unreflectively linked in the trade literature to consumer preferences for “modern” big-box formats (i.e. superstores and hypermarkets), citing factors such as superior car accessibility and parking facilities, product range and price competitiveness. Another driving force is the ever increasing variety of products being produced (this can be as simple as offering the same food products in a “light” or “nonfat” variety, or in different packaging size). Many retailers feel compelled to expand their premises in order to accommodate this wider range of goods. Large shops are moreover advantageous for business reasons: they simplify logistical processes, are generally much easier to build, have lower land costs, can help the firm to achieve lower operating costs, and are more flexible as regards possible expansion. Indeed,

Even when consumers have no great preference for large facilities, such large facilities can dominate the landscape simply because they are a more efficient means of retailing to their operators. This is noteworthy because it demonstrates that structural form may be more firm-driven than consumer-driven; even though the purpose of the structure is to serve the needs of consumers (Munroe, 2001: 371).

As will be discussed in §2.2 on planning, big-box retailing carries with it several social costs with it as well.

\textbf{2.1.3.2 Uniformity}\n
The ongoing trend towards consolidation is not confined to supermarkets but is also perceptible with inner city or “high street” retail. Shopping areas in North America and West Europe increasingly resemble one another, and amid the Body Shops, Foot Lockers and United Colors of Benettons one can easily lose one’s bearings. In \textit{The Economist}, Michael Reid eloquently remarked that, “Never before have shoppers faced such a wide choice of shops and merchandise, yet paradoxically never before have so many of them felt that they shop in a desert of uniformity” (1995: 18). In terms of provision and ambiance, planned malls and European city center shopping streets are becoming increasingly interchangeable —
especially when the former seek to recreate the latter. This is of course driven by ongoing consolidation, preferences of property owners for “safe” chain formats, but also by the simple fact that chains learn about vacancies from other chains to avoid real estate agent fees (Van de Wiel, 1998). The trade literature has identified this homogenization of retail centers as a leading dilemma in the sector.\textsuperscript{19} One of the perceived problems is that homogenization smothers the spirit of innovation said to characterize the retail sector, and projects a bland and undifferentiated landscape to the consumer. If main shopping districts in city centers provide exactly the same shops as their suburban counterparts, it is more difficult to convince suburbanites to travel to the city. While retailers and developers are sympathetic to the notion, at least in theory, that the presence of some curiosities in the form of independents is conducive to a planned shopping center, it is still extremely difficult for concrete support to materialize in practice.\textsuperscript{20} This is also true in some of the more popular city centers, where astronomically high rents have all but driven out independents. It is in this context that the private sector sometimes looks to the government for assistance in coordinating support for small and medium sized business interests in the form of rules intended to create a level playing field or to invest indirectly on their behalf through financial safety-net schemes.

2.1.3.3 Saturation
Another important aspect of the retail market is the change in rent prices and floor productivity. While it has long been acknowledged that larger shops in the supermarket sector typically generate more sales per square meter — due to competitive advantages arising from the ability to offer more and differentiated merchandise, and the cost advantage arising from peripheral locations — the continual increases in outlet size has driven down this advantage. In many competitive contexts, retailers must expand just to retain their current position, spurning additional refurbishment and enlargements by rivals, not all of which is economically efficient, and may be possibly damaging to the sector as a whole (Hallsworth and McClatchey, 1994; Hallsworth, 1995). Thus a primary concern in the retail literature is to gauge the adequate level of supply for a particular area to determine whether or to what extent a market is saturated. Not only is this relevant to the retailers themselves, but to those that invest in or own the property from which they trade. Luuk Sengers, a reporter on the Dutch real estate market observed that this even applies to planned shopping malls.

Saturation proceeds very subtly and sometimes almost imperceptibly...no malls are being converted into bowling alleys. One can always find tenants that — naturally for a low rent — are prepared to dress up a storefront. The only ones who can see the difference are the owners, the investors. And they will never complain in public (VGM Sept, 1997: 71).

They will complain in private however. If, for example, research shows that a particular regional market contains an oversupply of certain kinds of retail outlets, established business interests may turn to the state for support in the form of restrictive planning measures.

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\textsuperscript{19} This concept has even been assigned a name in the Dutch and German languages (filialisering and Filialisierung respectively, literally chain-store-ization). Complaints of this in the trade literature and mass media can be found in Reid, 1995 (The Economist); NRC 12 Sept, 1998; NRC 11 Dec, 1995; Detailhandel Magazine 6 (1999: 9); Kolen and Bell, 2000 (Detailhandel Magazine); PW Feb 25, 2000; Kamerkrant Amsterdam May 1999: 1.8; Telegraaf 11 May, 1999; Bedrijfshuisvesting 119, 1998: 32-33. Studies that argue the opposite include Clement and Pleijster, 1997; Van Teeseling, 1998.

\textsuperscript{20} Reasons for this include, aside from the competitive element (i.e. that they may redirect sales) the fact that institutional investors, and hence the shopping center developers that depend on them, are hesitant to include non-multiples in projects because the risk is higher. Even if a particular outlet in a particular center generates losses, a multiple can cover the difference, while a smaller retailer may go bankrupt (Howard, 1997; Benjamin, et al, 1996). It is also disputable whether the uniformity produced by a domination by multiples outweighs the advantages consumers experience of linking product ranges to retail brands.
sense, the “saturation issue” is as political as it is economic (Van der Zwaluw, 1995). This subject will be discussed at length in §2.3 on politics and administration and in Chapter 3 on actors.

2.1.4 Impact of government regulations on retail trade
The three market characteristics described above — consolidation, homogenization and saturation — all created situations where the retail sector, either as a whole or in part, requests some form of regulation to offset deleterious effects of free-market competition. Such public sector regulations determine many of the rules by which the retail development game is played. In fact, Schiller has argued that, “for many occupiers the whole question of location theory, if not irrelevant, is in practice less important than knowing what is acceptable and what is available” (2001: 9). This can and does have an impact not only on who is advantaged or disadvantaged in the retail development game, but also on the final course of urbanization. Because the rules imposed vary from one institutional context to the other, only a few issues will be addressed here as an illustration. Further analysis will take place in the chapters on the individual countries.

Public sector rules governing retail development fall into roughly two categories: those seeking to regulate or safeguard competition within the industry itself, and those that seek to minimize externalities produced by the sector. Because the latter category is central to the thrust of §2.2 on spatial planning, they will not be discussed here.

Since the advent of retail as a major segment of the economy, the public sector has intervened to varying degrees by establishing rules to safeguard competition and ensure that “a level playing field” exists between players. Not usually known for its interventionist stance, the United States was a forerunner with this kind of legislation, the most famous of which is the Sherman Antitrust Act of 1890. This law seeks to prevent one company from obtaining an unacceptable level of market share. European member states have similar legislation in place, and the European Union is playing an increasing role in guarding against monopoly, although not quite as rigorously as the United States (Dobson and Waterson, 1999: 147).

Other anti-monopoly rules regulate the prices at which merchandise may be sold. Until the 1960s, the United Kingdom (as well as other European nations) had a system of “resale price maintenance” that set minimum price levels at which goods could be sold. Similarily, in the United States, the Robinson-Patman Act of 1936 sought to protect small retailers against chains by controlling the retailer-supplier interface to prevent favoritism, and the Clayton Act of 1914 prevented undercutting prices (Alexander, 1997: 175). Another example intended to prevent destructive competition practices in the German Rabattgesetz [Discount Act], which regulates how much discount can be offered to consumers by retailers (see §4.1.2.1 and Howe, Jürgens and Werwy, 1998). In the Netherlands, the Vestigingswet [Establishment Act] controlled the establishment of new businesses by demanding licenses and certificates for the kind of merchandise being offered. An entrepreneur with a license for a bakery, for example, was prohibited from selling vegetables without an additional license for vegetables. Once enacted to support small independent retailers, its effect has been virtually the opposite (Veurtjes, 1985; Borchert, 1995a), and is now in the process of being phased out.

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21 Its abolition suddenly allowed for price competition and discount stores. This created a great demand for inexpensive locations at which to trade and has over time dramatically altered the country’s retail structure.
Governments intervene in the retail market by setting restrictions regarding the time at which goods can be traded. Throughout Europe, laws on shop opening hours are in effect. Although there is significant variation among member states, there is a perceptible trend towards relaxation. In summary, we see that rules that seek to regulate competition do so by setting standards regarding company size (anti-monopoly rules), outlet size (merchandise and planning restrictions) prices (anti-undercutting rules), and time (opening hours).

As a final consideration, it should be noted that the establishment of a European common market signals a milestone in the gradual process of integration of Europe’s economies, and with it, regulatory practices. Although the EU has not directly intervened in member states’ policies on retail and planning to any great extent, preemptive maneuvers on the part of some national governments are perceptible to promote competition. This is sometimes prompted by inquiries into national regulatory practices by competition authorities, such as in Sweden, the Netherlands and the UK (Pilat, 1997; Hallsworth and Evers, 2002). This issue of regulation and deregulation will be discussed more fully in the case studies.

2.1.5 Institutional economics

Since a review of institutional economics as such is obviously outside the scope of this thesis, and because much has already been written on the subject (North, 1990) it will be addressed only insofar as it impacts upon the way retail development is understood. In general, while neoclassical economists focus on the price mechanism (using determinants such as travel times and catchment areas) in determining the spread of shops, institutional economists are also interested in rent values and production. This introduces the notion that investments in the land itself can increase its value. For example, when agricultural land is zoned as residential, its value can multiply tenfold or when a shop or shopping center is refurbished, its attractiveness (and hence the rents it can command) increases as well.

Within the sphere of retail development, it is important to make a distinction between the interests of shopkeepers (who reap profit from the price differential between what they paid wholesale and what consumers pay) and that of property owners (who reap profit from the urban land market). In markets dominated by the private sector, large landowners and/or developers can control the supply of land, driving up prices. In more interventionist systems the release of urban land is often staggered by public authorities according to land-use plans or social or economic objectives (Sandercock and Berry, 1983: 93-94). This issue will be returned to in the next chapter when considering the various actors and their interests in retail development.

2.1.6 Reflections on the economic dimension of retail development

This interpretation of the economic approach to retail development has dealt with two separate themes: hypothetical (deductive) modeling of location behavior and (inductive) observations of the retail market. Regarding the latter, it was discussed how the aggregate effects of decisions made by retailers led to some unintended consequences such as uniformity and the dominance of chain formats. It was also suggested that consolidation and growth in shop size may be more of a by-product of market (dis)economies than an accurate reflection of consumer desires. Finally, it was briefly noted how government regulations can help to cause changes in the retail market.

Regarding the first issue, retail modeling, the status of CPT as a dominant paradigm in retailing geography was a central focus. Although CPT provided the best and maybe the only real geographic theory on services and space, it has been declining in influence over the
years. One reason is that it is better suited for societies where consumer travel costs outweigh scale benefits, and markets that do not experience significant shocks from internationalizing firms. Finally as, “Politics and culture rather than geometry and distance have become guiding lights in the new urban geography” we should look to other criteria by which to assess retail development (Short, 1996: 58), which at the very least takes into account the role of actors and the institutional environment:

…location decisions (and others) often arise in a reactionary manner in response to actions by other companies, property agents or government legislators, for example. Indeed, location decisions are the outcome of the interplay between a number of different actors or stakeholders, some of whom the retailer has very little control over (Hernández and Bennison, 1998: 300).

Similarly,

Any economic analysis needs to be populated with development agencies involved in development events and needs to deal with the relations between them. Accordingly, a wide consensus now exists in support of some form of institutional analysis (Guy and Henneberry, 2000: 2400).

As the remainder of this chapter will show, the aspirations of urban development agencies (planners) and local politicians of making cities good places to live, work and shop have had a significant impact on retail development. Specifically, the sections to follow will describe how European planners became enamored with Christaller’s concepts to rationally and justly guide urban development, and then became increasingly disillusioned as these concepts clashed with real market dynamics (§2.2). A political economy approach to retail development will then be considered (§2.3) which underlines the impact of territorial politics can have on the retail structure, and the power wielded by certain key actors. This will provide the groundwork for the theoretical chapter.

2.2 The spatial planning approach to retail development

Up to this point, retail development has been discussed mainly in terms of the market. Issues of how transport costs determine the spread of shops, how market dynamics determine the size of shops and companies, and how government (de)regulation can tilt the playing field all placed the retailer and the retail economy central. No consideration at all was given to the wider question of how all this affects the livability of cities, impacts the environment or serves the interests of consumers. However, the urban question is central to retail development as it lies at the heart of many of the policies that seek to regulate it.

The interface between commercial practices and social outcomes is a complex one, as the quote below illustrates.

People who dwell in cities sacrifice, almost perforce, the advantages of greater space, social separation, and safety that the suburbs usually offer. In exchange they expect at a minimum the convenience, familiarity, perhaps even the aesthetic rewards of neighborhood outlets. But commonly unable or unwilling to support the local establishments when their prices are increasingly out of line relative to the going rate at metropolitan megastores and supermarkets, city dwellers watch these outlets dwindle (Nivola, 1999: 31).

This quote describes a paradoxical collective action problem that is as much social as it is economic. Whether independent shopkeepers vanish from the urban landscape or not, or whether shops remain on street corners or relocate alongside freeway interchanges will profoundly change the character of the urban environment. Retail issues cut to the heart of the planning profession: shops are one of the most essential of urban amenities and the presence and appearance of shops is one of the most visible indicators of the health of the urban
landscape. In many respects it is retail that determines whether a city is seen as “alive” or “dead” — something that has driven many US cities to heavily subsidize efforts to build downtown malls (Carey, 1988; Frieden and Sagalyn, 1989; Sorkin, 1992; Garvin, 1996; Gottdiener, 1997; Evers, 2001). For Europe, a classic study by Dickinson (1951) argued that retailing has played an important role in sustaining European city centers (in Dawson, 2000: 123). Recent empirical evidence also suggests that retail remains the most important factor for drawing visitors to European inner cities (GMA, 1999: 2).  

All these considerations make it all the more surprising that, until relatively recently, retail has only received marginal attention in the mainstream of the planning discipline (Davies, 1984; Guy, 1994a). Strikingly, most authoritative planning textbooks until the mid-1990s failed to devote a chapter or even a section on retail issues, and planning conferences rarely included a session on retail issues. Urban scholars interested in this subject usually had to resort to gaining information from management texts, commercial real estate publications or from personal interviews, as conferences in these areas can be prohibitively expensive.  

One may ask how this aversion to retail came to be amongst planning scholars. One argument may be that the provision of shops is primarily a private sector activity and has no direct social mission such as public housing and the environment. Others have argued that the retail industry is one of the more buoyant sectors of the economy, and relatively self-regulating (Davies, 1984, 1995; DuPuis and Dawson, 1999; Mappin and Allmendinger, 2000). Still others contend that government intervention into the retail sector is undesirable because retailers are better positioned to judge consumer needs than government bureaucrats (e.g. McKinsey, 1997; Pilat, 1997). These attitudes are the norm in the United States where “it is obviously unacceptable even to raise the question of whether there are already too many shopping malls in the area: this is felt to be a market decision that can be made only by individual developers” (Cullingworth, 1994: 168). Attitudes in Europe may be more ambivalent, but are in some cases (i.e. the Netherlands) headed in this direction. Finally, in some countries on the European continent, retail has fallen into disfavor as an object of inquiry due to the abandonment of hierarchical CPT-based distribution planning that dominated in the 1960s and 1970s (see §2.2.2).  

This marginalization of retail issues within the planning field is misguided. Aside from the factors described above pertaining to the contribution of shops to the urban environment, there are many other important reasons why the public sector should and does intervene in the retail sector, and why this intervention ought to pique interest of planning scholars. The first reason the government may wish to regulate the retail sector is to correct perceived market deficiencies (Adams, 1994: 33-35; Klosterman, 1996; Healey, 1997: 12-13; Guy, 1998a: 964). For example, there is a general public interest in ensuring stability in the retail market over time and preventing market failures or “crisis” situations of destructive competition or monopoly (Guy, 1994a: 71-72; Pal, 1996; Thorpe, 1974 in Thomas, 1999). As discussed in §2.1, this type of intervention often comes at the insistence of market participants themselves. Second, the state may wish to mitigate externalities such as equality

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22 In a study on city center use, the top four attractions of the city center as cited by visitors (department stores: 60%, specialty shops: 46%, gallerias: 41% and open-air markets: 27%) are retail. Cultural activities — often given high priority on urban agendas by politicians — such as theaters (16%) and concert halls (6%) trail by comparison. These figures were produced by data collected in Germany, but it could just as well have been made for the Netherlands.

23 It is not uncommon that a one-day symposium will carry with it a fee in excess of € 500.
of accessibility or environmental impacts (both the natural and urban environment) associated with retail developments that tend to upset the balance between city and countryside valued by planners (Thomas, 1990: 49-50; Handy, 1993). These issues are also raised by environmental advocates and societal organizations (O’Brien and Harris, 1991). A third justification for state intervention regards the public-good aspect of retail facilities where citizens are seen as having a right to shops that offer basic necessities within an acceptable distance. This is often an issue in sparsely populated rural areas and blighted urban neighborhoods and with less-mobile segments of the population (Westlake, 1993; Bromley and Thomas, 1992; Eisenhauer, 2001). Fourth, the state may wish to intervene on behalf of certain weaker segments of the retail sector (e.g. small shopkeepers) for socio-cultural reasons, or political ones (Gayler, 1983: 78-79). Fifth, because the free market approach to under-performing outlets is sometimes simply to “write off” these locations and abandon the sites, this can have negative consequences for the quality of the urban environment and urbanization patterns (RW 22 March, 2002: 6). Sixth, peripheral or out-of-town facilities are also generally set up in a much less space-effective manner than inner-city shops (Brückner, 1998: 8). An argument can therefore be made, especially in highly populated areas, against unnecessarily consuming space. Finally, intervention in the retail market may be justified on the grounds of preserving or promoting certain sites on the basis of some intrinsic merit to society, such as historical centers.

Of course there are other motivations that planners may have that are not directly linked to official professional mandates such as safeguarding of own professional position, acquisition of further power, conflict avoidance and/or reaping profit for one’s organization. In addition, intervention may also be motivated by issues such as city pride, job creation, and attracting investment and property tax revenue. These more political points, however, will be discussed in §2.3 that focuses on the politics of retail development.

2.2.1 Urban cores and superstores

Of all the many reasons described above, in much of Western Europe, the main rationale behind planning regulations tends to center around the issue of rationalized urban development and the maintenance of established shopping areas in city centers in order to preserve urban form. The tool employed to this end was usually central place theory. For new retail outlets planners strongly favored central city locations above peripheral ones. What can be called the “center/periphery debate” therefore permeates most of the planning literature on retail and comprises the normative focus of regulations designed to restrict the growth of out-of-town formats (Davies, 1995; Seip, 1999; Mappin and Allmendinger, 2000). There is at present a widespread belief among European planners that if unchecked, trends in the retail market towards concentration and greater economies of scale (see §2.1) will subvert the existing retail structure and may ultimately undermine the vitality of city centers. Referring to the UK, but just as applicable to the rest of Northwest Europe, Ross Davies noted that:

> The typical situation that develops in most planning departments is that a restrictive attitude is taken towards new proposals and permissions for change are only granted if

24 This is more so for countries such as Germany, the UK and the Netherlands, and less the case in France where rules restricting large-scale retail were enacted primarily to protect small shopkeepers (Arribas and Evers, 2001).

25 This was done via PDV/GDV policy in the Netherlands, size restrictions in Germany and the 1947 Town and Country Planning Act in England sought specifically to “limit unrestricted expansion of [retail] floor-space and focus investment in city centers” (Dawson, 2000: 122).
strong evidence can be shown that there will not be too much disruption of the status quo (Davies, 1984: 2).

By status quo, most planning departments meant the functional hierarchy of Christaller and worked out by Berry. The hierarchy was sacred: it was prescribed for planned urban extensions, supported in areas of urban renewal and safeguarded by restrictions on out-of-town development. Viewed through the lens of the functional hierarchy with the city central, sites at freeway interchanges in unpopulated areas at edges of cities were viewed by planners as “peripheral” and in conflict with good planning. Development that occurred outside this system was actively discouraged, and empirical evidence that showed the result of this discouragement was taken as further proof of the veracity of the hierarchy principle.

So many studies have shown its presence [retail hierarchy] that it seems to have a natural law character. Although catchment areas of centers overlap, and consumers travel to and fro, it does not fundamentally affect the hierarchy principle (Buit, 1988).

Similarly, Gantvoort (1993) stated for the Netherlands that:
Consumers maintain a sort of hierarchical behavior anyway... It [CPT] thus remains a useful planning instrument that does not inhibit economic development, and one which can help reduce car travel.

Similar views were voiced at a 1998 conference entitled Einzelhandelsentwicklung-Innenstadt versus periphere Standorte at the Department of Geography at the University of Mannheim, and Romeiß-Stracke noted in the compilation Erlebnis und Konsumwelten that, “The central hierarchy principle of higher, middle and lower centers, remains to the present date, the doctrine of planning” (2001: 78). Meanwhile, in the UK, the Urban Task Force report and the subsequent white paper ceaselessly argue for rejuvenating a strong urban design, integrated development and sense of place based on a hierarchy of compact urban centers (Urban Task Force, 2000: 52-55; DETR, 2000). Even in the United States, a recent survey concluded that American planners still hold to the ideal of a hierarchy of nucleated centers (Handy, 1993). Despite this, it is becoming increasingly untenable for planners to continue to adhere to CPT because its presuppositions about human behavior are increasingly less reconcilable with new insights on urbanization processes and its use as a planning instrument increasingly less reconcilable with the dominant neoliberal political ideology — it would appear that the force of disciplinary inertia is finally colliding with reality. This mismatch will be discussed in the following section.

2.2.2 Criticisms: exercising Christaller’s ghost
As stated in §2.1, the motivation behind Christaller’s study was to understand settlement patterns in Southern Germany. In order to arrive at the famous pattern of tessellated hexagons, a number of assumptions had to be made that are even more dubious today than they were in the 1930s. Assuming an isotropic field and an even distribution of population, for example, severely limits the practical application of the theory, as most metropolitan areas do not fit this ideal — Southern Germany (Christaller) and rural Iowa (Berry) are more exceptions than the norm. Metropolitan areas are usually constrained by physical barriers such as mountain ranges or oceans; historically, settlements grew cumulatively in jumbled patterns along riverbanks, atop hillsides or alongside connecting roads instead of evenly spaced centers and sub-centers. In addition, metropolitan areas are becoming (and some always were) polycentric in a way that is difficult to reconcile with CPT.

The most glaring problem of CPT regards its obsession with travel costs (especially when expressed as distance) in determining shop location. The combination of car and highway revealed that it was not so much the factor distance that was determinative in shopping
behavior patterns, but the factor time (and perhaps more importantly, parking). By decoupling time from distance, the car profoundly altered the market for retail space, creating demand in areas which hitherto had been uninteresting and inaccessible and that ran counter to spatial planning principles of central places. In addition, the fact that consumers combine shopping trips with other activities undermines CPT as this can place locations “en route” more central than established centers (Terpstra, 2002). More importantly, the widespread ownership of cars has fundamentally changed the relationship between residents and the urban environment. In terms of travel costs (time and parking), which Christaller had called the economic distance, peripheral sites are often more “central” than town centers! Where possible (e.g. the United States), retailers have taken advantage of this fact through a specialization of centers throughout the metropolitan region: like products, locations are also themed and branded. One center may advertise itself as offering superior value-for-money while another will specialize in a range of particular exclusive items. This can either take the form of planned centers (e.g. regional themed shopping malls), or grow historically (e.g. a village in an affluent region specializing in jewelry). As specialized retail functions disperse throughout the metropolitan region, and as central urban shopping areas become increasingly homogenous, CPT in its purest form becomes increasingly irrelevant.

CPT rests on particularly shaky ground when one considers the degree to which catchment areas overlap. CPT describes an equilibrium situation where centers have acquired a spatial monopoly in the provision of various classes of goods and services. In theory, consumers travel to the center nearest to their residence. In practice, modern travel modes and tourism have extended shopping activities far beyond the borders of even the metropolitan area. The Mall of America, for example, relies heavily on visitors coming from abroad: “The Mall of America is located five minutes from Minneapolis Airport, a spider in a vast and intricate web of air connections. Its location is, in all other respects, completely irrelevant” (Kooijman, 2000). This globetrotting consumerism is most evident during the holiday season: major European city centers like Oxford Street in London are now experiencing Christmas shopping competition not only from the regional malls in the surrounding area, but from cities like New York (Gleick, 1999); apparently, the price differential is sufficient for Londoners to fly to New York. It is perhaps more accurate to say that centers are “competing” for sales rather than “providing” goods to the local community. Transport costs may indeed have a bearing on the selection of centers, but these centers may now be so distant and the motivations may be so intertwined with other activities that it is difficult to incorporate them into a useful geographical or planning model (Terhorst and Van de Ven, 1999: 16). Finally, in addition to the myriad ways that the assumptions underlying Christaller’s theory — space as undifferentiated field, sanctity of transport costs etc. — can be assailed, perhaps the most damaging is the utter lack of regard for individual agency, a serious omission in a highly competitive sector of the economy (see box below). In summary, Dawson commented that,

Whilst the theory serves to describe, and, in part, explain locational decisions prior to the 1960s it can no longer be used as a basis either for the explanation of present patterns or the planning of future patterns. Central place theory, because of these measurement difficulties, disintegrates… (1979: 190 in O’Brien and Harris, 1991: 71).

26 Instead of a spatial hierarchy of retail, some authors have suggested that a new division into themes would more accurately describe the modern retail structure. Haringsma and Klop (VGM Sept, 1996: 55-65), for example, proposed the categories convenience, selection, recreational, discount and transport to classify shopping centers in metropolitan areas. The Fifth Report on Spatial Planning in the Netherlands makes a similar distinction between center environments, work environments and mixed environments rather than the traditional hierarchy of centers (Ministry VROM, 2001).
In addition to attacking the assumptions, one can also question the outcomes of the Christallerian model. Some critics of the planning system have asked why central places should be preferred at all, arguing that:

Clearly, large out-of-town shopping centers should not be opposed simply because they may influence the economic viability of the existing inter-urban retail hierarchy. That hierarchy is neither static nor sacrosanct but has been undergoing change for some time (Gayler, 1983: 24).

The functional hierarchy is seen as efficient by planners because it reflects an optimal spread of facilities. But, given the protracted radius of car-owning consumers, is this really the case? An argument gaining currency in urban geography is that metropolitan environments with a mobile population operate as urban networks, not as a hierarchy of central places (Kunzmann, 1996; Salet, 1996; Fürst and Schubert, 1998). This attitude is an indication of a possible reframing of the problem among some planners and geographers, and has received a particularly sympathetic ear in the Dutch public sector (Ministry EZ, 2000; Ministry VROM, 2001). Changing attitudes in planning policy regarding large-scale developments is the subject matter of the next section.

### Hotelling versus Christaller

Even before Christaller published his study, Hotelling (1929) had introduced the concept of agency into a dynamic model to show a relationship quite different from that of the transport-cost theorists. The significance of his theory justifies a brief explanation. In a now-classic example, Hotelling described the dynamics of two ice cream vendors at a crowded beach. If located at equal distances, one vendor could capture more market share than his competitor by moving slightly towards the middle of the beach. The other, in turn, could then do the same, provoking a commensurate reaction from the first. The final result would be that both vendors would find themselves standing next to one another at the center of the beach (see Jones and Simmons (1990) or Schiller (2001: 82) for a detailed and illustrated explanation). This example helps explain the seemingly paradoxical reason why similar and rival vendors sometimes tend to establish in close proximity to one another. It also shows that, while an even distribution of sales points may be the most efficient in terms of travel costs and convenience to the consumer *à la* Christaller, an unregulated and competitive market can favor the clustering of similar product ranges in a situation where the transport costs are passed on to consumers.²⁷ Like Christaller, space plays a crucial role in the establishment pattern of outlets, but unlike Christaller, the market logic governing this has less to do with balance and harmony and more with aggregate outcomes of individual strategic decision-making (Jansen, 1998). This simple example also reveals how mistrust of others and uncoordinated responses can result in unintended consequences or market failures. Recent work by Hallsworth (1995a) using game theory has provided a convincing account of why the British superstore development sector grossly over-expanded itself in the early 1990s despite unfavorable economic conditions.

### 2.2.3 Trends in retail planning policy and development

The preceding sections have shown that general hostility to large-scale retail formats by the planning profession has recently given way to ambivalence as the Christallerian hierarchy is supplanted by other (e.g. network) conceptualizations of urban space. This may also be interpreted as a recognition of the obsolescence of the assumptions underpinning CPT and an adaptation of theory to empirical reality. As discussed in §2.1.4, these changing attitudes are important to note as they play a part in legislation and planning policy that helps to determine retail location, but have not been internalized in all contexts.

²⁷ This will ultimately lead to spatial specialization, undermining one of the foundations upon which central place theory rests.
The reactions by the public sector in Northwest Europe to out-of-town development have varied in both intensity (regulatory/laissez faire) and strategy (size/location restrictions) over time. The relative degree of intervention for the case study countries is depicted in the table below. It should be stated that this table is meant merely as a rough indication of how restrictive the planning systems in each country aspired to be over time, and not necessarily as an international comparison. This will be treated in more detail in Chapters 4-6, and more detailed conclusions will be drawn in Chapter 7.

<table>
<thead>
<tr>
<th>Country</th>
<th>1960s</th>
<th>1970s</th>
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<th>1990s</th>
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<tbody>
<tr>
<td>Netherlands</td>
<td>Restrictive</td>
<td>Very restrictive</td>
<td>Very restrictive</td>
<td>Restrictive</td>
</tr>
<tr>
<td>Germany</td>
<td>Restrictive</td>
<td>Moderate</td>
<td>Restrictive</td>
<td>Restrictive</td>
</tr>
<tr>
<td>UK</td>
<td>Very restrictive</td>
<td>Restrictive</td>
<td>Very liberal</td>
<td>Moderate</td>
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Figure 9: Relative restrictiveness of planning on out-of-town retail developments

As one can see, the United Kingdom began with a relatively restrictive stance on peripheral retail development, but liberalized in the 1970s and again in the 1980s (Davies and Howard, 1988). The 1990s shows a partial reversal of this trend. On the other hand, after the 1960s, the Netherlands took a hard line against peripheral developments, adopting a nationwide ban in the 1970s, and requiring municipalities to modify their binding land-use plans accordingly. This remained in place until some forms of relaxation were introduced in the 1990s, accelerating into the 2000s. Both countries adopted location-based land-use criteria for evaluating proposals that were issued from the national government. Postwar Germany continuously attempted to maintain the functional hierarchy through restrictions on large-scale retail outlets (with a slight relaxation in the 1970s to accommodate urban growth), but did so, like France, by imposing maximum-size criteria. In addition, unlike the Netherlands and the United Kingdom, Germany has a decentralized structure: each of its sixteen states has more latitude to set policy, and each municipality more discretion in implementing it.

One would expect, and planners would hope, that retail development in each of these countries would correspond with shifts in policy. Although there is much evidence to support that planning policy has an impact on the retail structure, the actual mechanisms are more complicated. Urban planning is not like building pyramids in ancient Egypt. Modern governments cannot command their subjects to build structures at certain locations according to set specifications. Instead, urban development almost always involves the establishment of rules that influence the payoffs of certain parties to act in certain ways. This distinction is important because in the absence of direct command-and-control supervision, rules can have unintended consequences, and even backfire at times. As the case studies will show, both the advent of the German Fachmarkt and the Dutch meubelboulevard can be seen as the unintended product of a restrictive retail planning policy. Furthermore, European retail planning policy has generally been reactive rather than proactive with regard to the dynamics in the sector — it generally creates rules banning or restricting certain kinds of formats if they threaten to become too popular and disrupt the existing retail structure rather than actively encouraging positive developments (Davies, 1995; Guy, 1994a; Salet, 1996: 15). Some of this may be traced back to the nature of the instruments normally available to planners (e.g. ample zoning powers but a lack of own investment funds), and a lack of insight into the nature of emerging metropolitan configurations, but it may also point to a latent institutional resistance to change, and a hesitance to become involved in overtly political-entrepreneurial matters. Another reason why planners may dislike peripheral shopping centers is because they may resent being excluded from the design process:
Out-of-town centers are rarely considered by planners at the formulation stage and are not
designed to fit into an existing or planned retail structure in the least disturbing way
possible. They are strictly commercial ventures proposed by private companies, and by
the time planning permission is applied for, the centers have their architectural designs
completed, tenants selected if necessary, and the site has already been purchased or is
under option (Gayler, 1983: 30).

The crises facing large North American cities have not afforded its planners the luxury of
practicing European-style restrictive retail planning but instead these planners have amassed
a formidable level of experience with developmental or entrepreneurial planning (Frieden and
Sagalyn, 1989; Salet, 1996; Garvin, 1996), which “aims to create opportunities, stimulate
investment and promote development” (Adams, 1994: 136). As the case studies in later
chapters will show, there is evidence that this strategy is becoming increasingly apropos in
the European context as well.

2.2.4 Reflection on planning for retail development
Retail development has not received its proper place in the planning literature. When it is
considered, it is still generally viewed through the lens of the center/periphery debate, which
immediately conjures up entrenched professional convictions about the nature of urban form,
social equity, mobility and transportation, and rationalized urbanization patterns. For most of
the twentieth century the ideas of Christaller and his disciples have overshadowed discussions
on optimal retail location, and in many instances were directly converted into a prescriptive
policy for new developments, and a restrictive policy as regards out-of-town formats. Despite
a quite understandable desire to cling to this trusted philosophy, it is being eroded from every
angle, with social, cultural and political explanations gaining prominence within economic
geography in academia, and entrepreneurial planning styles gaining ground in practice.

As areas around the traditional city grow in stature from villages or new towns into suburbs
and edge cities, developing their own productive and consumptive economies, and as
consumers are increasingly aware of the range of choices available at such centers and
willing to travel to them, the monocentric conceptualization of metropolitan areas is
becoming increasingly anachronistic, and the urban/rural distinction is giving way to the
metaphor of a network (Castells, 1989; Hall and Castells, 1995; Ministry VROM, 2000b;
Graham and Marvin, 2002; WRR, 2002). By extension, the spatial conceptualization of the
retail structure as a functional hierarchy is also seen as outdated in the geographical literature.
With the arrival of large shopping centers, catchment areas are overlapping at a (regional)
scale that does not respect jurisdictional boundaries. It is competition rather than provision
that is at issue. It has become increasingly difficult to control retail development in
fragmented metropolitan areas even in countries like the Netherlands with a strong tradition
of spatial planning. In such an environment, the role of planners is slowly changing from one
concentrating on the prescriptive establishment of land uses to one promoting development.
Writing over twenty years ago, but just as applicable today, Sandercock and Berry observed
that “urban planners are standing on the major fault line of contemporary capitalist societies
between what may be crudely expressed as a ‘logic of capitalism’ (social investment, the
ideology of private property, etc.) and a ‘logic of socialism’ (social consumption, the
ideology of social need, etc.)” (Sandercock and Berry, 1983: xi). The next section will place
this development-oriented and highly political kind of planning central in its take on retail
development.

2.3 The political economy approach to retail development
The failure of classical economic models such as CPT to adequately describe the
development of retail functions over space is partly due to its reliance on increasingly
untenable assumptions, its unsophisticated conceptualization of agency-oriented problems that miss the dynamics of collective action and the subordinate role assigned to politics and space. Various authors have pointed to these problems, and the discipline of economics is itself currently experiencing an institutional turn while economic-geography is increasingly interested in social and political factors driving change (Short, 1996; Barnes, 2001; Schiller, 2001). To other disciplines this is rather old news, and the view that “politics matters” in urban development has been relatively undisputed.

The task of determining the use to which a piece of land is to be put is not a technical one. It is a profoundly political one because it embodies a basic conflict between different interests. Typically, the interests of the land and capital owners are ranged against those of the would-be user... both groups have aims that in the present political structure are perfectly justifiable. What is not justifiable is that people should seek to obscure or deny the conflict (Ambrose and Colenutt, 1975: 15).

The fact that politics and economics are inextricably interlinked has been long accepted as a point of departure in political economy and is one of the central issues in the institutionalist literature emerging in the fields of public administration and political science. This section will take a final look at the mechanisms driving retail development, this time through the lens of political economy. Specifically, issues pertaining to the alliance of public and private sector actors in supporting (or opposing) restrictive retail measures or retail-based urban regeneration schemes will be addressed as well as the effect of the administrative structure on the capacity to effectively guide retail development at the metropolitan level.

2.3.1 Administrative structure
A crucial key to understanding how retail development occurs is the way in which the state is organized, particularly which jurisdictions are responsible for planning matters and the degree of fiscal centralization. Just as important as the formal composition of the state is the degree to which this can be changed. In Countries like Germany, the level of autonomy of municipalities is circumscribed and guaranteed by the Constitution, whereas the lack of a formal Constitution in the UK leaves British local authorities and any metropolitan level government structure open to the caprices of national government (Salet et al, 2003: 5).

These kinds of issues are important to retail development as they can determine both the setting or the arena (level of scale) and the rules of the game (strategy). For example, in highly decentralized systems with low levels of coordination, shopping center developers are often successful in playing one locality off against the other to obtain generous building conditions. In addition to financial incentives, municipalities can use zoning plans as weapons to attract or repel development. This is standard practice in countries like the United States where municipalities are highly financially independent and receive approximately three-quarters of their local income from property tax sources. Fiscally centralized systems such as the United Kingdom and the Netherlands are more resistant to such tactics (Nivola, 1999: 26-27). Instead, since localities are dependent on the disbursement of money from above, their fate can lie in the balance of political shifts at the national level — most pronounced in countries like the United States and Britain where a “spoils system” of politics is in place. Thus, in order to understand the forces driving retail development, it is of paramount importance to know something about the fiscal structure of the state, specifically the degree to which localities are responsible for raising their own revenue, and how. It is also important to know something about the changing metropolitan context, specifically the potential for collective action within the context of institutional fragmentation (Salet et al, 2003). The way in which such administrative attributes affect the decision-making of actors involved in retail development is discussed further in §3.2.4.
2.3.3 Entrepreneurial planning

As indicated in the previous section, administrative structure is important for setting the parameters within which planners, developers and others operate. In recent years, however, these actors have been finding new ways to act which — roughly speaking — has been defined in the literature as a shift from government to governance, and/or a shift from restrictive/facilitative planning to development/entrepreneurial planning (Gualini, 2001; Salet et al, 2003). The marriage of convenience between developmental interests in the private sector and political/planning interests in the public sector can be described in terms of mutual benefit:

Local authorities look to the private sector to help implement urban plans, while the planning system offers developers that element of certainty which could never be provided by the free market alone (Adams, 1994: 130).

Public authorities are also indispensable to private actors as coordinators of prestige projects, events, and even city marketing. This convergence of interest is the subject matter of a wide range of (growth machine/coalition) scholarship within the urban studies literature.

Although this has been most pronounced in the US, in Europe, public and private sector cooperation has in many contexts arisen from the inability of the government alone to adequately steer spatial developments. Many large European cities in the 1980s and 1990s were facing an urban crisis in the face of a retreating welfare state (Ashworth and Voogd, 1990; Salet, 1994; Healey, 1997). Many of the larger cities suffered from economic restructuring processes and had fallen victim to a divestment of capital and a flight of urban functions to the periphery. This manifested itself as city center dilapidation, a shrinking middle-class population and increasing ethnic and income polarization at the metropolitan level. While certainly vexing for planners, these processes are potentially disastrous for political leaders:

People often measure the health of a city by the condition of its commercial areas. They believe that vacant and boarded-up stores indicate a withering economy while busy shopping streets reveal a prosperous municipality. Politicians and local officials are particularly sensitive to this indicator because it means changes in the tax base and, therefore, in the ability to pay for government services and jobs (Garvin, 1996: 102).

The “urban crisis” demanded swift action to improve the appearance and economic vitality of the core cities. A bustling and lively city center is assumed to attract further investment and draw tourists (Zukin, 1998; Terhorst and Van de Ven, 1999). Since retail is one of the most visible indicators of urban health, this usually became an urban renewal priority. Another reason why retail is so politically attractive is that it, in serving a local population, it is heavily place-dependent and, unlike manufacturing, cannot easily opt-out and shift its activities to remote areas. It can, of course, relocate within the region, hence the support for most major cities for regional coordination). Finally, since the retail sector also provides a large number of easy-entry low-skilled jobs, retail-friendly measures can be easily justified in cities struggling with industrial decline.

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28 Examples include Logan and Molotch, 1987; Fainstein, 1994; Judge and Stoker, 1995; Logan and Whaley, 1997; Imbroscio, 1997; Terhorst and Van de Ven, 1995, 1997; Cox, 1997; Dowding, 2001; Lauria, 1997; Sites, 1997; Stoker, 1995; Stoker and Mossberger, 1994).

29 On the other hand, some officials see retail trade as merely shifting capital within the region rather than generating it. This zero-sum aspect is most perceptible in the grocery sector. Williams (1992a) argues against this view, stating that economic development benefits based on local consumption (i.e. regional shopping malls) should not be underestimated.
There are a variety of strategies that local public officials can employ to redirect retail investment to the end of urban regeneration. In North America, retail-based initiatives to revitalize town centers have been underway since the 1970s, involving intensive cooperation between public officials and retail developers (Frieden and Sagalyn, 1989; Garvin, 1996). Compared to the US, processes of retail suburbanization in Europe came later, less acutely and in different forms. However, by the 1990s, the American solution began to look increasingly attractive for Europeans as well.

The United States was the first to suffer from urban blight, and the first to seek remedies for its reversal. This situation for Europeans has been antinomic: what are needed to cure American-style shopping afflictions are American-style renewal remedies (Chung and Palop-Casado, 2001: 652).

One of the “remedies” has been the instigation of town center management schemes in various European cities. In such a situation, cooperation between the local authority and business interests is institutionalized in the form of an organization, often with an appointed “town center manager” that attempts to coordinate action and achieve synergy. Specific tasks range from the collective provision of physical improvements to targeted areas (usually shopping streets) to extra security, the organization of special events and marketing (Ashworth and Voogd, 1990; Reeve, 1996; Howard, 1997; Seip, 1998; Medway et al, 2000). Clifford Guy defined town center management as “an attempt to replicate some of the advantages of planned shopping centers” (Guy, 1994a: 111). Town center management has been applied in various guises in, among other places, Germany, the Netherlands and the UK.

This kind of entrepreneurial planning represents a shift in mentality from forbidding what is undesirable to actively encouraging that which is desirable. It also points to a newfound “hands on” approach to planning. At first glance, public-private partnerships may seem like a decreased influence of the state and seen as a second-best option to state control. However, this is not necessarily so: “despite political rhetoric placing faith in the market, entrepreneurial planning is a highly interventionist approach” (Adams, 1994: 136). There are also many different kinds of public-private partnerships conceivable (Ashworth and Voogd, 1990: 130). If public officials take part directly as stakeholders in a public-private partnership scheme, for example, their influence over development can exceed far beyond what they could have accomplished as mere regulators.

When you marry the public infusion of incubator capital, outright grants and indirect assistance such as tax abatement credits to the human potential, you can see the results. Urban renewal has come a long way (Carey, 1988: 53).

It is not surprising that public-private partnerships became a buzzword in the 1990s. In fact, this new style of urban planning has proved so successful and widespread that many seem to have forgotten about its other, less pleasant, effects. For example, in the context of entrepreneurial planning, “governments have promoted physical change with the expectations that better-looking cities are also better cities” (Fainstein, 1994: 2). This emphasis on cosmetics shifts resources away from other public services that may better serve those who are most in need, and where no economic development advantages are immediately apparent.

Similarly, if public officials become embroiled in the development process as stakeholders, it can have consequences for the responsibility of the public sector to its constituents as a democratic entity. In some cases, social opposition to developments are viewed by public officials not as justified political expression to be considered carefully, but as an obstacle or hurdle to overcome. It is at this point of such extreme intertwining of interests that one can question at what point public-private partnership ends and publicly sanctioned corruption
begins (Frieden and Sagalyn, 1989; Thornley, 2002). In Germany, for example, public-private partnerships were called “perverse” because they represent an inherent conflict of interest: those developing the land and those responsible for evaluating the building application (Bayer and Roy, 1998). Reflecting on this, Berlin planning expert Klaus Joachim Grigoleit remarked that, “before, we had to protect private parties from the might of the state; now we must protect the municipalities from the power of the private sector” (Der Spiegel, 1998: 36).

There are other problems with developmental planning. In the rush to promote positive development, the parties can sometimes lose sight of long-term implications, or ignore impacts on areas outside their sphere of concern. A proactive development-oriented municipality may, for example, promote the establishment of a large-scale retail center in its jurisdiction despite the fact that enough (or too much) capacity may already exist in the region. Even out-of-town regional shopping centers can be seen as economic motors for local development because they draw people and sales from outside, and mitigate the “leakage” of sales to other centers (Williams, 1992b: 286; Williams, 1992a). This may harm other centers, and possibly provoke a like response from other municipalities, creating a situation where both large-scale projects saturate the market and one or both outlets are forced to close (Bolan, 1999; Cullingworth, 1994; Evers, 2000). Obviously, this kind of intermunicipal competition can be counterproductive to wider economic goals or detrimental to the region’s retail structure. The solution to this collective action problem is often sought in some form of regional coordination, the subject of the next section.

2.3.2 Regional coordination issues

Although shops and shopping centers may be situated within a particular locality falling under a particular local jurisdiction, the effects they have may (and increasingly do) cross over administrative boundaries and cut into the market areas of other shops and centers. Collective action problems often arise in situations when a proposal for a large-scale project in one municipality might seriously affect a neighboring community, and where the neighbor has no influence over the permit decision. In this context, retail projects can be used as a weapon to siphon off tax revenue from neighboring communities (common practice in the United States). In the metropolitan context, this can exacerbate disparities between core cities and suburbs — the classic example being a big city flanked by “parasitical” shopping malls just outside its borders. An often-argued solution is to bring the organizational structure of the state, responsible for decision-making on retail developments, in line with that of the retail market which, for shopping centers, roughly corresponds to the metropolitan area or region.30

Within the public administration and planning literature, metropolitan-level coordination is sometimes hailed as the most logical way to tackle problems of collective action and spatial-economic inequality because it internalizes externalities (Lefèvre 1998; Rusk, 1995, 1999; Evers, 2000). Regional problems demand regional solutions it is argued, and efforts must be made to establish rules of the game that allow development to proceed in an efficient and egalitarian manner. This corresponds with an increasing body of public administration

30 These metropolitan-level problems were recently summarized in a British white paper (DETR, 2000b: 33):

- Fiscal exploitation, with the region using but not paying for services provided by the city;
- The physical segregation of excluded communities;
- Local tax regimes which encourage municipalities to compete against each other;
- Administrative boundaries which are often too narrowly drawn to make economic or social sense.
literature on the regionalization of governments in Europe, sometimes called the rise of the meso-level (Salet, 1994; Norton, 1994; Le Galès and Lequesne, 1998; Vigar et al, 2000).

Despite a general consensus on the need for metropolitan-level rules on retail development in theory, there is no consensus whatsoever on what these rules should be in practice, as any rule will invariably benefit one party over the other. Another problem is how to implement and enforce this. Conceptually, the simplest way to bridge competing public-sector interests is via annexation or consolidation (Rusk, 1995). This also happens to be the most difficult to effectuate because its mere mention will generally provoke a tidal wave of political resistance. Another method is to create a special metropolitan governmental body to oversee matters such as retail development. Although attractive in theory, this solution is also fraught with implementation problems. The administrative structure of the state will also determine how metropolitan public-sector cooperation can be brought about; some systems favor top-down edicts from a higher tier of government while others call for bottom-up strategies of agreements between municipalities, not unlike treaties between nations on matters of mutual concern. The former requires interest and sufficient support at remote levels of government while the second strategy is particularly difficult to implement in highly fragmented metropolitan areas with a decentralized fiscal structure (Salet, 1996). This issue will be revisited in all three case studies and in Chapter 7.31

In the absence of a public body that can regulate development at a regional level, another solution is to establish clear rules of the game for large-scale retail development at an even higher level of scale (e.g. the national level). Because these rules are set at a level of scale that transcends the costs and benefits of any particular locality, they often are seen as being relatively impartial, and thus enjoy a greater level of political acceptance than jurisdictional reapportionment at the regional level. In addition, both public authorities and many private interests are served when there are clear rules of the game to urban development. A stable strategic planning system provides a framework to resolve conflicts about land uses and of long-term goals of urban environmental quality, sustainability and livability. At the same time, private sector actors wish to prevent situations of destructive competition, and be assured of a modicum of stability in order to reduce risk and safeguard investments. It should therefore come as no surprise that in all the three countries under investigation, rules have been set at the national level as an attempt to control retail development, whereas the establishment of metropolitan authorities has been more problematic.

31 Although in most European countries it is the municipalities that are responsible for issuing building permits, the way in which they do this, or the latitude they have (in departing from established zoning plans or mandates from higher tiers of government) varies greatly. In the UK, local authorities are constrained by the central government (PPGs, call-ins) but not so much by plans. German municipalities in contrast are relatively unfettered when drawing up plans, but are bound by law to adhere to them once adopted. The Netherlands is somewhere in between. These kinds of factors will greatly affect the ability of a particular region to establish coherent rules of the game.
### A retail development example
The figure below depicts the effect of two hypothetical institutional arrangements on regional retail development. The first considers a fragmented metropolitan area in which municipalities are relatively autonomous. In such a situation, cities may wish to attract as much investment in large-scale retail as possible, as the benefits are enjoyed in terms of tax revenue for the city and a higher level of retail provision for its citizens, while the costs are spread throughout the region. Cities arranged in this kind of actor constellation can be said to be caught in a prisoners’ dilemma situation. For this, there are several possible modes of interaction. If one city takes a hard line against large-scale development, it may find itself still suffering the consequences because its neighbors were more accommodating — the “worst” option in game theoretical terms. On the other hand, selfish competitive action by all would be less inegalitarian but may result in a suboptimal result of sprawl, market saturation and placing existing centers at risk. There is a third option under these same conditions where resolutions are made through a process of mutual adjustment in which each party pledges to act a certain way, that is, coordinate actions. This, in turn, will affect the final retail structure produced. However, given the complexity and uncertainty inherent to most prisoners’ dilemma situations, such negotiated agreements are notoriously difficult to enforce. If the problems that result from this diseconomy prove formidable enough, it may create enough of an outcry to institute a reform to the administrative system.

For territorially consolidated metropolitan regions, the situation is quite different. Here, there may be little or no incentive for cities to attract large-scale development within their borders because revenue is shared throughout the region. Strict and uniform planning rules can have a similar effect. Without this incentive, municipalities may be slower to react to market demand, especially that which may damage the interests of established businesses. In the absence of the preferences associated with the prisoners’ dilemma above, this can result in a quite different retail structure. Here, too, if the resistance to the outcome is sufficient, there may be a call to reform the administrative structure accordingly. As will be discussed in Chapter 7, a shift from one system to the other can have great and unforseen consequences.

### 2.3.4 Reflection on the politics of retail development
This section differs from the first two in that considerations of a natural development of shops has been abandoned completely, and retail development is seen more as the result of politics. In this approach, retail is often identified as a vehicle for urban regeneration by local politicians. The extent that they can — or wish to — exert influence on such development, of course, is limited by the kind of administrative structure in which they operate. One can expect the greatest initiative in systems where competencies and fiscal responsibility has been devolved to a local level. However, in many European countries (even in more centralized ones) there seems to be a general trend towards a more entrepreneurial style of planning in which local officials cooperate with the private sector to bring about development. This can concern the construction of “downtown malls” with a regional allure or town center management to rejuvenate a city center or the development of any big commercial project to
draw visitors and money to the area. The enhanced prestige of the locality then reflects positively upon the politicians that helped to bring it about.

The politics of retail (particularly shopping center) development also has an important spatial component. Because municipalities operating independently to promote retail development can create problems of oversupply or compromise other policies (environmental, spatial planning), solutions are sometimes sought in metropolitan coordination. This often proves to be rather problematic, especially if it concerns the establishment of an extra governmental tier. In practice, measures to institute metropolitan-level public bodies usually founder. More politically acceptable seem to be “rules of the game” established at a higher echelon of government, usually the national level.

2.4 Conclusions
This chapter discussed the driving forces behind retail development in terms of three different dimensions: economic, spatial and political. This discussion roughly corresponds to three different bodies of literature: economics, geography/planning and political economy. The separation into these categories has been done for purely analytic purposes, and the Chapter’s structure may seem rather artificial because of this. The truth is that the phenomenon of retail development can be located at the nexus of all three dimensions. The purpose of this last section is to discuss some of the more salient characteristics of the crossover regions, and to provide a general introduction to the theoretical discussion in the following chapter.

The many issues treated in this chapter can be ordered according to the figure above. Retail development is both a political and economic phenomenon that exists in and across space, hence its positioning at the intersection of all three of these spheres.

Some explanations (II) of retail development sought to describe and predict the spread of shops according to criteria such as transport costs, attractiveness of centers and the like. Christaller, Lösch, Hotelling, Huff and Reilly all fall into this category. Issues that were relevant included the needs of consumers and profits of retailers. The explanations for retail development that take into account the politics of space (I) present quite a different picture than economic/geographical explanations. The configuration of shops within a given region is not seen as the result of pure economics, but is powerfully influenced by rules and policies. While CPT also figures prominently in spatial planning, it has lost its descriptive quality and is used normatively to control development. Finally, the political economy explanation of
retail development (III) varies from the previous two. Here, local administrators may favor certain kinds of retail development because it serves certain ends: city center regeneration, expansion of local tax base, etc. Retail is just part of a wider political project. The issues that were raised in this section were also different (local/central government relations, entrepreneurial planning, etc) as were their remedies.

All these theories have their validity, but show just one dimension. An approach informed by theories drawn from I, II and III is preferable. The task of the next chapter will be to construct a cross-disciplinary conceptual framework that takes all three dimensions into account. In addition, the mechanisms of retail development will be further explained by discussing — and providing a model for — how actors and these structures interrelate.
CHAPTER 3: THEORETICAL FRAMEWORK

3.0 Introduction
As with other forms of urban development, retail development usually implies that a number of specific activities take place such as market surveys, securing land, finding tenants, obtaining financing, and dealing with planning permissions. Each of these activities involves interaction between actors such as retailers, developers, investors, planners and others (Gruen and Smith, 1960; Dawson, 1983; Jones and Simmons, 1990; Adams, 1994; Ambrose, 1994; Guy, 1994a; Longstreth, 1997; Cadman and Toppin, 2001). I contend that the standpoints taken and the strategies adopted by the different parties vary largely according to their interests, resources and perceived opportunity structures, and the different conceptualizations they have of their role in the retail development process. Chapter 2 described how multifaceted the forces driving retail development are (i.e. aggregate effects and diseconomies of profit-seeking retailers, normative constraints placed on development by planners, and the boosterism of local politicians). This chapter will concern itself with the construction and explanation of the conceptual framework in order to provide the basis for an explanation of how Northwest Europe is building for consumption. This will be theoretically informed by actor-centered institutionalism. Actor-centered institutionalism can be placed within the intellectual tradition of the “new institutionalism” gaining currency in recent years. This approach can help to organize the information in the case studies in a way that preserves the richness of the intensive research performed but transcends mere narration. The chapter thus begins with a brief discussion on the varieties of new institutionalism. In creating my own distinction between “hard” and “soft” varieties to explain the literature, the intent is not necessarily to contribute to the vast theoretical debate, or even provide a literature review — that is far beyond the scope of this study — but just to clarify some of the issues involved in order to provide a context for the approach I have chosen.

The purpose of the chapter is therefore to devise a middle-range framework to act as a bridge between the often-abstract new institutionalist literature and the empirical work that has been carried out on shopping center development. The main theoretical ideas will be illustrated using a few conceptual figures (§3.1.2), which will lead the reader through increasing levels of concreteness to the proposed conceptual framework. This will be presented in §3.2. This framework will serve as an illustration of the most important causal factors that frame the decision-making process on large-scale retail projects, and will be used to inform and reflect upon the case studies. Finally, this approach will be operationalized by providing brief characterizations of the main actors involved, their interests, and their more common modes of interaction (§3.2.2). Afterwards, some additional comments will be made about the decision-making process and how this frames future interaction (§3.2.3), and a number of questions formulated for investigation in the case studies.

3.1 Origins of the new institutionalism
At the time of this writing, the term “new institutionalism” in the social sciences may already be outdated. In fact, and may very well be on its way to becoming a major competing if not dominant paradigm (Lowndes, 2001). Although this concept is still actively being applied and debated, the qualifier “new” should thus not necessarily be taken to mean recent, but rather contemporary. In this sense, the new institutionalism seems to suffer from conceptual identity problems analogous to those plaguing other bodies of thought adorned with prefixes (e.g. neo, anti, post). Like postmodernism, the new institutionalism has the added

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complication of emerging from an eclectic mix of disciplines and fields and thus seems to be mired in a cacophony of different theoretical disputes and conceptual traditions within these disciplines. For this reason, the debate on the different strands of institutionalism is too complex and the threads to diverse to be included in this thesis. Even a survey of all the permutations of new institutionalism throughout the mélange of disciplines relevant to planning is beyond the scope of the argument. On the other hand, there is a growing body of useful review articles on the different varieties of new institutionalism. These include the various contributions in the book edited by Powell and DiMaggio (1991), and articles and papers by Hall and Taylor (1996), Kato (1996), Peters (1999), Scharpf (2000), Gualini (2001) and Neilsen (2001). The task is much more modest: to use the new institutionalism as a springboard to create a conceptual framework by which to conduct empirical case study research on large shopping center development in Northwest Europe.

To begin our discussion of the institutional approach we may consider what institutions are. This is by no means a simple task, as differing conceptualizations of what constitutes an institution permeate throughout institutionalist theory (Scharpf, 1997: 38; Powell and DiMaggio, 1991; Jepperson, 1991: 143). In essence, however, institutions define “the rules of the game” in society: they determine the nature of social interaction, frame the way we identify and look at problems and prescribe possible solutions (North, 1990; Low, 1997). Very broadly defined, institutions can be seen as a set of rules that structure social interactions in particular ways (Knight, 1992; North, 1990), which can, for some theorists, attain a permanence that may become self-sustaining. Conceptualized in this way, the study of institutions should prima facie be seen as germane to all the social sciences, insofar as the goal of these disciplines is to explain social phenomena. Indeed, many of the great names of social science such as Montesquieu, Hobbes and Locke sought explanations of social and political phenomena in the structuring rules and institutions, and could, using contemporary terminology, be described as (old) institutionalists.

In the early postwar period many eminent scholars in political science (e.g. David Easten and Gabriel Almond) and other disciplines rejected the claim of independent power of institutions in favor of explanations that “interpreted collective political and economic behavior as the aggregate consequence of individual choice” (Powell and DiMaggio, 1991: 2), often in a Popperian self-imposed quest to emulate the natural sciences (Ricci, 1984; March and Olsen, 1984, 1989; Green and Shapiro, 1994; Peters, 1999). Research done at this time generally employed behavioralist aspirations and rational-choice explanations of social phenomena. After a period of dominance, this paradigm came under attack by amongst others, social constructivists and postmodernists, and by the 1980s institutions were once again on the conceptual agenda, hence the “new” in new institutionalism. Instead of representing a mere revival of institutionalist thought, the new institutionalism also sought to incorporate some of the more useful insights offered by behavioralist and rational choice theory. Going back to the previous institutionalism seemed too deterministic; whereas the old institutionalism had focused on formal rules and procedures in its explanation of phenomena, the new institutionalism is more interested how these translate themselves into the concrete strategies and actions taken in practice (for an alternative view of this old/new distinction see Selzwick, 1996). This is the basic philosophy of the approach taken in this thesis.

3.1.1 Varieties of new institutionalism
Attempts have been made in various social science disciplines to bring order to the (depending on one’s disposition) richness and variety or incoherent jumble of approaches now being carried under the banner of the new institutionalism. As stated, engaging in this
debate is outside the scope of this thesis. On the other hand, as this research will use an institutionalist approach, it is necessary to introduce some of its terminology. The distinctions that will be made are for the most part borrowed from authors who have been involved in the debate for a long period of time, however some (where indicated) are mine. It must be emphasized that this section is by no means intended to serve as a comprehensive survey of the new institutionalism and even less an attempt at synthesis. Again, the goal here is the more modest one of providing an overview so as to embed my work on retail development within the existing theoretical literature.

From the definition of institution above (§3.1), it should be clear that institutions are significant because they structure how action takes place, and the status and nature of this indirect or systemic form of power (or “luck” as some authors call it) provides the first basis to distinguish between different streams of new institutionalist thought. What I shall call for the sake of the argument hard institutionalism takes the rational actor as its point of departure and “seeks to make universal generalizations or predictions about what rational actors will do within a given set of institutions, seen as structures of incentives” (Schmidt, 1999). Here, institutions do not directly determine action but serve as the structures of opportunity and constraint within which actors operate. They determine the (perceived) payoffs and possibilities. Like game theory, one of the primary “structures” is the perceived standpoints and strategies of other actors, as this will readily lead one to make assumptions about appropriate counterstrategies: “one person’s action is (part of) another person’s structure” (Dowding, 1996: 42). Hard institutionalist approaches tend to view action by actors as the result of utilitarian decision-making according to a “logic of consequentiality” and are especially concerned with collective outcomes such as the “tragedy of the commons” (Ostrom, 1991; 1999; Scharpf, 1997). In summary, hard institutionalists view institutions not as autonomous actors or forces in themselves, but as rules and circumstances framing the decision-making process of actors.

The second broad category that I would like to identify within the new institutionalism I will (unsurprisingly) call soft institutionalism; this is the new institutionalism as advanced by March and Olsen in their groundbreaking 1984 article in which they first coined the term (March and Olsen, 1984). This view takes issue with the notion of actors acting voluntarily and rationally, and instead seeks to explain social phenomena in the way rules and circumstances come together in time and space in an open structure. Rather than a logic of consequentiality as assumed by hard institutionalists, actors are driven by a “logic of appropriateness”; they tend to follow routines whenever possible. In this view, “organizations often adopt a new institutional practice, not because it advances the means-ends efficiency of the organization but because it enhances the social legitimacy of the organization or its participants” (Hall and Taylor, 1996: 949). When individuals encounter new situations, they “try to associate it with a situation for which rules already exist” (March and Olsen, 1989: 160). One example of analysis in this vein is the “garbage can model” which analyzes how problems and solutions are defined and linked as a result of serendipity and availability; here, problems are sought for preexisting solutions, not vice versa (March and Olsen, 1989; Sabatier, 1999; Olsen, 2001). Another fundamental point on which hard and soft

32 Many texts refer to hard institutionalism as Rational-Choice Institutionalism.

33 My distinction between soft and hard variants of institutionalism is the same one made by Hall and Taylor (1996) between rational-choice and sociological institutionalism. I specifically invoke this new nomenclature in order to avoid confusion with developments within the discipline of sociology that can be more accurately placed into the rational-choice category (e.g. James Coleman and his followers).
institutionalists disagree regarding the question of autonomy of institutions. For the latter, “institutions cannot be viewed solely as incentives and opportunity structures that regulate behavior by affecting calculations and transaction costs. Institutions constitute political actors” (Olsen, 2001: 195).

Although I feel that this hard/soft dichotomy is an important one for understanding approaches in the new institutionalism, it should be seen primarily in heuristic terms; I am not necessarily preferring one over the other. Although the point of departure is generally of the “hard” variety, I acknowledge that roles, procedures and codes of conduct can have or take on a life of their own. In this sense, I agree wholeheartedly with Hall and Taylor (1996), when they observed that “each of these literatures [in the new institutionalism] seems to reveal different and genuine dimensions of human behavior and of the effects institutions can have on behavior. None of the literatures appears to be wrong-headed or substantially untrue” (1996: 955). Especially for a subject as complex and rich as retail development, it would be foolish to turn one’s back on potential insights from one strand of new institutionalist thought due to a too rigid adherence to another.

For the purposes of this thesis, I wish to take the position — together with most new institutionalists — that institutions matter not because they dictate outcomes in retail development, but because they frame the behavior of actors who are ultimately responsible for making shop location decisions. Thus, there is a clear choice for a new institutionalist actor/structure dynamic, but not one for a particular hard or soft variety: actors’ decisions can be the result of hard utilitarian strategic decision-making or the result of tradition or appropriateness. This is very similar to the approach taken by Clifford Guy in one of his first books:

> It seems appropriate, therefore, to base a study of changes in the retail sector upon theoretical frameworks involving decisions themselves and ways in which they are taken. This serves to structure any analysis of observed decisions by suggesting a sequence of stages within the process of decision making, and also ways in which the decision is influenced by characteristics of the decision maker and the environment within which the decision or sequence of decisions is made (Guy, 1980: 5).

Although the language employed slightly differs, Guy’s intent to study the interplay between decision-makers and their environment as well as the attributes of decision-makers themselves mirrors the actor/structure discussion within the context of the new institutionalism. The ultimate goal of this thesis is thus very similar to that of Guy (1980), but within a wider context of an international comparison, and narrowed to the subject of out-of-town shopping center development. It is to this we shall now turn.

### 3.1.2 Actors and structures in retail development

From the discussion of the new institutionalism in its different guises in the previous section, it is clear that regardless whether one adopts a hard or soft institutionalist perspective, actors and structures are both crucial to the explanation, and that they are caught in a dialectical relationship. Unsurprisingly, debate on agency and structure has raged through most of the history of the new institutionalism. The figure below, borrowed from Ostrom (1999), strips this relationship between actors and structures down to three fundamental relationships.

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34 For the sake of brevity, it will not be discussed here. Research that specifically discusses this include Giddens (1994), Long and Van der Ploeg (1994), Low (1997), Ball (1998), Stobart and Hallsworth (1999), Doling (2001) and Mulé (2001).
CHAPTER 3: INSTITUTIONAL THEORY AND CONCEPTUAL FRAMEWORK

![Diagram](image)

Figure 11: Basic structure/agency model, adapted from Ostrom (1999)

In this figure, the first arrow signifies that structures influence the way in which agents (essentially actors with power: see Giddens, 1984) interact. By excluding some possibilities and enabling or suggesting others, structuring parameters provide the context in which decisions are made and strategies are adopted. Research on this often seeks to isolate the causal factors responsible for problem identification, interpretation and agenda-setting as well as the rallying of parties behind certain positions. Examples include the literature on “framing” and “re-framing” of issues (Schön and Rein, 1993; Rein and Laws, 2000). All this provides the inputs for the activities that take place within the decision-making arena of agent interaction, the second box (and for many authors a “black box”). Research in this area often employs rational-choice approaches in its explanation of actor behavior. The second arrow indicates the transformation of this interaction into tangible results or outcomes, usually plans, covenants, agreements or contracts and/or investments. Policy implementation and evaluation studies fall roughly into this area. Finally, these outcomes will frame any subsequent round of decision-making: if a previous joint venture between two organizations was viewed as a disaster, for example, this is likely to tarnish future attempts at similar cooperation, or if a developer experiences flexibility of a municipality in applying planning rules one year, he may be less concerned with following zoning ordinances in the next, or if one large-scale shopping center is built in a small city, retailers may view the surrounding area as saturated, the possibilities are endless. Much of the research in this area takes the form of a narrative (policy history, corporate history, history of a development), but there is a growing body of theoretical literature on the nature of institutional learning as well (Ostrom, 1999; Gualini, 2001). In sum, we can see that contextual factors frame the way in which decisions are made, but that actors still have a hand at shaping their own destiny, and that the actions they take then become part of the parameters for action, and that research focusing on any one or combination of these stages will differ fundamentally in the explanations it seeks.

Of course, for a theoretical approach to a phenomenon as complex as retail development, Ostrom’s figure is rather abstract. The black box of agent interaction in the center particularly requires further elaboration. To discuss this point further, we can consider game theory, a radical variant of actor-centrism. In game theory, players base their decisions on what they perceive to be the best and worst option, and on an anticipation of the other player’s action. Some games contain structural parameters where it is in the best interest of both parties to coordinate their actions (win/win), and constant (or zero-sum) games in which the gain of one player necessarily takes place at the expense of the other. Games such as the prisoners’ dilemma have elements of both. The prisoners’ dilemma, perhaps the most (in)famous game of them all, powerfully demonstrates how uncertainty about the actions of others can affect one’s own strategy. It describes a situation where two suspects are placed in separate cells for questioning. Both are given the opportunity to confess to a crime in exchange for a reduced sentence. If one confesses to the crime and implicates the other while the other remains silent, the first will receive a greatly reduced sentence (probation) for helping the state. The second will receive an extra-severe punishment (life imprisonment) for the crime and insincerity. If both captives hold their tongue, they can only be prosecuted for a minor charge such as possession of a firearm (one month), whereas if they both confess, the

35 The prisoners’ dilemma have elements of both. Obviously, knowing which game one is playing is highly
determinative for one’s strategy (imagine the consequences if one player thinks he or she is playing a game of coordination, when it is, in fact, a conflict game!). To put a label to the interests and positions of actors, Fritz Scharpf introduced the general term “actor constellations” which “describe the players involved, their strategy options, and the preferences of the players over these outcomes” (1997: 44). The concept of actor constellations describes how the playing field is set up and the players, but it does not describe the play itself. Regarding that, players can adopt different strategies within a given constellation, acting for instance, unilaterally, passively, or reconciliatory, that is, they adopt different “modes of interaction” (Scharpf, 1997: 46). In the prisoners’ dilemma, for example, players can choose to act selfishly to avoid risk or strive for the optimal outcome, hoping that the other party will do the same. In other words, even if the actor constellation of the game is always the same, the outcome can still vary according to the mode of interaction.

Figure 12: Expanded structure/agency model (Scharpf, 1997: 44)

A brief examination of the figure by Scharpf (1997: 44) will reveal that it bears a distinct resemblance to that of Ostrom (1999), but with specific reference to explaining how problems are transformed into policy via an interaction between actors and institutional elements, and back into new problems. Although there are a few minor differences, what is important is that the two figures are fundamentally the same, except that the second pays more attention to the middle area — the “black box” of agent interaction. Now we are ready for a more general conceptual framework, one that will put many of the ideas expressed by Scharpf and Ostrom together into one scheme customized to retail development. The conceptual framework will then form the basis by which to view the case studies.

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<table>
<thead>
<tr>
<th>Prisoner #2</th>
<th>Silence</th>
<th>Confession</th>
</tr>
</thead>
<tbody>
<tr>
<td>Silence</td>
<td>3,3</td>
<td>1,4</td>
</tr>
<tr>
<td>Confession</td>
<td>4,1</td>
<td>2,2</td>
</tr>
</tbody>
</table>

state has enough evidence to get a conviction for the primary charge (5 years). This game is presented graphically below, where a four signifies the best option and a one the worst. What fascinates game theorists is that the uncertainty of the other players’ preference tends to illicit a confession from both, creating a suboptimal solution (2,2).
3.2 Conceptual framework

The purpose of this section is to present and elaborate the conceptual framework of the thesis. Before proceeding, it is important to note that the difference between a theory, which is something that provides an explanation of a phenomenon, and a framework, which “will only provide guidelines for the search for explanations” (Scharpf, 1997: 37, my emphasis). The intent, therefore, is to employ the conceptual framework drawn up in this chapter to order the information derived from the case study research (Chapters 4-6) and use that for the final analysis in Chapter 7.

The proposed conceptual framework builds upon the discussions of actors and structures in the previous sections. So, the scope of decision-making for actors to consider undertaking a retail project, reach a standpoint, or adopt a strategy is circumscribed by structures defined according to the dimensions of economy, administration and space (as discussed in Chapter 2 on retail development). Following many (new) institutional authors, these structures have been separated into two levels that reflect the degree of permanence and resistance to change (Kiser and Ostrom, 1983; March and Olsen, 1989; Ostrom, 1991, 1999; Salet, 2000). Much of the specific terminology is borrowed from Paul Sabatier, and the main structure of the model has been inspired by the literature on advocacy coalitions in political science (see Sabatier, 1998; Sabatier and Jenkins-Smith, 1999), although some important adaptations have been made to suit this particular subject matter.36

On the surface, this diagram appears quite complicated. Breaking down the figure into its constituent parts will reveal that this apparent complexity actually conveys a quite simple set of relationships of actors and structures that strongly resembles the figures by Ostrom and Scharpf presented in the previous section. On the left-hand side are variables that frame the preferences, perceptions of opportunities and risks of the actors, that is, the decision-making environment. Following Sabatier and others, I have chosen to make a distinction between relatively stable attributes and those that are more variable since this is certainly relevant to the actors who are making strategic decisions. Here, the now-familiar three dimensions of space, administration and economy provide the substantive classification key. The second section of the chart is intended to represent the retail development arena in which the key actors meet. Although vastly complex undertakings, the construction of shopping centers are often decided upon by a small circle of actors that reoccur in the literature. My selection of actors is based on the actor-centered approach on urban development presented in Adams (1994) and Cadman and Topping (2001), and the agency approach taken by Gruen and Smith (1960), Guy (1994a) and Dawson (1983) for retail and shopping center development respectively. It is posited that the actors identified here are those that primarily determine the course of retail development in Northwest Europe. For the sake of readability, and because specific interests and relations will be the subject of later sections, no directional arrows are

36 Despite the strong resemblance, some fundamental differences exist between the two approaches, arising mainly from the incompatibility of the advocacy coalition model to retail development. Advocacy coalition scholars usually deal with issues that have a high level of public attention, or where the public is actively involved, such as environmental policy or health care. Here, the media and publicity plays an important role. By contrast, retail development is more of an internal matter played out in a small circle of interested parties, far removed from the public eye until a final unveiling of a completed building. The level of scale is also problematic — advocacy coalitions are generally studied at the national level, while large-scale shopping center development can involve many different levels of scale, most importantly, the municipal level. Finally, advocacy coalition theory is more attuned to explain changes in policy, rather than explain decision-making on a particular project. An advocacy coalition approach would be quite useful, for example, in illuminating the mechanisms behind the decision to liberalize national retail planning policy in the Netherlands in the 1990s.
included. Although this figure does signify that important relations exist between actors, it does not elaborate on specific actor constellations. These will be treated in more detail in §3.2.2 and in the case studies. The circle (which will be discussed more in §3.2.2) indicates the relative level of involvement of the actors in the process of shopping center development. The right-hand part of the diagram focuses on the “output” of the decision-making process. The first part signifies the “modes of interaction” of the key actors and how these produce decisions and agreements in large-scale retail projects and retail policy rules, which finally feeds back into the parameters for action as a new retail development. Each of the three areas of this diagram will now be elaborated upon in turn.
Figure 13: Conceptual framework of the retail development process

Decision-making

Modes of interaction and outcomes

Relatively Stable Parameters

Economic: Intrinsic characteristics of retail trade
Administrative: Fundamental values on competition and public intervention and state constitutional structure
Spatial: Basic urban structure and distribution of retail

Contingencies and Events

Economic: Retail market conditions, consumer trends and new formats, economic policy
Administrative: Governance structure, central/local relations
Spatial: Planning policy, physical developments

Retail Development Arena

Strategic action

Bargaining
Unilateral decisions
Coalition formation

Decisions and agreements

Formalized as rules, resource allocation, investment & plans

Outcomes
(retail development)
3.2.1 Decision-making environment

The left-hand side of the diagram is called the decision-making environment (or “institutional setting” using the terminology of Scharpf). This is used “as a shorthand term to describe the most important influences on those factors that in fact drive our explanations — namely, actors with their orientations and capabilities, actor constellations, and modes of interaction” (Scharpf, 1997: 39). As can be seen in the figure, the decision-making environment is divided into more stable and more variable factors. In the everyday retail development process, most actors only pay conscious attention to the bottom box (contingencies and events) when rationalizing their decisions because relatively stable parameters are generally taken as a given. The only times that the latter are called into question is during times of institutional change, reflection on core beliefs as a result of incongruence with experience, or (more commonly) as a result of cross-institutional interaction. These institutional factors will now be treated briefly in turn.

Relatively stable parameters

**Economic**: this refers to the basic traits that characterize retail, as explained in depth in §1.1, which places retailers at the nexus between suppliers and consumers. From this come locational considerations of accessibility and catchment areas, and the position of retail vis-à-vis related activities (e.g. tourism, leisure, catering).

**Administrative**: this refers to the prevailing norms on competition and public intervention, such as property rights, in a particular country, and constitutional rules regarding the organization of the state. This will shape the scope of action for public actors and help determine the likelihood of public intervention on particular issues.

**Spatial**: this refers to the basic morphology of the area and the basic retail structure. Topography (e.g. mountain ranges, oceans) is something that is in most cases permanent, and highly structuring for the directions urban development can take. Existing urban form has a similar function: highly urbanized regions will offer different opportunities and constraints than thinly populated areas, as will monocentric as opposed to polycentric metropolitan areas. These are all factors which cannot be changed overnight.

Contingencies and events

**Economic**: this refers to the particular economic climate at the time, whether consumer confidence is high, whether the commercial (retail) real estate market is seen as saturated and so forth. It also concerns the anticipations or fears of retail experts of future consumer behaviors and retail innovation.

**Administrative**: unlike the administrative considerations listed above, this refers to the less permanent governance structure prevalent at the time: which political parties are in power, current central/local government relations, what interests are dominant in local politics, what plans are in force, and what kinds of reorganizations are underway or anticipated.

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37 In its expansion across Europe and into North America, retailers such as IKEA are learning about some of these stable parameters, although they often would rather not!
Spatial: this refers to any planning policies that affect retail development such as a new rule on maximum floorspace at peripheral sites. In addition, recent urban developments can have a bearing on future retail decisions. City center revitalization, the building of a new suburban regional center, the completion of a new metro line, all these will immediately impact the decision-making process of those involved in retail development.

According to the conceptual framework, these are the key factors that hypothetically frame the risks and payoffs of actors involved in retail development. This is, again, not a theory but a conceptual framework. Which factors are ultimately most important (if at all) or whether there are others will be borne out in the case studies. Naturally, because the actors have different interests and goals, it is not only institutional factors but also actor interaction which determines outcomes. This is the subject of the next section, which will take a closer look at the center of the conceptual framework.

3.2.2 Actors and interests
The development of shopping centers is a highly complex business involving actors whose interests are sometimes in unison, sometimes opposed, but more often than not, a combination of both.\(^{38}\) Despite the complexity, “there tends to be a large measure of consistency from one out-of-town shopping center proposal to another in terms of the groups that are likely to register their opposition and work actively to see a proposal defeated” (Gayler, 1983: 68); the same can be said, of course, for actors who advocate the development. Because retail projects concern different actors than other kinds of urban development such as office space, housing and infrastructure, the kinds of coalitions that emerge can be as surprising to those outside the field as they are self-explanatory to those within. This section will identify and briefly describe the disposition and general interests of the most salient actors operating within the retail development process. Some of this may be familiar from the discussions in Chapter 2.

As can be seen in the figure, I have chosen to draw a general distinction between actors within an “inner circle” in the retail development process and those on the outside. By “inner circle” I mean those parties/actors that are most intimately involved and directly engaged in the retail development project under investigation. Often, these are actors that have a financial or political stake in the project, and thus have an interest in seeing it to fruition, in contrast to those on the outside. Naturally, this is a very rough division, and the choice of who belongs inside and who belongs outside will vary from context to context, so this should (again) be read as a hypothesis. This figure is specifically designed for large-scale retail projects and with Northwest European countries in mind, and has been drawn from cues from the appropriate literature (e.g. Dawson, 1983; Davies, 1985; Guy, 1994a).\(^{39}\) The selection of what constitutes an actor also depends on its internal coherence and ability to influence the process. On the one hand, organizations with clearly defined objectives such as lobby groups or companies with clear missions such as property developers (whose very raison d’être can be assumed to be to develop land as profitably as possible) can surely be considered actors

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38 Although these key actors may be analyzed either individually or in group terms, it is more expedient to confine ourselves to corporate actors (Ostrom, 1999; Scharpf, 1997) because these often have clear mandates, articulated in mission statements or professional codes, or more often, by virtue of interests inherent to their position (e.g. the need to make a profit).

39 In the United States, for example, planners and other public-sector actors may often more correctly be placed on the outside, as the development process is primarily a private-sector undertaking.
(Scharpf, 1997: 52). On the other hand, I agree with Long and Van der Ploeg that, “the concept of actor should not be used to cover collectivities, agglomerates or social categories that have no discernable way of formulating or carrying out decisions” (1994: 68). It is for this reason that I do not consider consumers as an actor, although organizations operating on their behalf certainly are actors. This section will now elaborate on the interests and dispositions of the actors depicted at the center of the conceptual framework. It is thus postulated that these actors occupy key positions in the development of large-scale retail projects in Northwest Europe, and will therefore comprise an important focal point in the case studies. The first actors to be considered are those operating within the inner circle of the conceptual framework.

**Landowners**

Central to any development process are those whose property is supposed to be developed (landowners). In some cases, they may oppose any development of their land (this may arise from a lack of interest in changing the use of the property, a lack of faith in the project, or more principled reasons). If landowners cannot be cajoled into selling or participating, this can become a major obstacle to the development (Adams, 1994; Cadman and Topping, 2001). In rare cases, the public sector may have rights of eminent domain that can be applied (however, this is unlikely in the case of retail development). If landowners agree to become project stakeholders or sell their land, their interests are generally aligned with the developers, to be discussed below.

**Intermediaries**

This refers to those who are officially charged with guiding the process (project managers, intermediaries). Because they have no other interest besides ensuring that the project proceeds smoothly, they will not be elaborated further.

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40 Of course, this analytical standpoint runs against an entire literature that claims that consumers play a vital role in determining if a particular retail format is successful and ultimately, therefore determines the pattern of urban retail development. In an early study on the advent of suburban shopping malls in the United States Jonassen opined that, “The consumer himself [sic.] is the final arbiter of the fortunes of the central business district and the suburban shopping centers, and he therefore holds the secret of their fate” (1955: 1). Despite such words, I believe it would be a fallacy to endow consumers with the status of actors. Not only would this be committing an egregious act of reification, but consumers have little or no capacity for collective coordinated action, as the disappointing results of most product boycotts have shown. Consumer groups are usually absent from discussions on retail development, and as a group are generally indifferent to matters of urbanization (Thomas, 1990: 46-47). As an understatement, Gayler (1983) argued that, in regard to pro-development sentiments, “consumers in favor of something that has not yet been built do not constitute much in the way of an organized, vocal lobby” (p. 33). Or with a more anti-development tone, “the gritty reality [is] that the majority of British consumers have neither the political clout nor the financial means to engage in careful consumption and to mobilize against the dictates of big retail capital” (Crewe, 2001: 631). This statement could easily be extended to the rest of Northwest Europe as well. One reason for this lack of power is that the desires of consumers inherently conflict: consumers value service, low prices, proximity, selection, convenience and an attractive shopping environment. Therefore, analytically, it is the perception of consumer desires by suppliers that is important, because they can take coordinated action to propose the construction of new shops, closures of existing ones, and so forth, but not the consumers themselves. Some authors have even taken exception to this view, finding evidence that consumer preferences were less important in retail developer’s locational decisions (Munroe, 2001). Therefore, I am inclined to agree with Dawson that, “it is interesting that in this [retail] development process the consumer, who after all is the ultimate user of the center, plays a relatively minor role. The land use planner is to some extent the custodian of the consumer interest” (1983: 15). If one accepts this statement, identifying planners as one of the most crucial actors in the retail development process does, by association, imply a certain representation of consumer interests.
Planners
Retail studies generally downplay or ignore the influence of public sector, and urban planners are rarely mentioned as an independent force to be reckoned with. Even Whysall (2000) in his call for stakeholder analyses in retail studies devotes scant attention to this group. This is a serious oversight, because planners act (or try to) as “managers of the urban system” (Hallsworth, 1988: 13). As the previous chapter has argued (§2.2), planners occupy pivotal positions when it comes to the permitting process for new shops and shopping centers, and hence retail development (Dawson, 1983, 2000; Guy, 1994a; Hernández and Bennison, 2000).

In retail development, one of the most important interfaces is that between planners and developers, and planners and retailers. The interests and motivations of planners vary according to their context. As public servants and as part of their professional commitment, they are bound to serve the public interest (Hoch, 1994; Klosterman, 1996; Healey, 1997), something that retail developers have to take into account in their dealings with them (Simons, 1996: 281). What is in the public interest, however, is subject to wide and varied forms of interpretation, especially when it concerns retail developments that may bring jobs and investment, but also potentially damage established centers and have environmentally detrimental effects. Thus, there are additional beliefs that most planners hold common, and others that are more context-dependent. As was discussed at length in Chapter 2, this balancing of values in land-use decisions is central to planning activity.

In his study of planners in practice, Forester (1989) showed that not only do values hang in a tenuous balance, but the roles that planners play also depend on the situation at hand. In practice, the planner is a jack-of-all trades: at a given time, he or she might be acting as a staunch supporter of residential concerns in a community meeting, a facilitator of economic development during negotiations on a public-private joint venture, or as a rigid bureaucrat to exert concessions from a superstore developer. In a handbook for retail real estate professionals, for example, Simon (1996: 281-282) makes a distinction between five different kinds of planners (i.e. technician planners, builders of community consensus, entrepreneurial planners, advocate planners and radical planners), and provides tips for retail developers in dealing with them. Some of these statements are revealing:

A current planner [sic] associated with the development review process is likely to be overworked and underpaid, especially in a community experiencing financial stress. A current planner is often reactive, rather than proactive because the job involves responding to queries from developers instead of going out to seek development for specific sites… a planner is likely to have a complicated and often contradictory set of objectives, and retail projects may be used as an object in satisfying these objectives (Simon, 1996: 282).

Planners employ two main strategies in retail development: imposing restrictions on unwanted development, and actively encouraging desired development (see §2.5.4). The

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41 There are some beliefs that planners seem to share regarding desired spatial developments (Kaufman and Escuin, 2000), including convictions on sustainable development, social justice and traffic reduction. These convictions were shaped by the mission of urban planners “to impose systematically an ‘abstract space’ upon the complex social and lived spaces of the industrial metropolis” (Graham and Marvin, 2001). In Europe, this included beliefs about the preservation of the “abstract space” of functional hierarchy and the preservation of town centers — that is, the center/periphery debate identified in Chapter 2 (§2.4.1). This can soon lead to conflicts with retailers and retail developers. For example, in the drive to attain sufficient economies of scale for price discounting, retailers prefer large outlets at inexpensive locations, almost invariably outside of established centers or out-of-town. Similarly, the push for both breadth and depth in assortment places strains on the capacity of small-sized stores operating in inner cities and urban neighborhoods.
former (restrictive) strategy was never a viable option in the United States as it was viewed as unnecessarily interfering with the free market, but it has been widely applied in postwar Northwest Europe to varying degrees of success. This usually takes the form of establishing a system of central places in local plans supplemented with limits on out-of-town development. However, as discussed in Chapter 2, simply prohibiting peripheral development is no guarantee for vital city centers. Proactive measures of some kind are usually needed to reach spatial and socio-economic planning goals. This often entails adopting some form of developmental planning strategy (Ashworth and Voogd, 1990). Concrete measures can include incentives (indirect subsidies via tax relief, infrastructure provision and support of inner-city marketing initiatives). Planners and established retailers fearful from competition “from the periphery” can often find common ground in this regard.

Although zoning plans and permit decisions are usually granted at the local level, planners at higher echelons of authority can also play a significant role. Particularly with large-scale developments, permission from a regional level is often required (e.g. the province in the Netherlands, or the State in Germany). Because of this higher level of scale, local development issues are less acutely felt. Regional governments are usually responsible for coordinating policy and development, and may wish to block a particular project because of overwhelming opposition by neighboring municipalities. Sometimes even the national level becomes involved in a particular large-scale retail project. Usually this is done at the macro level by laying down the rules of the game rather than direct involvement. Such rules attempt to balance the desire for rationalized urban development against that of free trade, where generally a direct link is perceived between retail development and consumer spending levels, jobs and economic health. However, in the highly centralized United Kingdom, individual cases are sometimes decided at this level as the result of a call-in or public inquiry. Policy on urbanization and retail are also often drafted at these planning levels.

Developers

It is the developer who is primarily responsible for producing buildings for consumption. One can safely assume that the primary motivating force for a property development company (i.e. a developer) is to make a profit, or more accurately, to maximize profit potential with a minimum of risk (Dawson, 1983; Davies, 1984; Cadman and Toppin, 2001). Depending on the kind of developer, more emphasis may be placed on either profit or risk, or on short-term or long-term goals (as an example of the latter, a developer may wish to take concessions on one particular project as an effort to ingratiate himself with the client and thus obtain future jobs), but a combination of these two factors will always remain at the forefront.

In their classic work Shopping Towns USA, Gruen and Smith (1960) identified two kinds of shopping center developers: those that build to sell, and those who retain their product as an investment. Although more subtle distinctions can be made (e.g. Adams, 1994: 115-116), this main point must be borne in mind as it significantly alters the relationship between the retail developer and his/her product (Guy, 1980: 26-27). Developers that build to sell can be expected to be less concerned with long-term considerations — indeed, the most relevant concerns include market conditions upon completion, interest rates paid on the land, and construction costs — while investor-developers have an enduring stake in the project. Developers falling into the first category are often subsidiaries of large landowning parties that carry out market research on the feasibility of a retail project, and hope to sell this to another party to actually carry out (Hennings, 2001). Other build-to-sell developers emerge from construction firms; these often acquire the site and build the structures (often with their own funds), and sell to an investor once complete. Neither landowner-developers nor
construction-developers need be necessarily familiar with or attuned to the particularities of the retail sector, and often developers from other sectors branch out into retail.

The other kind of developer retains the structure after completion. Sometimes, if no suitable buyer can be found, a developer may opt to found an operating company, and perhaps sell at a later date. Besides professional developers, some retailers may have a property wing sophisticated enough to carry out locational research, acquire land, and build their own outlets. Royal Ahold in the Netherlands is an example of this kind of company (VGM May, 1999: 55). Other developers that retain the project are primarily subsidiaries of banks, pension funds or other institutional investors (Hennings, 2001). The attitudes that these kinds of organizations have vis-à-vis the project will be discussed next.

**Financers**

Shopping centers are expensive undertakings, requiring massive amounts of capital to be placed at risk for market research, planning, land acquisition and construction (Guy, 1994a; Hennings, 2001). Unless a developer is itself a subsidiary of a bank or institutional investor, it must convince other parties — corporate or individual — to lend money, usually with the promise of a certain return. Increasingly, this investor is an international investment institution that has its assets spread across a variety of sectors and geographic regions. These kinds of investors wish to ensure that their investment is as secure as possible, “because they are under obligation to offer future payments to claimants or beneficiaries” (Guy, 1994a: 49). Often this is expressed in highly conservative conditions placed on the developer on the design, product mix and tenant selection. Because their propensity to support tried-and-true concepts, investors are sometimes blamed for the lack of imagination in shopping center development, and the exclusion of independents (VGM Sept, 1997: 71; Van Teeseling, 1998). For example, Worpole (1992) argued that:

> Only the multiples have been able to afford the rent in the new malls and high street locations and local firms have been driven out of business... the owners of the shopping malls often have no direct interest in retailing, and certainly not in the life of the towns the are located in” (in Guy, 1994a: 200).

This reticent attitude can complicate the mixture of leisure functions in shopping centers: despite the commercial success of large-scale projects throughout the world, it often remains difficult to convince investors with the synergy argument (see §1.1) to underwrite projects including less-profitable or loss-taking functions in their projects. Although this is certainly true for shopping malls, the influence of financial institutions is growing in traditional centers as well.42

**Politicians**

Although planners are very important in an advisory capacity, in most cases it is politicians who are ultimately responsible for deciding on controversial land-use issues like shopping malls. One thing that seems to bind all politicians is the desire to be re-elected, and so project a positive image of public activities in which they are involved (Dowding, 1996, 2001). Unpopular retail development decisions — blocking a widely supported shopping scheme, or promoting a heavily criticized one — are risky, and preferably avoided. In this sense it is not

42 For example, in the 1950s Netherlands, shopkeepers often owned their premises, but currently this property is increasingly in the hands of institutional investors, thus severing the direct link between retail turnover and rent income (De Boo, 1996; Van de Wiel, 1996c, 1998). Similarly, a sample of shopping areas in Britain in 1990 found that only 10% of shops were owned by retailers, as opposed to 76% by developers and financial institutions (Guy, 1994a: 104).
certain whether politicians can be classified as pro-growth or anti-growth.\footnote{In their much-read essay “The city as a Growth Machine” Logan and Molotch argue that, “virtually all politicians are dependent on private campaign financing, and it is the real-estate entrepreneurs — particularly the large-scale structural speculators — who are particularly active in supporting candidates” (1987: 66-67). This may be more accurate for the United States (the setting for the growth machine thesis) than it is for Europe. Politicians are also very sensitive to other business interests that may hold anti-growth viewpoints. For the UK, Gayler wrote that “very often politicians may decide on the basis of a position held by a certain interest lobby which may have little or no understanding of the nature of out-of-town shopping center impact, but which may tend to exaggerate the effect of that impact in order to persuade the local planning authority to vote down the proposal” (1983: 34). These lobbies include established retailers and, sometimes, local chambers of commerce.} Instead, the risks involved with a particular stance taken by a politician will depend on both the composition of the constituency as well as their particular position in the chain of command. Local politicians may be facing much different issues and pressures than those at the regional or national level.

In most cases, the most relevant tier of government is that of the municipality. As described in §2.4, as representatives of the municipality, local politicians are especially concerned about local economic development, jobs, and the social prestige of the city (Peterson, 1980: 20). As such, they are often sympathetic to the needs of local shopkeepers who are often apprehensive about new competition. When this competition is likely to occur outside the municipal boundary, there is often a union of interests against such development. On the other hand, local politicians can also be strong proponents of new retail developments when they concern large-scale projects inside their jurisdiction, especially when developers promise spin-off effects in the form of regeneration of derelict areas, the creation of jobs, and further investment in the community.

Higher political tiers may also play a role in shopping center development. This would usually relate to the disposition and policy of other public agencies such as anti-competition authorities, or ministries for economic affairs. Sometimes the goals of one public agency might be in direct conflict with another (e.g. Hallsworth and Evers, 2002). Although shopping center development is generally not a party-political issue, other retail issues such as restrictions on shop opening are.

**Retailers**

As an actor, retailers are a sundry group, and by no means homogeneous. However, a few basic traits can be said to drive virtually all retailers, some of which have been touched upon in §1.1 already. By the very nature of their enterprise, one can posit that the vast majority of retailers are motivated by profit (a handful may be motivated by tradition, leisure or altruism), and that this profit is generally attained by the differential between the prices paid to suppliers and the prices paid by customers (in some cases, profit may come from participation on the urban land market as well). Retailers adopt numerous strategies to achieve this end.\footnote{The following list — by no means exhaustive — of several basic strategies retailers can employ will provide an indication of the kinds of dynamics in this sector. It should also be pointed out that most retailers use a combination of these tactics. First, location-conscious retailers obtain key sites at which customers are willing to pay higher prices for the same items because of convenience or locational monopoly, or retailers will locate in areas with heavy pedestrian traffic (e.g. transport nodes, gas stations, residential neighborhoods, planned events and shopping centers). Second, through means such as buying in bulk and efficient distribution logistics, retailers attempt to obtain the lowest possible price from suppliers (vertical relations) and pass the savings on to customers — this is particularly common in the food discount sector. Third, retailers can profile themselves according to their assortment, offering breadth (a wide array of goods, e.g. clothes, kitchen appliances, ice cream and suitcases), depth (many different kinds of one good, e.g. socks) or a combination of both. A fourth...}
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... eager to grow and expand into new sales markets or geographically while others wish primarily to safeguard current operations. Differences also exist with regard to short-term and long-term aspirations. While ascribing a certain degree of goal-rationality to retailers with respect to profit, it should be emphasized that conceptualizations of what is profitable and how to achieve it is highly subjective. (This is not to imply that the actions taken are any less rational. Following Dowding (1994), actions are considered rational if they coincide with preferences.)

Retail is often a very competitive sector of the economy. When a newcomer arrives to a particular market, the reception from established shopkeepers is often chilly, if not hostile, as this is generally viewed as an additional fishing line cast into the same pond. This zero-sum attitude pervades a practice in which retailers jostle for customers and sales. They are generally mistrustful of one another (and even with third parties) when it comes to divulging strategies or internal processes.

The second broad group of actors I would like to identify regards those operating outside the “inner circle” of decision-making on large-scale retail projects. Although not operating from within — at least not always — this does not mean that they are not important in exerting influence on the final outcome. An independent research organization, for example, that publishes a report about the damaging influence of shopping centers is certainly operating outside a development process, but may nevertheless have a significant impact on the decision-making process.

Architects
Architects are central in the design aspects of a project, and good designs can help to persuade critics about the commitment to quality of a developer, or convince planners of the care and attention paid to matters such as traffic generation. Design is also a factor determining commercial success. Usually large developers retain their own architects in house, making the shopping center development market seem a bit like a “closed shop” to outsiders (Cook, 1996). However, external firms are usually called in when a new kind of project presents itself. Developers wishing to expand abroad, for example, may wish to engage an architectural firm in the target country to provide a design that matches that country’s expectations and planning guidelines.

Chamber of commerce
The chamber of commerce, as a representative of local businesses, may often act as a pressure group in local politics. Such actors may lobby for improved infrastructure, deregulation of labor laws and subsidies for small businesses. With regard to retail development, chambers of commerce often adopt conservative a stance on the relaxation of planning rules that would allow newcomers to quickly enter the market.

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basic strategy is that of branding: by creating a differential image of the company, retailers can segment the market to carve out a niche that protects against competitors. A final strategy — and perhaps most interesting to this study — is to lobby for government regulations that will tilt the playing field in their favor. This last point has not been well researched, but there seems to be a growing interest of the influence retailers have on planning policy as well as the traditional focus of planning policy on retailers (Hallsworth, 1997; Pal et al, 2001: 226). Examples would include initiatives by multiple retailers to remove restrictions on opening hours, or by established retailers for planning rules that would make it more difficult for newcomers to enter the market.

45 In this conceptualization, one can have preferences that seem unconventional or even bizarre, and strategies that are flawed or poorly thought out, but this does not negate the claim to rationality.
Consultants

Access to quality information has always been crucial in planning and development practice, and vital in retail location decisions. In order to inform decisions on large projects, impact studies are often carried out by professional consultants. Despite claims of mathematical objectivity, this kind of information is highly politicized, especially when studies are employed strategically through withholding, timing, or shelving (De Jong and Speel, 1998). Information is therefore not neutral, not universally available (as is often assumed in classical economics for analytical purposes) and not necessarily equally shared amongst the most important parties — on the contrary, it is an important and coveted resource. In this sense, consultants, as providers of potentially influential information play an important, albeit indirect, role in retail development.

Media

For most retail developments, little media attention can be expected other than the fanfare surrounding new openings. There is little public outcry when a new store opens, and most grievances are settled far from the public eye. Larger and more politically sensitive projects that could potentially generate press interest may require the issuance of press releases, brochures and promotional events by the proponents. This can include the commission and strategic dissemination of findings by consultants on potential impacts. In a book for retail real estate professionals, Simons (1996) noted dryly, “Exercising spin control of citizen statements at public meetings in the early stages of the planning process is a necessity for sensitive projects” (p. 285).

Issue-based pressure groups

Finally, one can consider special interest organizations as an external (outside circle) actor. These can range from (rarely radical) neighborhood activist groups demanding design concessions, traffic mitigation, or future hiring quotas to formal lobbying by retailer associations. It can also regard consumer or environmental organizations that have decided to become involved in the future of the project.

3.2.3 Strategy and outcomes

The previous section sought to explain the center area of the conceptual framework by concentrating on the characteristics of the actors. The purpose of this section is to address the right-hand side of the conceptual framework, concerned with the strategic relationships that emerge between actors and how this produces outcomes. Depending on the power balance and strategic position in the actor constellation, municipalities may demand concessions from developers (usually infrastructure contributions), or the developer, citing positive spin-off effects, may demand concessions from the municipality.

To aid the discussion, it is helpful to recall the two concepts borrowed from Fritz Scharpf (1997) earlier: actor constellation and mode of interaction. Actor constellation refers to the positioning of parties in a particular situation: whether their interests converge, diverge are independent, and so on. Sometimes this can be modeled using game theoretical concepts such as coordination, conflict, prisoners’ dilemma and the like. Here, an important distinction can be made between constant-sum games where some participants benefit while others do not (sometimes called zero-sum games), and variable-sum games where all can benefit, but not necessarily to the same degree (Dowding, 1996: 11-16; Terhorst and Van de Ven, 1997: 33). Applied to retail, we could identify commercial developers, retailers and municipalities and their respective positions on a particular retail project as game participants. Recalling the political economy approach to retail development in §2.3 that described how local politicians and shopping center developers often find themselves in a situation where it is mutually
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beneficial to cooperate, we can now describe this actor constellation as a variable-sum situation.

The second concept, the “mode of interaction” describes the way in which actors actually relate to one another, that is, the actual choices they make in the game context. As mentioned earlier with reference to the soft and hard variants of new institutionalism, this can relate to either a conscious teleological logic or a “way of doing things” that has emerged from past experience. Taking the prisoners’ dilemma situation as an example, players may choose to trust their fellow players, hoping for an optimal solution, or to play it safe and settle for the suboptimal (but not worst) option (Coleman, 1990; Ostrom, 1991; Dowding, 1996). With repeated play, other strategies can be employed such as tit-for-tat. Cross-cultural empirical experimentation further suggests that the outcome of the prisoners’ dilemma is highly dependent on the style of the players themselves (Hayashi et al, 1999). Thus autonomy and choice is crucial to this kind of institutionalist approach: outcomes are not determined by structures and actor preference alone, but also depend on the way the actors deal with the situation, or how well they play the game.

In the end, a result or solution is achieved, usually in this case to invest or not in a particular project, or to approve it. This solution is usually manifested in the form of a written agreement or contract, such as that represented by the issuance of a building permit. The particular mode of interaction can also be formalized in order to extend its duration by means of setting up a cooperation agreement or organization. This is especially important in cases of public-private partnership. Common plans can also be drawn up, tasks and responsibilities distributed and investments made. These activities further solidify relationships through the accumulation of trust and sunk costs. For a particular retail development project, this is often referred to as the planning and development phase. As time passes, plans can follow each other in succession, getting increasingly detailed and less discretionary, and this can create a certain degree of path dependency.

The “outcome” of the retail development is simply the result of these activities. Whether the building activities were carried out according to plan, whether the partners carried through on their commitments, and what the final retail development product is. The collapse of an initiative is also an outcome. Whatever the case, the outcome then feeds back into the institutional parameter as a “spatial event” which changes the scope for further projects. Parties that participated in the past will have a shared experience of working together, and may have built up trust. This can eventually form the basis for a subsequent round of development. In fact, some relationships may become stable enough that they acquire a taken-for-granted character, where the previous logic of consequentiality becomes one of appropriateness. If the outcome results in a physical development such as a new retail center, this will have an impact on the retail structure in the region. It could create synergy with other centers, or result in destructive competition. It could stifle the coming of new initiatives out of fears of saturation/oversupply, or it could have the opposite effect, acting as a catalyst for

46 One could just as easily — and in many cases more accurately — use other collective action games to describe actor interaction in areas like retail development, such as Chicken or Battle of the Sexes. The prisoners’ dilemma was chosen as a model in this thesis to illustrate collective action problems because its familiarity for many readers obviates the need for a lengthy discussion of game theory, and perhaps more importantly, because it is often mentioned by practitioners to describe retail market failures or other policy dilemmas.

47 Tit-for-tat refers to a strategy where one player will trust the first round, and if this is not reciprocated, revert to a non-trusting strategy from then on. If reciprocated, this then becomes the default strategy. Over time, this can explain the production of reputations and trust.
new development. Finally, the “outcome” can serve as an argument to modify existing policy (e.g. to tighten or loosen restrictions) or change prevailing administrative relationships (e.g. metropolitan authority, fiscal de/centralization, etc). In other words, the outcome or output of the retail development process described here will have a direct impact upon the economic, administrative and spatial structure. In some cases, if significant enough, it could even have an indirect effect on the more permanent institutional structure. It should also be pointed out that some actors might be consciously working towards changing the rules of the game in order to gain a greater advantage in a subsequent round.

Thus, we can see that institutions and structures are rules of the game (formal and informal) that have been developed/established by actors in former games. Although structures and institutions do nothing in themselves, they do channel choices and constraints, and in so doing, are not neutral towards the outcomes. We of course can suppose that certain outcomes are more likely under specific institutional conditions than others. But they do not dictate outcomes; they merely influence actor constellations and modes of interaction which then produce outcomes. In this way, there is an interaction among actors within given institutional conditions and — via the results of this — interaction between actors and institutions (Terhorst and van de Ven, 1997: 63).

3.2.4 Propositions for further investigation
As stated, the conceptual framework elaborated above is not a conclusion or a theory, but a tool by which to analyze a particular phenomenon in a systematic way. It was constructed using the insights afforded by the new institutionalism (namely that outcomes are not produced by structures or actors alone, but by an interaction of the two) and by insights derived from the retail development literature. Remembering the main research question, the ultimate goal is to understand how institutional factors affect the decision-making process on large-scale retail developments in three Northwest European countries.

With the conceptual framework in place as a lens by which to understand retail development in general, we can now pose some additional questions to investigate within the case studies. These subjects have already been treated in a general manner in Chapter 2 as forces driving retail development, but have not yet been investigated in depth in a systematic way. In order to do this, a series of questions have been articulated to function as a Leitmotiv for the case study research.

Economic-oriented questions:
- What part do (local) economic factors play in the decision to build a large-scale retail center?
- Is the retail structure hierarchically organized, and what out-of-town expansion has taken place?

Administrative-oriented questions:
- What effect does public-sector centralization/decentralization play in the process?
- Does the structure of the state encourage cooperation, consensus or conflict to disputes?
- Is there any formal coordination at the metropolitan level? What factors impeded/promoted this?

Spatial-oriented questions:
- What effect does the monocentricity/polycentricity of the metropolitan region have?
- What spatial planning policies affected the process? Did they have unintended consequences?

Actor-oriented questions:
- What kinds of collective-action problems characterized the primary actor constellation?
- What were the most powerful actors within the process, and what methods did they employ?
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- What alliances were forged? Which actors were excluded from the process?
- Who ultimately granted permission for the development?
- What expedited/delayed the decision-making process? Was this a problem?

Outcome-oriented questions:
- What kinds of compromises (if any) were made to the design?
- Was the final product commercially sound? What impacts did it have?
- Did the final product serve the public good? How?
- What effect did/will the development have on decision-making in similar situations?

Although these questions will be dealt with in the individual case studies throughout the investigation they will be considered in a more analytical way in Chapter 7. In assessing the strengths and weaknesses of each case study, the final chapter will also consider the crucial question of how can one produce retail developments that serve both commercial interests and public goals?

3.3 Conclusions
The institutional approach as outlined in this chapter cannot be placed within any one tradition of institutionalism. The point of departure is the belief, embodied in the new institutionalism, that “institutions matter” and that their influence is mediated by the interaction of actors. The conceptual framework presented in §3.2 models this relationship. The three parts of this framework (structures-actors-outcomes) were explored in more detail, with some hypothetical relationships posed on the basis of the literature. Afterwards, some additional questions were presented for further investigation in the case studies.

Having laid the conceptual groundwork, the task at hand is to look to some “real life” situations. These will be illustrated by the next three chapters, which are case studies of a particular large-scale retail development project in Germany, Britain and the Netherlands respectively. These will be analyzed according to the tenets of intensive research, that is, as much information as possible about the particular case will be considered in order to understand the phenomenon on its own terms. Data has included a scrutiny of the relevant academic literature, newspaper clippings, litigation and expert interviews. After performing a full-scale historical/contextual analysis of each project, the conceptual framework in this chapter will be filled in according to the specifics of the case. The final chapter will make comparisons between the mechanisms of each case and draw some conclusions.
CHAPTER 4: CASE STUDY OBERHAUSEN

4.0 Introduction
In September 1996, CentrO, the largest out-of-town shopping mall and entertainment complex on the European continent opened its doors to the public in the unlikely location of Oberhausen, a modestly sized city in a run-down industrial region of Germany. From all reports, the mall is a phenomenal commercial success. It is now one of the biggest and well-known leisure attractions in Germany, and is the setting for many festivals and events. In the evenings and weekends, crowds of people stroll along its promenade, once the site of a gigantic steel factory. CentrO, however, is just the largest piece of the wider puzzle that is the Neue Mitte. This new “city center” also includes a theme park, an exhibition center in a 100m tall gas tank, a multifunctional stadium, multiplex cinema, and plans for an aquarium, yacht harbor, offices and a technology center featuring a 60-meter tall glass human sculpture. With an investment volume of € 600 million, it is the single largest economic impulse in the Ruhrgebiet since the construction of the Opel factory in Bochum in the 1950s (CentrO, 1997). The Neue Mitte marks an unprecedented structural change for Oberhausen, transforming it for the first time from a manufacturing and production location into a tourist destination: ten thousand of the forty thousand jobs lost to the demise of the coal and steel industry have been earned back, and Oberhausen appears to be a city on the rebound — thanks in part to CentrO (BBR, 1999).

Behind every success story is usually a tale of struggle, and CentrO is certainly no exception. The proposal for the mall was met with mistrust from the surrounding communities who feared substantial losses in retail sales, and a concerted effort by municipalities in the region had successfully blocked a similar project a few years before. After a political battle at the state level waged with distributional studies and strategic design concessions, Oberhausen was able to obtain the zoning necessary to allow the Neue Mitte project to go forward. Despite the various spin-off effects, CentrO did not come without its costs for Oberhausen. Even by the most conservative estimates, CentrO has had a significant impact on Oberhausen’s city center in both quantitative (lost sales) and qualitative (functional downgrading) terms. In many respects, the Neue Mitte has taken over the role usually performed by traditional town centers: as a place to browse storefronts, meet friends, enjoy a drink, and especially spend money. Today, the bustling nightlife of the promenade contrasts sharply with the barren landscape of the city center. Even on Sundays when shops are closed, people will drive to CentrO to stroll through its enclosed corridors and along the promenade. For marketing experts, this is a clear indication of what consumers want. Indeed, the success of CentrO has led to the propagation of similar schemes elsewhere in the region. Major retail proposals are in various stages of planning and development in cities like Essen, Duisburg and Dortmund. Whether the region can support all these initiatives — given the effect of CentrO on Oberhausen — is currently the subject of a raging but inconclusive debate in the media, political forums and expert meetings.

48 For legibility, all figures expressed in guilders or marks in this dissertation have been converted into euros.
This chapter — the first empirical case study — will analyze the development of the Neue Mitte by examining how the institutional context in this part of Germany framed the decision-making strategies of the most crucial actors involved, and how this contributed to the final product. The institutional context will be divided into a discussion on the administrative structure of the state and the formal planning system. Next, the different policies implemented at various governmental tiers seeking to regulate the retail sector will be investigated, along with a discussion of their effects. This will permit a closer examination of the case at hand: Oberhausen (§4.3). This section chronicles how one developer, by adopting an all-or-nothing strategy, failed in his bid to build a large-scale shopping center in Oberhausen, and how a more strategic, inclusive and flexible approach by a different developer a few years later succeeded. Next, some of the consequences of the mall will be discussed, and some remarks made about the efficacy of impact reports (§4.5). Finally, the conceptual framework constructed in Chapter 3 will be recalled and applied to the case study, and a few concluding remarks and observations made. A more concise summary and conclusion can later be found in Chapter 7.

4.1 National/state context
Located at the heart of the Continent, Germany is one of the most prosperous and populous countries in Western Europe, and a main driving force behind the European Union. Its history of urban and retail development in the time frame of this study has become vastly complicated by the unification, making it difficult to accurately discern specific retail trends over time. This is compounded by the challenges that the incorporation of the new states (Länder) pose in terms of planning policy and land tenure regulation. Development interests have taken advantage of the confusion to such an extent that some areas in the former DDR are sometimes referred to as “the wild east” in planning circles (Jürgens, 1995; Vielberth, 1995; Blotevogel, 2000). Before launching into a discussion of retail planning issues currently facing Germany, however, a few general points need to be made about the administrative composition of the country, the scope for action German planning authorities have in the Ruhr area and about the environment in which they operate.
4.1.1 The German planning system

Germany’s governmental structure is highly complex, with various kinds of regional and local governments in place, but generally follows a three-tier structure of federal, state and local levels of authority. The most important historical administrative feature of the country is its decentralized nature — except for the brief period of the Third Reich in which power was consolidated under the Nazi regime, the history of Germany is one of strong local identity and self-determination (Norton, 1994). The current administrative structure continues in this tradition: the 1949 Constitution keenly interested in averting the horrors that had occurred under the Nazis, established a decentralized federal structure in which most authority rests with the States (Länder). Since unification, the country is comprised of sixteen states of varying size and population. Three of these are city-states (Berlin, Hamburg and Bremen) and pose their own unique planning challenges. German states have their own constitution, parliament and executive (Faludi, 1997: 12), and since the Maastricht Treaty, these have even become major actors on the European policymaking stage, skipping the national level altogether (Benz, 1998: 111). Most legislative decisions made at the national level in the Lower House/Parliament (Bundestag) will require the consent of the Upper House/Federal Council (Bundesrat), which contains representatives from the federal states.

By inference, the German planning system can also be said to be decentralized in comparison to most other Western European countries, certainly in relation to the Netherlands and the UK. Specifically, Article 28 of the Federal Constitution guarantees a functionally active local self-government, and identifies municipalities as the only responsible party for specific land-use and development decisions within their jurisdiction (European Commission, 1999: 23). In this sense, German planning may resemble that of the United States insofar as growth management (if existent) in the latter is primarily administered at the state level and carried out at the local level, with the federal government at most providing guidelines and funds for such things as infrastructure. It should be added that spatial planning or Raumordnung in Germany is a highly legal-technical matter, and reference is continually made in policy documents and research to the volumes of juristic verbiage that precisely circumscribe the limits within which parties may act. One of the reasons for this is that, unlike for example the Netherlands, the law includes substantive as well as procedural elements. Another complicating factor is that German federal planning law is legally binding on the one hand (Faludi, 1997: 15), but needs to be supplemented by legislation at the state level on the other (Faludi, 1997: 18). According to a power-sharing principle (Gegenstromprinzip), a system was set up by which lower tiers participate in setting policy at higher levels, but are also bound by it. This approach to planning may also be regarded as a reflection of the German approach to law in general (Salet, 2002), namely that legal certainty should take priority over expediency and flexibility. It is also a reflection of the aversion in the postwar era to strong central planning in general, as it sometimes can bring up associations of the Nazi era (Faludi, 1997). Moreover, when higher tiers of government disagree with local decisions, this is easily interpreted as an impingement on local autonomy and in conflict with the federal principle (Hoogerbrugge, 1999: 64). This decentralization does not imply, however, that the country has a laissez faire attitude towards planning. On the contrary, Germany has a comparatively strict public sector plan-led system (certainly in comparison to Great Britain), only this generally takes place at the municipal level (Dieterich and Dransfeld, 1995: 100). It is to this topic of planning that we will now turn.

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49 This term is only used at the Bund or Land level however. At the local level this is referred to as Bauleitplanung (Faludi, 1997).
CHAPTER 4: CASE STUDY OBERHAUSEN

**German Planning System**

<table>
<thead>
<tr>
<th>Level</th>
<th>Responsibility</th>
<th>Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>Spatial Planning:</td>
<td>Framework for spatial planning</td>
</tr>
<tr>
<td></td>
<td>Spatial development of national territory</td>
<td>orientation and action</td>
</tr>
<tr>
<td>State</td>
<td>State Planning:</td>
<td>State development plan (LEP)</td>
</tr>
<tr>
<td></td>
<td>spatial development of</td>
<td></td>
</tr>
<tr>
<td></td>
<td>state on basis of spatial planning statutes</td>
<td></td>
</tr>
<tr>
<td>Regional</td>
<td>Establishment of regional objectives and</td>
<td>Regional development plan (GEP)</td>
</tr>
<tr>
<td></td>
<td>state planning</td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td>Regulation of developmental and other uses of land</td>
<td>Local comprehensive plan (F-plan)</td>
</tr>
<tr>
<td></td>
<td>in the municipality to the end of orderly spatial</td>
<td>and building plan (B-plan)</td>
</tr>
<tr>
<td></td>
<td>development</td>
<td></td>
</tr>
</tbody>
</table>

Figure 14: German planning system on basis of NRW LEP (1995)

4.1.1.1 Federal

In accordance with the decentralized nature of the country, the Federal (*Bund*) government has a rather limited role in spatial planning. There is no binding federal-level plan, nor even a federal planning authority “in the strict sense” (European Commission, 1999: 120). The activities of the German ministry of planning (Bundesministerium für Raumordnung, Bauwesen und Städtebau, BMBau) are confined mainly to coordinating the policies undertaken by the states and sector agencies (such as the environment and transport), and producing a comprehensive background analysis and a review of current planning policies in the country (Raumordnungsbericht). The ministerial planning conference (Ministerkonferenz für Raumordnung, MKRO) is comprised of planning ministers from the respective state governments and is responsible for adopting general principles to guide spatial development policy implemented at lower levels, but does not intervene directly in substantive matters. Thus, we can see that there really is not a planning subject of significance at the federal level.

Since the Federal Building Law was not enacted until 1960, postwar reconstruction activities had already been carried out for some time by local authorities on the basis of state reconstruction laws. These served to create (or legitimate) a de facto decentralized planning system in addition to that already established in the new Constitution (Schwarbach, 1999). Aside from general statements in the Constitution (such as that mentioned above with regard to the delegation of planning powers to the local level) spatial planning in Germany finds its legal basis in the 1965 Federal Spatial Planning Act (Raumordnungsgesetz, ROG) and the 1986 Federal Building Code (Baugesetzbuch, BauGB). The first was enacted partly in response to jurisdictional conflicts and sought to define exactly which powers rested with which level of government (Hoppe and Voelzkow, 1999). The latter — a document of over 200 pages — meticulously stipulates the organizational structure and procedures of the planning system including how local plans are to be drawn up and coordinated with those of neighboring communities (Model, 1994: 378-379). More substantive issues such as the kinds of zones that localities may designate are regulated in the 1962 Baunutzungsverordnung or BauNVO (amended in 1977, 1990 and 1993) which will be discussed more later because it contains provisions that apply to retail.

One of the most important objectives of German spatial planning at the Federal level is to strive towards an equal spatial distribution of wealth (Lambregts and Spaans, 1997: 39); this goal which once worked in the favor of areas like the Ruhrgebiet, is now being directed to the new eastern states. Another, which specifically touches on retail development issues, are statements regarding the preservation of central places in order to, among other things, ensure the efficient and egalitarian access to goods. Despite the fact that these mandates and principles issued at the federal level may be clearly stated, for the most part, matters of urban
and regional development are generally dealt with by planning bodies at the state or local level.

### 4.1.1.2 State

The highest significant planning tier is that of the state. Because “differences between the states with regard to administrative structures and procedures is remarkable” (Kreukels, 2000: 57) and because Oberhausen and CentrO lie in the state of Nordrhein-Westfalen (NRW), this state will be used as a reference in this section. NRW should not be taken as representative for the rest of Germany, however.\(^{50}\) The latest version of the state constitution was ratified in 1994 and sets the formal parameters for, among other things, spatial planning. However, it is the state development plans (Landentwicklungspläne, LEPs) and programs (Landesentwicklungsprogramme, LEPros) that delineate the substantive matters of planning policy; these set out state-wide planning objectives and coordinate the policies being implemented at the local level. Sometimes this is done via a plan for the state district (Bezirk) of which there are five in NRW, three of which are the Ruhrgebiet. This is also done via a regional plan for a particular area (Gebietsentwicklungsplan, GEP).

The element listed in the most recent LEPro most relevant to retail is the attention for the preservation of the structure of central places for the cities and municipalities within the state. Other main lines of planning policy concern the relation between the built-up area and the open landscape, development areas, and the implications of various kinds of development for density and public space (Schneider, 1997: 26). The most recent LEP for NRW (1995) consists of text and maps organized both geographically as well as according to sector. The goals articulated include stipulations over urbanization patterns (e.g. promotion of infill development), alternative energy sources, protection of natural areas, environmentally responsible flood prevention, and the establishment of an ecological network space (Schneider, 1997: 32). The LEP also identifies the system of urban centers for the territory, and articulates developmental policy. This also transpires via the hierarchy principle, noting that this is also being done with an eye to the European Union (NRW, 1995: 17). These planning elements are then concretized and implemented by the GEPs, which must be revised every 10 years.

### 4.1.1.3 Local

The most important (and unfortunately the most complicated) planning level in Germany is the local level. Germany has 324 counties (Landkreise), 110 county-free towns (Kreisfreie Städte) and 16,000 “municipalities within a county” (Kreisangehörige Gemeinden). The BauGB identifies the municipality as the responsible party for local land-use planning, and designating local planning objectives. It is the plans produced at this level, the more general and comprehensive F-plan (Flächennutzungsplan) and the legally binding B-plan (Bauleitplan), that have the most direct impact on citizens. Moreover, local authorities are usually key players in the realization of large-scale urban development projects (Hennings, 2001). In the spirit of the Gegenstromprinzip, local authorities have a say in the creation of regional and state level plans, but are also bound by their content once adopted. One would therefore expect a highly developed level of cooperation at the regional level to ensure that urban development progresses in a controlled manner. However, there are several factors that inhibit this. The first is cultural: even in densely populated urbanized areas such as the Ruhrgebiet, local identity is paramount. Düsseldorf residents are proud of their locality and

\(^{50}\) In comparison to other German states, NRW is relatively more top-down (Kreukels, 2000: 57), as will be clear in the section on retail.
tradition, as are nearby Duisburg residents, but for very different reasons. In Oberhausen, identities are so fragmented that people have more allegiance to their neighborhood district than to the city as a whole (BBR, 1999; Basten, 1998). The second point regards the system of local taxation. While municipalities do receive funds from higher tiers of government, the local business tax (Gewerbesteuer) is a very important source of revenue because the municipality can keep a significant part of this income (currently around 60%) to spend as it sees fit.

The German Spatial Planning Act (ROG) was amended in 1998 which included deregulation and the devolution of powers, and more substantive provisions about sustainability issues. As a result, there has been a push towards regionalism for certain aspects of planning which would normally be handled by the states. However, as the board of most of these regional bodies is comprised of representatives from the involved municipalities with a rotating chair, it does not seem to work well for decisive issues that require unpopular decisions (Albers, 1999). The establishment of regional shopping centers is a good example of one such issue that most seem to agree should be dealt with at this level, but for which the institutional conditions are unfavorable.

Indeed, one of the most pressing planning problems in Germany today is the proliferation of shopping centers and supermarkets on greenfield sites, especially in the new states (Schwarbach, 1999). One of the reasons for this is that it has put the entire planning system to the test of legitimacy by confronting a clearly mandated governmental position against the reluctance of certain public and market actors to comply. Despite this disparity, only marginal attention is devoted to these issues in the LEP and report, and it remains a rather isolated segment of public policy. It is to this specialized area that we now turn our attention.

4.1.2 German retail policy

One of the paradoxes of retail development in Germany is the scale of unwanted peripheral development in the face of a fairly rigid system intent on limiting it. Some of this implementation gap is the result of the decentralized system in which guidelines — however sternly stated — at the state level, are circumvented or ignored at the local level. This is mostly due to a clear conflict of interest. Other explanations regard the ability of developers to work within the system to achieve the same results, and the amount of permissions already granted under less rigid rules. Before addressing these issues, however, this section will first describe the formal system of public-sector regulation on retail issues from the federal to the state and municipal level respectively.

4.1.2.1 Federal

As stated above, the German administrative system confers most planning authority to the state and local level, with the Federal Government only setting general guidelines. With regard to retail, the closest statement made at the federal level is a general intention to preserve the hierarchy of urban centers in a polycentric settlement structure (European Commission, 1999: 43), and the general right of the government to intervene in the public interest (Interview Callies, 2001). The “hierarchy of urban centers” concept was derived directly from Christaller’s theory of central places (see §2.1 and §2.2). The rationale for this rule was originally explained on the basis of optimal proximity to goods, and this became the

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51 This tax has come under attack from time to time for leading to “excessive” intermunicipal competition. Its future is also uncertain given the fact that Germany is the only country in the EU that imposes this kind of tax (European Commission, 1999: 115).
normative basis and goal for all urban and regional planning in Germany, and was made compulsory for the entire nation in 1968. In the mandated system of central places, demands for essential supplies were to be met by neighborhood centers, non-essential semi-luxury items at medium centers or potential medium centers, and specialized luxury goods at large centers. Specifically, §1(5,8) of the BauGB (which stipulates criteria for balancing interests when making plans) lists as a criterion:

Economic requirements, including maintaining the structural role of medium-sized companies, in the interests of local, close-to-the-consumer supply to the population ...

and the preservation, protection and creation of employment (emphasis mine).

This statement bears a distinct bias against out-of-town retail. In addition, the 1977 version of the Federal BauNVO (that specifies zoning classes), mandated that commercial functions should only be allowed in core areas, commercial areas, or mixed-use zones. Specifically, Section 11(3) of this legislation stipulated that buildings over 1,500m$^2$ should only be allowed in core areas or “special areas” designated for this use.$^{52}$ The philosophy of this policy was as follows:

A trading outlet may not substantially exceed the limits assigned to a place according to its placement in terms of central locations; local grocers supplying the community with essential needs must not be ousted by other outlets; large stores should as far as possible be assigned to densely populated areas and/or should be situated in a development area; the attraction of trading outlets should not be so strong that neighboring centers will suffer (Vielberth, 1995: 96-97).

Thus, if a developer/retailer wished to build a shop larger than 1,500m$^2$ outside a center, a special permission was required. In 1990 the BauNVO was revised, and the restriction tightened to all shops larger than 1,200m$^2$. In addition, the legislation also sought to close a loophole of merging a group of smaller shops together at a peripheral site by considering them not as individual cases, but as a single shopping center, and thus subject to §11(3) BauNVO. The consequences of this act on hypermarket development has made itself apparent in a marked slowdown in the 1990s, excepting the former East German states (Barth and Hartmann, 2003: 73). In fact, one author, writing on the probable impact of this policy in the late 1980s predicted that, “the first consequence to be expected from the lowering of the calculated level of floor-space to 1,200m$^2$ is that the development of hypermarkets and superstores is just not slowed down, but comes to a complete halt” (Tietz, 1987 in Zentes and Schwartz-Zanetti, 1988: 41). Furthermore, it was predicted that, “further new out-of-town shopping centers cannot be foreseen to any significant extent” (Zentes and Schwartz-Zanetti, 1988: 43). Nevertheless, both these predictions — even with more severe legislation enacted at the state level — proved wrong both in and around Oberhausen.

Germany seeks to ensure fair competition via its Law against Restraint of Trade.$^{53}$ The most contentious part of this law is §20 which prohibits the selling of items at a loss. The rationale is that this practice is usually employed as a conscious attempt to damage or destroy competitors (Barth and Hartmann, 2003: 71). Moreover, underselling works to the advantage of large companies. In recent years, the American retail giant Wal-Mart has been accused of breaking this law with its policy of “everyday low prices” in which it guarantees lower prices than competitors (AP 3 Jan, 2000). A similar law established at the national level is the Discount Act (Rabattgesetz), which regulates how much discount can be offered to

$^{52}$ It is important to note that this standard does not refer to sales area, but enclosed space. In terms of sales space, the 1,200m$^2$ figure is actually about 800m$^2$ (Regionalverband Hochrhein-Bodensee, 2000: 15).

$^{53}$ Gesetz gegen Wettbewerbsbeschränkung.
consumers by retailers, and is intended to prevent special deductions on the basis of customer profile (e.g. age or gender-based rebate) or previous purchase (e.g. “buy one, get one free” discounts) (Howe, Jürgens and Werwy, 1998). A repeal of this law is currently under discussion in Germany.

The regulation of shop opening hours is also established at the national level, and exercises an indirect geographic bearing on the location and spread of shops. The Closing Hours Act (Ladenschlußgesetz) dates back to the 1930s and has been fought by consumer advocacy groups for decades. The Schröder government’s initial endorsement of a Sunday liberalization unleashed a discussion on the law’s amendment or repeal (Taz 8 Feb, 1999; Taz 5 March, 1999; Volkskrant 7 Aug, 1999: 5; Thorne, 2000). Most retailers including the retail association HBV are against liberalization, fearing that it will not generate enough additional sales in order to make it profitable (Vielberth, 1995: 100; Tagesspiegel 18 Aug, 1999). It is also vehemently opposed by the unions and the church (particularly with respect to Sunday).

Besides the potential benefits for consumers, one of the reasons for this desired liberalization is that the patchy enforcement of the law throughout the country has compromised its integrity: for example, Arkaden, the mall at Berlin’s Potsdamer Platz, announced that it would stay open until midnight (now 8 p.m.) and some senators of the Berlin government have argued for a complete liberalization of shop hours in the state by designating the entire city as a “tourist zone” (Bayer and Roy, 1998). Berlin is not alone, and municipalities all over the nation are liberally interpreting the law’s provisions, especially with respect to Sundays (ICSC-SCT 1 Aug, 2000). This has brought an inflation in opening hours where centers can compete on the basis of temporal accessibility. Among others, the Minister-president of NRW has argued for a decentralization of the Act to the municipal level, effectively abolishing it (AP 25 Jan, 1999). One of the related controversies is the perception that large-scale businesses, particularly those at peripheral sites will take greater advantage of a liberalization than the already struggling inner-city independents.54 In the end, the law was amended to allow trading until 8 p.m. on weekdays, 4 p.m. on Saturdays and some limited trading on certain Sundays. Amnesty was also given to pharmacies, shops at gas stations and in train stations (§3 Gesetz über den Ladenschluß, 1996).

To sum up, the federal government has repeatedly called for the promotion of retail in town centers as opposed to greenfield sites, and has generally done so by designating size requirements for certain zoning classes. Despite this clear mandate on retail, the federal government rarely intervenes in planning matters directly. Whether lower tiers choose to take a hard line in permit decisions is subject to much discretion. Particularly the state is more or less free to define its vision on the role and place of large-scale retail provided that they take federal mandates regarding large-scale development and central place theory into account (Guy, 1998a: 968). This has proved problematic in a few instances of interstate disputes on planning matters — such as between Berlin and Brandenburg regarding permissions for Factory Outlet Centers — but, in general, the state level has proved large enough to accommodate most of the regional effects of planning decisions. This is especially the case with Nordrhein-Westfalen (NRW), the most populous of Germany’s states and among its

54 On 14 May 1996 the research group DIFU held an expert meeting at the request of the Ministry of planning about the impact of shop hours on urban development. The main concern was that out-of-town shops harm centers, and whether a liberalization of opening hours just for inner cities (e.g. until 10pm) would help. This was a point of contention: while Federal Minister Günter Rexrodt pressed for a uniform liberalization, planning minister Klaus Töpfer supported the inner city/peripheral distinction, arguing that city centers are disadvantaged enough by unfair competition and vacancies. However divided they were on the issue, the experts did agree that this solution was legally possible.
largest. This one German state is comparable to the entire Netherlands in population and landmass, and like the Netherlands, has a well-developed spatial planning policy which includes a clear stance on large-scale retail.

### 4.1.2.2 State (NRW)

Like other states, NRW has sought to preserve the system of central places by discouraging the development of facilities outside of established centers and/or on greenfield sites (European Commission, 1999: 112). Since NRW has written nothing in its constitution specifically on large-scale retail, one must look to the plans for guidance on this matter. The LEPro defines general goals that will have an impact on retail planning decision-making, particularly the twenty-second goal. This is divided into three parts, §22(1) requires that a system of central places based on a functional hierarchy be established, §22(2) designates higher, middle and lower-level centers, and §22(3) mandates that all new centers are permitted only if they fit into this system. In addition, the 1989 LEPro also required that, in addition to the above criteria: “permitted uses secure a reliable supply of goods to the population, and they are spatially and functionally related to the main emphasis of settlement policy” (European Commission, 1999: 131-132). These principles are then worked out geographically in the LEP, which includes a map indicating the appropriate central places in the Ruhrgebiet. The map below is an example of central places as regards shopping centers in the Ruhrgebiet (already one can see how difficult it is to discern what is center and what is periphery by the region’s polycentric urban structure, to be discussed later).

![Figure 15: Zentrale Orte Shopping Center (Heineberg and Mayr, 1986)](image-url)
The LEP now in force has led to the adaptation or redrafting of the respective GEPs, and stresses sustainable development. Specific goals are (1) prioritizing infill development, (2) promoting mixed-uses to reduce distances, (3) promoting open spaces, especially natural areas and (4) the development of open area structure and promotion of the ecological network. In the framework of its “Vital City” action program, NRW has made €100 million available for city-center improvement schemes like town center management and retail promotion. Thus, the emphasis against out-of-town retail we have seen at the federal level can said to be even more pronounced at the NRW level.

This stance against peripheral retail was carried further by the 1996 Retail Decree of NRW (Einzelhandelserlass des Landes Nordrhein-Westfalen). According to this document, large-scale retail may only be built in core areas and established “special centers” — and pursuant to §24(3) of the 1974 LEP, all “special areas” designated by municipalities in their F-plans must fit within the hierarchy of central places. Among other things, this document required that all large-format retail applications falling outside center-serving merchandise must meet the following requirements: (1) the municipality in question must have sufficient population and purchasing power to sustain the development; (2) neighbors may not be unreasonably harmed; (3) and the site must be spatially integrated (i.e. no greenfield or isolated peripheral locations). Factory Outlet Centers (FOCs) are singled out as a special problem by the Retail Decree. On the basis of advice from the Ministry of planning, these developments are subject to the general requirements for large-scale retail, and thus may not establish themselves at out-of-town locations without special permission. This document also signals the intent to examine the impact of Dutch and Belgian FOCs in border regions in the context of Interreg2c. Moreover, Volume 1 Part 1 of the Retail Decree includes a table (displayed below) of what merchandise is meant for centers for evaluating applications: no exceptions are to be made for center-relevant items at peripheral sites. This effectively prohibits everything but home improvement (DIY), vehicular, furniture and garden centers at these locations.

<table>
<thead>
<tr>
<th>Center-relevant items</th>
<th>Non-center relevant items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Books, newspapers, paper</td>
<td>Furniture, home furnishings</td>
</tr>
<tr>
<td>Writing utensils, office supplies</td>
<td>Garden products</td>
</tr>
<tr>
<td>Art, antiques</td>
<td>Building supplies and DIY</td>
</tr>
<tr>
<td>Baby and child products</td>
<td>Bathroom supplies and tools</td>
</tr>
<tr>
<td>Clothes, leather, shoes</td>
<td>Floor coverings</td>
</tr>
<tr>
<td>Consumer electronics, computers</td>
<td>Boats and accessories</td>
</tr>
<tr>
<td>Household appliances</td>
<td>Computers</td>
</tr>
<tr>
<td>Photography, lenses</td>
<td>Bicycles</td>
</tr>
<tr>
<td>Household items and textiles</td>
<td>Motorized vehicles and accessories</td>
</tr>
<tr>
<td>Toys and sports accessories</td>
<td>Medical supplies</td>
</tr>
<tr>
<td>Arts and crafts, watches</td>
<td>Carpets</td>
</tr>
<tr>
<td>Musical instruments</td>
<td>Tools</td>
</tr>
<tr>
<td><strong>Everyday items</strong></td>
<td>Food and drink, over-the-counter drugs, cosmetics and household items</td>
</tr>
</tbody>
</table>

These mandates are currently being implemented in the various GEPs in NRW, and all new building applications must conform to the GEP. Also, lower, intermunicipal coordination agreements give local authorities the right to object if a neighboring proposal will do too much damage (but this is very hard to prove in practice and therefore does not provide much protection). The restriction the Decree poses on municipalities has also been upheld in the German courts.
4.1.2.3 Local
At the municipal level — in NRW at least — designations of retail zones must conform to the rules described above. In addition, according to §2(2) BauGB, land-use plans must be coordinated with neighboring municipalities. The official procedure calls for municipalities to justify issued permissions according to size, branch, and assortment criteria, spatial ordering/integration and impact on neighbors (Quack and Wachowiak, 1999). In practice, however, some municipalities tend to zone large tracts of land as “special areas” in the hope of attracting businesses and enjoy the proceeds from the business tax. Besides this, most municipalities did not (and still may not) have a clearly articulated policy in place on economic/spatial development, let alone retail. Pre-Neue Mitte Oberhausen was no exception to this (Interview Baum, 2001). This seems to point to a classic prisoners’ dilemma situation: if no vertical mandate exists, a solution can be sought via horizontal coordination, but often these agreements lack the sanctions necessary to make it effective.

4.1.3 German retail development
With over 80 million people, Germany is one of the largest retail markets in Europe. German consumer spending may have grown modestly in the 1993-1997 period, but retail trade declined in real terms, and fell sharply relative to other expenditures. The authors Quack and Wachowiak (1999: 15) talk about a “retail crisis” in Germany that shows no sign of relenting in the near future. Others view this as resulting from the general conservatism of the German retail sector, which had failed to react swiftly to 1990s economic turbulence (Corporate Intelligence on Retailing, 1996: 3-4). One of the reasons for the expected continued difficulties in the retail sector is the general demographic decline in the country expected to persist up to the year 2030 (Zentes and Schwartz-Zanetti, 1988). Another reason is the continued growth in other kinds of private expenditure, particularly tourism.

Like elsewhere in Europe, there is an ongoing consolidation in the German retail sector in both corporate and spatial terms — an increase in outlet size, and a decrease in the number of shops (Corporate Intelligence on Retailing, 1996: 52). Specifically, the number of retail businesses in Germany fell from the end of the Second World War to 1980 by 30% or 340,000 (Blotevogel, 2000: 16). This is most perceptible in the food sector which concentrated rapidly in the early 1980s: by European standards, Germany is one of the most consolidated markets, with the top 1% of food retailers accounting for 70% of the total turnover (European Commission, 1993: 65-72). Still, it is slightly less consolidated than the UK (Howe, Jürgens and Werwy, 1998). Small retailers are now engaging in pooling schemes and coops to compete; together with the Netherlands, Germany has the most activity in this regard. This change in retail trade — demise of independents and rise in specialist markets — is shown in the Figure below.\(^{55}\)

\(^{55}\) Some of the German terms do not translate well into English as they point to specifically German phenomena. Specifically, “specialist markets” as indicated in the table refers to the German Fachmarkt, which is essentially a superstore in a particular branch (clothes, shoes, etc.) that usually trades at discount prices. Self-service stores refer to Selbstbedienungswarenhäusern which are larger stores (3,000m\(^2\) or more) that offer a variety of wares like hypermarkets (Callies, 2001; Quack and Wachowiak, 1999: 10-11).
With regard to planning issues (i.e. the problem of large-scale retail development), the great surge of out-of-town development came in the late 1960s and lasted for about a decade. From 1985 to 1990, growth rates were relatively low, until the second wave that occurred following the opening up of East Germany.

Until the 1960s the model for the retail trade in the FRG was taken from the late nineteenth century: medium-sized outlets selling small items, specialist retail outlet chains and department stores ... from the mid-1960s onwards, probably due to increased car ownership and thereby increased mobility of the population, new larger outlets of distribution appeared, such as discount stores, self-service stores and shopping centers.
Between 1964 and 1975 these retail types developed predominantly outside established localities and city centers, and often in [sic] greenfield sites (Vielberth, 1995: 80).

Faced with increasingly strict planning rules, developers retaliated by building specialized superstores called Fachmärkte or specialty centers at out-of-town sites that were under the (1,500m$^2$) size requirement and thus not subject to the legislation discussed in §2.2. Whereas the number of hypermarkets and large discounters fell sharply in the latter half of the 1980s and into the 1990s, collections of specialty centers grew into haphazard big-box retail parks, of which Indu-Park in West Dortmund is an example. This has since grown to encompass over 500,000m$^2$ of sales space (Brickau, 2001), including Germany’s first Wal-Mart (see below).

One of the most important changes in the German retail structure in the past decades was a direct result of the unification. The low level of retail sales space per capita in the new states offered a great opportunity for retail developers, who took full advantage of the chaotic period when West German planning law was being incorporated into the new states to build out-of-town hypermarkets and shopping centers (Jürgens, 1995; Volkmann, 1998). Hans Blotevogel observed that, “nowadays the retail landscape in the new states resembles North America more than it does Western Europe” (2000: 10). The rate at which this occurred also sent a clear signal to public authorities in the western states about the consequences of lifting regulations restricting peripheral development. In 1995, the situation was considered dire enough for the Federal Office for Building and Regional Planning (Bundesamt für Bauwesen und Raumordnung: BBR) to set up a conference in Bonn on how to reanimate dying German city centers (Janning, 1996). The spatial distribution of shopping centers in Germany is presented below. One can see a high concentration of out-of-town shopping malls (triangles) in the new Eastern states and in Nordrhein-Westfalen.
CHAPTER 4: CASE STUDY OBERHAUSEN

4.2 Regional context
The state of Nordrhein-Westfalen (NRW), officially founded in 1946 by the British military government following the Second World War, is the fourth largest state in terms of land mass (about 34,000 km²) and the most populous at around 18 million (Model, 1994). Like most other modern German states, NRW is more of a construct of Allied occupation zones than a historically rooted administrative entity. As a result of this — and of streams of internal and external migration — citizens tend to identify themselves less with their state and either more with Germany as a whole or their local community (Benz, 1998: 113).

4.2.1 A brief background to the Ruhrgebiet and its planning
The most important and urbanized part of NRW is the Ruhrgebiet and with a population of approximately 5.5 million, it is also Germany’s most densely populated urban region. It is an area whose very essence has been profoundly shaped by industry: the location of its towns, the routes of the infrastructure, and most importantly its inhabitants. This has tainted the
image of the Ruhrgebiet in the eyes of most outsiders. One of the only English-language tourist guides in existence for the area explained in its introduction:

It’s a funny thing about the Ruhrgebiet. Not a single German from outside would ever want to live there. And no-one who lives there would want to move out... Superficially the region seems little more than a conglomeration of run-down industrial towns in search of a future, with nothing to offer except beer and football (Kift, 2000: 10).

While coal mining and iron production in the Ruhr valley dates back to the Middle Ages, it was not until the nineteenth century that new advances in coal shaft construction allowed production to accelerate into a booming industry which drew workers from all corners of the country and beyond. In the mid-1800s the total population was only 233,000. Within a few years this had tripled. The population continued to swell, doubling again to 1.5 million by 1895, and reaching 2.6 million by 1905 (Reiß-Schmidt, 1999).

Because locational decisions of factories were tied to the proximity of resources, and because infrastructure was built mainly to service these plants, urban development expanded incoherently, following a haphazard pattern virtually devoid of all planning. Residential neighborhoods, for example, were simply built close to the mines amid industrial activities and heaps of refuse (Wegener, 1996). Shops and other facilities usually came as an afterthought in response to demand. Over time, mining plants slowly migrated north as resources became depleted, creating additional chaos in terms of urban structure (Interview Callies, 2001). The heavy infrastructure, much having fallen into disuse with the movement of industry, posed formidable physical barriers, carving up the region into artificial compartments. Thus, the current patchwork of towns scattered throughout the Ruhrgebiet is not the product of historical settlement patterns but originated more as enclaves of the workers of a particular industry. This disorganization is also reflected in the administrative structure: there is no official tier of government for the Ruhrgebiet. In fact, the government
districts with decision-making authority *over* the Ruhrgebiet are located *outside* the area, in Düsseldorf, Münster and Arnsberg.56

**Economic restructuring**
The WWII reconstruction and Korean War had provided more demand than ever for coal and steel, but at the end of the 1950s, imported coal began to squeeze out work and 35 mines closed between 1958 and 1964, laying off 53,000 workers (Wegener, 1996). The national government refused to impose tariffs on oil, despite massive protests, but did offer aid in restructuring and modernization of the region, together with the state government. The 1968 LEPro Ruhr, for example, focused on economic transformation. This was opportune, as the steel crisis dealt its *coup de grace* to the industrial might of the Ruhr area in the 1970s, bringing a decline that was to continue to the present day. Although it continues to define the image of the region, the coal and steel industry currently employs less than 4% of the working population in NRW and only 8% in Ruhrgebiet (the biggest industrial employers are now the chemical and machine industries). The service sector gained significantly in prominence, employing 42% of the labor force in the 1970s and 62% now (NRW, 1996: 11).

56 Despite this, there has been some public sector organization at the level of the Ruhrgebiet. The first planning visionary of the Ruhr area was Robert Schmidt, the head of building and planning in Essen, who published a memorandum in 1912 which envisioned the area as a regional metropolis in need of integrated planning. This came as a response to the “medley of ill-conceived and often contradictory plans” governing the area (Hall, 1966: 147). His vision was to designate zones in this motley polycentric area (core industrial, housing and recreation, new industrial) and green buffers running throughout the Ruhrgebiet. This was delegated to the back burner until after WWI, after which he became the first director of the SVR (Siedlungsverband Ruhrkohlenbezirk) and was able to implement many of the regional planning ideas he had drawn up over a decade before. After WWII, the SVR was given the important task of coordinating the reconstruction, and started drafting plans in the 1960s to cope with the rapid growth of the region. This situation persisted until 1975 when a state-level reform weakened its authority considerably by delegating planning authority to the three districts. In 1979 the SVR was finally retired as an effective coordinative body, being replaced by the present regional organ KVR (Kommunalverband Ruhrgebiet) whose influence in planning matters is very limited. The current political climate does not seem to favor a strong regional body either (Reiß-Schmidt, 1999), despite a commonly held belief by planning professionals and the state (articulated as the “Rhein-Ruhr European Metropolitan region” in the LEP) that a regional level is necessary (Hoogerbrugge, 1999).
The public funds for economic transformation dried up after the unification. The new states, with their outdated infrastructure, social and environmental problems and dilapidated housing stock, posed a tremendous challenge to a planning system which endeavored above all to equalize spatial disparities. As a result, much of the monetary sources to rejuvenate Ruhr cities dried up, and areas were encouraged to take advantages of endogenous potentials. This has served to make competition for large-scale projects ever more acute, and diminished the capacity for effective intermunicipal coordination. The effects of this can be read in the retail structure and the current proliferation of hypermarkets, superstores, shopping malls and other retail/leisure projects.

4.2.2 Retail development in the Ruhrgebiet

The Ruhrgebiet has the most important concentration of planned shopping centers in Germany (Heineberg and Mayr, 1986). The earliest out-of-town malls in the Ruhrgebiet were completed in the mid-1960s, and led to the submissions of 81 additional applications for free-standing developments to be built over a ten-year period. Most of these were cancelled in 1966 due to increasing hostility from local planners, and efforts were redirected to sites within cities (Dawson, 1983: 25-26).

The out-of-town shopping center developments were particularly dangerous to traditional centers in this area because Ruhr cities are not especially charming. Aside from a history that usually stretches back no farther than the nineteenth century, they were heavily bombed in WWII and reconstructed to serve the automobile. Many centers are characterized by commercial buildings architecturally devoid of all imagination (Wegener, 1996: 77). Moreover, due to its polycentric nature, peripheral large-scale retail projects create significant catchment area overlaps in the Ruhrgebiet, making them more attractive as commercial investments. A few figures in the tables below illustrate this.

<table>
<thead>
<tr>
<th>Location of retail development in Germany, in percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
</tr>
<tr>
<td>1964-1990</td>
</tr>
<tr>
<td>1991-1995</td>
</tr>
<tr>
<td>1996-1998</td>
</tr>
<tr>
<td>1999-2000</td>
</tr>
</tbody>
</table>

Source: EHI, Köln in HDE

<table>
<thead>
<tr>
<th>Location of retail development in Ruhrgebiet, in percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
</tr>
<tr>
<td>1987</td>
</tr>
<tr>
<td>1997</td>
</tr>
</tbody>
</table>

Source: Quack and Wachowiak (1999: 16)

From the tables above, it should be clear that, more than in the rest of the country, retail in the Ruhrgebiet has been built at out-of-town greenfield sites, or as the Germans say it, *auf der grünen Wiese*. Regarding large shopping malls, CentrO is just one of three largest in the Ruhr area: Ruhrpark in Bochum (73,000m²) with 104 shops, Rhein-Ruhr in Mülheim (71,000m²) with 140 shops are the two others. In total, there are over twenty shopping centers in the Ruhrgebiet. In this sense, CentrO can be seen as simply carrying on in this tradition. A list of these shopping centers by Brickau (2001) is provided below.\(^{57}\) On the basis of this kind of

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\(^{57}\) The figures presented here by Brickau (2001) should be taken only as a very rough indication of size. CentrO for example is listed as being 100,000m² which is 30,000m² more than what is generally accepted as its size.
development, some authors like Hatzfield (1995) contend that the proliferation of hypermarkets, discounters (e.g. Aldi), Fachmärkte, out-of-town shopping centers and the like have “dissolved” the classical city structure system in Germany.

<table>
<thead>
<tr>
<th>Opened</th>
<th>Municipality</th>
<th>Name</th>
<th>Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>Bochum</td>
<td>Ruhrpark</td>
<td>110,000</td>
</tr>
<tr>
<td>1968</td>
<td>Dortmund</td>
<td>Indu-park</td>
<td>125,000</td>
</tr>
<tr>
<td>1971</td>
<td>Dortmund</td>
<td>Westfalen</td>
<td>23,500</td>
</tr>
<tr>
<td>1971</td>
<td>Oberhausen</td>
<td>BERO-Center</td>
<td>40,000 (leased space)</td>
</tr>
<tr>
<td>1973</td>
<td>Bochum</td>
<td>Uni Center</td>
<td>19,500</td>
</tr>
<tr>
<td>1973</td>
<td>Essen</td>
<td>Altenessen</td>
<td>13,500</td>
</tr>
<tr>
<td>1973</td>
<td>Herne</td>
<td>City-center</td>
<td>12,100</td>
</tr>
<tr>
<td>1973</td>
<td>Mülheim</td>
<td>Rhein-Ruhr Zentrum</td>
<td>90,000</td>
</tr>
<tr>
<td>1974</td>
<td>Mülheim</td>
<td>Forum City Mülheim</td>
<td>38,000</td>
</tr>
<tr>
<td>1974</td>
<td>Marl</td>
<td>Marler Stern</td>
<td>32,000</td>
</tr>
<tr>
<td>1975</td>
<td>Recklinghausen</td>
<td>Lörhof-Center</td>
<td>11,000</td>
</tr>
<tr>
<td>1978</td>
<td>Kamen</td>
<td>Handelsfachmarkt Zollpost</td>
<td>35,000 (leased space)</td>
</tr>
<tr>
<td>1979</td>
<td>Essen</td>
<td>City-Center Essen</td>
<td>30,000</td>
</tr>
<tr>
<td>1983</td>
<td>Gelsenkirchen</td>
<td>Banhofs Center</td>
<td>13,000</td>
</tr>
<tr>
<td>1984</td>
<td>Bochum</td>
<td>Drehscheibe</td>
<td>18,000</td>
</tr>
<tr>
<td>1984</td>
<td>Duisburg</td>
<td>Averdunk Centrum</td>
<td>22,000</td>
</tr>
<tr>
<td>1987</td>
<td>Duisburg</td>
<td>ImBrams Center</td>
<td></td>
</tr>
<tr>
<td>1989</td>
<td>Bochum</td>
<td>City-Point</td>
<td>18,000</td>
</tr>
<tr>
<td>1992</td>
<td>Hamm</td>
<td>Allee-Center Hamm</td>
<td>23,000</td>
</tr>
<tr>
<td>1993</td>
<td>Duisburg</td>
<td>Rathaus Center Hamborn</td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td>Duisburg</td>
<td>Galeria</td>
<td>15,000</td>
</tr>
<tr>
<td>1996</td>
<td>Oberhausen</td>
<td>CentrO</td>
<td>100,000</td>
</tr>
<tr>
<td>1999</td>
<td>Bochum</td>
<td>Hannibal</td>
<td>34,000 (retail space)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Planned</th>
<th>Municipality</th>
<th>Name</th>
<th>Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>n/a</td>
<td>Dortmund</td>
<td>Aplerbeck Ost</td>
<td>40,000</td>
</tr>
<tr>
<td>2000</td>
<td>Unna</td>
<td>Bahnhof</td>
<td>10,000</td>
</tr>
<tr>
<td>2001</td>
<td>Dortmund</td>
<td>UFO</td>
<td>90,000</td>
</tr>
<tr>
<td>2001</td>
<td>Schwerte</td>
<td>Bahnhofs-center</td>
<td>10,000</td>
</tr>
<tr>
<td>2003</td>
<td>Duisburg</td>
<td>Multi-Casa</td>
<td>140,000</td>
</tr>
<tr>
<td>n/a</td>
<td>Essen</td>
<td>Berliner Platz</td>
<td></td>
</tr>
<tr>
<td>n/a</td>
<td>Essen</td>
<td>PASSAREA</td>
<td>350,000 (total floorspace)</td>
</tr>
</tbody>
</table>

This development has not occurred without its critics. Particularly neighboring communities are opposed to large-scale retail proposals because of their potential to pull trade away from their own centers. The same is true for some retailers, especially independents, that rarely find a place in the new center. In addition, organizations such as chambers of commerce are usually fervently opposed to large out-of-town projects. Finally, regional associations of municipalities often stress the destructive aspect of large-scale retail development and urge coordination; a list of factors is included below.

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Whether this figure includes the auxiliary functions such as the sports hall and cinema is unclear. Disparities in the reporting of shopping center floorspace is very common.

58 Big expansion in 1969, and another of 15,000m$^2$ planned for 2000.


61 Retail space integrated in train station.
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**SUPER-MUNICIPAL/REGIONAL LEVEL (SPATIAL PLANNING EFFECTS)**

<table>
<thead>
<tr>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Despoiling the urban landscape</td>
</tr>
<tr>
<td>Use of countryside</td>
</tr>
<tr>
<td>Generation of additional personal car and supply traffic</td>
</tr>
<tr>
<td>Damage to natural areas due to noise, exhaust and making land unavailable</td>
</tr>
<tr>
<td>Overburdening transport infrastructure</td>
</tr>
<tr>
<td>Trade deflection from other (central) places</td>
</tr>
<tr>
<td>Environmental effects that cross over borders</td>
</tr>
<tr>
<td>Endangering the retail provision in residential areas</td>
</tr>
<tr>
<td>Endangering the central place system</td>
</tr>
</tbody>
</table>

**Economic effects (impact on existing businesses)**

- Change in sales
- Altered investment relations
- Danger of closures
- Personnel changes (number and quality of training opportunities)
- Danger of reduction of jobs
- Change in retail supply
- Additional external costs

**Administrative effects (impact on urban development)**

- Loss of sales in central shops
- Less investment by businesses in central areas
- Trading-down of mature retail areas
- Change in image of the city: trend towards urban degeneration
- Overburdening of infrastructure
- Danger to residential supply
- Endangering of planning concepts and developmental room

Figure 19: Effects of large-scale retail (Regionalverb. Hochrhein-Bodensee, 2000: 4).

The answer to this from the public sector is the increasingly restrictive planning policy on retail establishments described at length in §4.1.2. As stated, this has generally taken the form of special requirements for outlets exceeding a certain size, and mandates that plans made at lower tiers seek to maintain a hierarchy of central places. In addition, some cautious steps have been taken by regional associations in the form of seminars. Given this strong stance of the government, and support within the private sector for regulation, the question then becomes why the actual retail development in the Ruhrgebiet has made a mockery of this policy. It is to this question that we will now turn.

### 4.2.3 Why restrictive retail planning is so ineffective

Without any planning rules imposed on retail development whatsoever, rapid and irrevocable changes to the retail structure can occur, as witnessed in Britain in the 1980s and East Germany in the early 1990s. However, as seen above, this can still happen even when unequivocal rules exist.

There are five main reasons why actual retail developments in the Ruhrgebiet fly in the face of official planning policy. The first is that retail developers can exploit loopholes in the legislation. Regarding this point, Vielberth explains that,

> In order to comply with regulations regarding large trading areas (i.e. 1,500m$^2$ prior to 1985, 1,200m$^2$ from 1985 onwards), large organizations expanded into multiple outlets with smaller trading areas. Thus the required size in total trading area could be met approximately. Specialist markets [Fachmarkt] with areas of less than 1,200m$^2$ were developed with a limited range of products (1995: 85).

As an additional irony, it is generally only
The large retailing groups who have at their command the experts and lawyers who are necessary to manage the complicated and lengthy process of authorization … small and medium-sized companies stand little chance of surviving the process of authorization. As a consequence, the regulations intended to protect medium-sized organizations have the opposite effect (Vielberth, 1995: 82-83).

A second reason is related to the first. The method employed to control retail development (restrictions according to size, location) is essentially restrictive rather than developmental. In an environment of fragmented local government and an aggressive private sector, such a stance will mostly likely be met with strategic behavior, such as indicated above with regard to the Fachmarkt.

The third reason regards the unwillingness of municipalities to implement a restrictive policy for developments that could potentially bring jobs and money (via the business tax) into the community, and the inability of higher governmental tiers to force compliance. When faced with a concrete proposal for a large-scale retail project, advice given by the state government is generally followed by the local authority. However, for applications below 1,200m², municipalities generally decide for themselves. Also, some applications up to 10,000m² may not even be considered relevant to the state, and thus this is left to the discretion of the municipality (Vielberth, 1995: 98; Friedrich, 2000: 6). Because more and more industrial, military and railroad sites are becoming available in the Ruhrgebiet as a result of economic restructuring, it is difficult for municipalities to politically resist the pressure for their development for retail (Janning, 1996: 306), and practice has shown that the state is generally unwilling to engage in a direct conflict over the issue (Regionalverband Hochrhein-Bodensee, 2000: 2). All in all, Wegener has noted that, “The LEP has not been very influential. The central-place categories play a secondary role when cities lobby for money for facilities, that is, if they play a role at all” (1996: 75). By inference, non-binding inter-municipal coordination agreements are even less effective. Carola Scholz, head of the NRW referat for housing and urban development sums up that: “political authorities at various levels and organizations are in agreement that there are enough instruments. One must just use them and not always be deterred by the temptations of investor groups” (1999). Indeed, if one were to faithfully follow the provisions of the NRW Decree on Retail, it would, in theory, halt all new development of center-relevant (and thus center-threatening) outlets like superstores trading in sports articles, consumer electronics and toys (Janning, 1996).

A fourth reason why planning for retail in Nordrhein-Westfalen continually encounters problems can be traced back to geography. Unlike Southern Germany, the Ruhrgebiet is particularly difficult to describe in terms of central place theory. There is no clearly defined center to the area, or dominant city at its geographical core. Because this area is essentially polycentric, the whole idea of center/periphery is problematic, especially considering the level of car mobility in the area, and the fact that a number of large-scale out-of-town shopping centers already exist in the area. There is also clear evidence that different centers are obtaining different themes: Bochum is known for its nightlife, Dortmund for the University and Essen for shopping. Of course this is antithetical to Christaller’s thesis which does not allow for functional-geographical specialization. One can therefore make a convincing argument that the misapplication of an old theory to new situations and areas that do not conform at all to its suppositions is bound to lead to contradictions, and in all probability ultimately become untenable in the face of market forces wishing to expand.

The final reason why retail planning has failed to make a significant difference in the retail structure of the Ruhrgebiet is simply that many building applications were approved prior to
the introduction of more restrictive measures (Interview Baum, 2001; Interview Callies, 2001). The effect of this grandfather aspect will be to drive up prices for pre-approved out-of-town projects in the short term. In the medium term, however, if no change is made in policy, limiting the number of new out-of-town projects may direct development inwards towards city centers. Several projects of this kind are already in the works (e.g. the Ufo project in Dortmund and the Multi-Casa project in Duisburg, both at rail stations), and will be discussed later. In their international review of retail policy, the authors Kolen and Bell (2000a: 35) remarked that:

Peripheral developments have especially in West Germany had strong negative effects on inner cities. The German national policy regarding large-scale retail aims to dam this growth. Thanks in part to this, the inner cities have been able to (after a period of decline) begin to flourish again. Market parties have shown a renewed interest in central cities in the past few years.

What these authors fail to mention is that these investments are generally not in conventional shop formats but in big integrated commercial projects that are often themselves accused of harming city centers. The forerunner to these projects — and the most famous in Germany — is of course CentrO.

4.3 Local context

In order to explain how the Neue Mitte came about, it is now necessarily to examine the structuring factors (spatial, economic, administrative) that framed the action radius of the most salient actors at the local level. As will become evident, not only did some of these parameters shift over time in the course of the controversy, so did the players themselves and their degree of influence.

4.3.1 Oberhausen: a divided city in a divided region

Oberhausen’s spatial structure and situation had a significant impact on the decision-making process that led to CentrO and the Neue Mitte. It is first important to realize that Oberhausen is a fairly young city, largely the product of Germany’s industrial revolution. Like many other towns in the Ruhrgebiet, the growth of Oberhausen is inextricably linked to its industrial past. The most important milestone of Oberhausen’s early development, for example, was the opening of its rail station in 1846. The most defining spatial features of the city — the layout of the residential areas and main infrastructure — was largely determined by the needs of manufacturers. Decisions on where to build were made usually on the basis of proximity to resources or waterways rather than an overall plan or vision (Basten, 1996). As a result, the city has a somewhat chaotic morphology, with three distinct centers — Sterkrade, Osterfeld and Oberhausen-Alt — functioning relatively independently of one another. Residents had and continue to have more allegiance to their city district than the municipality as a whole (Basten, 1998: 36). This is intensified by physical cleavages produced by infrastructure, that paradoxically divide contiguous areas from each other while connecting far away ones (AS&P, 2000). The main thing that all Oberhausen centers had in common was an employer: a gigantic steel refinery called Gutehoffnungshütte situated between them (later, this would become the site of the Neue Mitte). It was only in 1929 that the three city centers were fused into one municipality, and at the request of Gutehoffnungshütte. So, one could argue that even this administrative unification is rather artificial.

62 In fact, even after WWII, the municipality did not conduct an active planning policy, allowing developments to continue to run their course (BBR, 1999: 31).
Although Oberhausen-Alt\(^{63}\) (old center) has the official role as a city center (and will be referred to as such in this chapter) it cannot claim to be so geographically. Instead, its status rests on the fact that several important municipal functions are located there (main rail station, city hall, library, etc.), the quality of some of the historic buildings close to the rail station, and the density of population in the grid-like district around the 1,400 meter long pedestrianized Marktstraße (Stadt Oberhausen, 1999: 5). It is therefore safe to say that Oberhausen (prior to the Neue Mitte at least) has had a predominantly polycentric structure, with Oberhausen-Alt having a preferred but by no means dominant status.

**Economic production and consumption**

In order to understand the history of the Neue Mitte it is essential to say something about the economic background in which it emerged. At one time, the Ruhr miner and steel worker was envied as the best paid in Germany, and the region was the fastest growing area in Germany. But as noted above (§4.2.1), both the coal crisis and later the steel crisis had dealt the region a heavy blow. As elsewhere in the Ruhr area, the decline of the coal and steel industry had far-reaching consequences for the citizens of Oberhausen. This was not a new phenomenon of the 1990s but a structural deterioration spanning an entire generation. At the Gutehoffnungshütte factory, taken over by Thyssen in 1960, operations were gradually

\(^{63}\) Ironically, Oberhausen-Alt is actually the youngest of the municipality’s centers!
phased out and transferred to Duisburg. The factory finally closed permanently in 1987 — leaving a gaping hole in Oberhausen’s geographical center, estimated at 1.3 million m² (Wood, 1996). The total loss of jobs was phenomenal: 39,000 manufacturing jobs vanished between 1961 and 1987 (Basten, 1996), leaving the city with an unemployment rate of 17% (Scheffler, 1990). Mass unemployment and social unrest was coupled by a fundamental dissolution of the urban fabric as employment centers, once bustling loci of activity, became barren and empty. To make matters worse, the city was plagued with mounting debt, increasing from € 181 million in 1980 to € 233 million a decade later (Basten, 1998: 46). This forced city officials into thinking proactively about economic development, something that it had never considered before because industry had always managed to create sufficient work on its own (Wegener, 1996: 78).

With regard to shopping, prior to CentrO, retail was concentrated in the various district centers. Oberhausen-Alt enjoyed an advantage over the others as having the capacity to offer a deeper and wider assortment. There is also one planned shopping mall in Oberhausen, the 40,000m² BERO-Center, built in 1971. This is located “behind” the central station in Oberhausen-Alt, and was controversial in its time due to its relatively poor integration in the urban structure (Brickau, 2001: 256). Obviously, its impact has been greatly overshadowed by CentrO and it is now rarely mentioned in the literature, although, it too launched a media campaign and renovation as a response to the arrival of CentrO (WAZ 24 May, 2000).

Prior to the Neue Mitte, Oberhausen suffered from a poor image, often disparaged even within the Ruhr area (Hoefs, 1990; Quack and Wachowiak, 1999). Residents commonly left the city for leisure shopping and entertainment, producing an economic drain or “leakage” and reinforcing the city’s poor image. The pressing question for planners was therefore how to attract new forms of employment, preferably those which would enable the reuse of industrial land, and which would improve Oberhausen’s overall image. Interestingly, the solution offered did not gestate within the public sector or even the city, but was introduced by a foreign company.

4.3.2 World Tourist Center proposal

In November 1988, quite unexpectedly, the Canadian investor Nader Ghermezian of the Triple Five corporation (the same company that had built the West Edmonton Mall in Canada) announced its intention to the state government in Düsseldorf to redevelop the derelict 100ha Thyssen area. This proposal sent immediate shockwaves throughout the region. The plan — called “Euro Mall” — bordered on megalomania: it called for the construction of the largest shopping mall/leisure park complex on Earth in Oberhausen. Triple Five made the bold claim that it had built the “eighth wonder of the world” in Edmonton, and that, pending approval, the ninth would be built in Oberhausen, transforming Oberhausen into a “magnet for West Europe” (Scheffler, 1990). The proposal was to build a mixed-use development of approximately 675,000m² of which 250,000m² would be devoted to retail as an enclosed shopping mall. The proposed behemoth would contain over 800 shops, 135 restaurants, aquariums, a theme park (90,000m²), a hotel complex (210,000m²), offices (90,000m²) as well as a casino, clubs and discos. Also included in the scheme were camping facilities, garage facilities for 27,500 cars, a harbor for 400 yachts and a bus/train station (Basten, 1998: 49-50).

This project would have considerable spin-off effects for Oberhausen, Triple Five argued. In addition to being a catalyst for further development and solving the problem of filling the unused space at the Thyssen site, it would most importantly create badly needed jobs.
According to Triple Five, 14,200 full-time jobs would be created just in the Euro Mall area itself. Oberhausen was enveloped in a sense of euphoria (Blotevogel and Deilmann, 1989). Kurt Löwenthal of the local retail association jubilated: “it’s like they’re building the Cathedral of Cologne here” (Scheffler, 1990: 76). However, opponents were already mobilizing themselves for an all-out war against the Triple Five proposal.

Naturally, a development of such proportions was not intended to serve the local populace (only about 220,000 at the time), but sought to take advantage of Oberhausen’s unique location in a heavily populated region. Its excellent infrastructural connections could easily pull trade from a wider area. Not surprisingly, this aroused the suspicion (and indignation) of surrounding cities. As part of their strategy to obtain approval in the face of certain resistance from neighboring communities and shopkeepers throughout its gigantic catchment area, the developers redubbed the project “World Tourist Center” suggesting that the complex would draw people to the region instead of merely shifting sales around within it (Blotevogel and Deilmann, 1989: 645), claiming that of the estimated 25 million visitors annually, 10 million of them would be “tourists.” Triple Five, in a grand display of naiveté, even flew representatives from Ruhr cities to Canada, hoping that they would be impressed by the West Edmonton Mall’s grandeur. However, not only did the “tourist” argument fail to persuade the representatives, but the trip to Canada, rather than quelling anxieties of ruinous competition, only served to heighten it (Scheffler, 1990; Discussion Basten, 2001).

Five months later, in April 1989, the Triple Five Corporation and Hamburg ECE Projektmanagement GmbH submitted an official detailed plan for consideration to the state minister of economics Jochimsen (Scheffler, 1990: 77). This step brought other actors into the official decision-making process, particularly higher tiers of government and neighboring communities. The land on which WTC was to be built (Thyssen site) had to be rezoned as commercial (it was still listed as industrial in the GEP) and because this plan is set at the state-district level, Düsseldorf became involved in the negotiations. As such, the proposal had to be assessed on its ability to fit in with NRW planning policy and also had to gain approval from neighboring cities. This marked a significant milestone in the forthcoming chain of events.

The proposal was accompanied by a list of formal demands, given the perceived advantages and spin-off effects listed above. First, an exemption to the Shop Closing Hours Act until 9:00 p.m. was demanded. The second condition was an issuance of a low-interest loan (amount unnamed) with a 35-year repayment term. The third was an exemption from the land tax (Grundsteuer) for 35 years. The fourth demand was a full gambling arcade license without public participation. Finally, the developer insisted that the public sector finance the rail (S-Bahn) station, boat harbor, and any decontamination costs the site would require (Blotevogel and Deilmann, 1989; Basten, 1998). The nature and extent of these demands helped to polarize those involved into two distinct and opposing camps at the state level.

### 4.3.3 Negotiations and altercations

Due to the all-or-nothing nature of the project (given the disposition of the developer), parties found themselves forced to take sides. Roughly speaking, all neighboring communities were vehemently opposed to WTC on the grounds that it would damage their city and district centers. Within Oberhausen there was more ambivalence than may have been expected. Although it is true that most parties favored it, including the local retail association and the SPD, others like the Bunte Liste party and the PDP denounced it as a “subsidy Moloch” bitterly referring to Triple Five’s list of demands (Scheffler, 1990). At the state level, a
conflict between Minister of Economics (for) and Planning (against) erupted, and the situation became mired in political discord, making it impossible to evaluate the application on purely technical criteria.

In this politicized context, the NRW government set up an inter-ministerial workgroup to discuss and evaluate the proposal. Immediately after its establishment in April 1989, a group of seven experts were commissioned to produce a report. This 500-page tome was ready on 12 June. However, the neighboring communities had already commissioned a study of their own (AGEPLAN) which was completed three days earlier. It was therefore decided to publicize both reports simultaneously on 14 June, 1989.

Both studies were very critical of the WTC proposal. The report commissioned by the state came to a negative verdict on both the viability of the proposed business concept as well as the expected impacts. It also stressed the excellent development potential of the site itself (geographic location and infrastructure), and offered several alternatives (Basten, 1998: 53). The other report, AGEPLAN, cast serious doubt on the claim of whether the project would function as a tourist center. If WTC was merely a glorified shopping mall as opponents charged, it would be subject to the rigors of German retail planning law — specifically the points regarding the preservation of central places and integration into the urban structure. Taking the developer’s own creation, the West Edmonton Mall (WEM), as an example, AGEPLAN called the integrity of their claims into question. Evidently, Triple Five had also claimed that WEM was a tourist destination where a majority of visitors were drawn from over 30km away, but according to Blotevogel and Deilmann (1989) “no shopping mall known to man gets over half of its income from outside a 30km radius” (p. 643).64 Furthermore, the AGEPLAN report estimated that the retail drain on Oberhausen would be about 15% and 10% for its neighbors (as opposed to 10% and 3% respectively as maintained by Triple Five). Finally, the report estimated that the 7,900 retail jobs created by WTC would result in the destruction of 8,200 elsewhere (Blotevogel and Deilmann, 1989: 644). Hardly astonishing considering who had commissioned it, AGEPLAN therefore strongly recommended that the application to rezone the Thyssen area in the GEP be denied on spatial planning and environmental grounds:

The realization of WTC and its anticipated effect on regional purchasing power flows will significantly impact the system of central places in the West Ruhrgebiet… the inner city hierarchy of Oberhausen will be altered completely. The city center as well as the larger district centers can count on substantial loss of income (Blotevogel and Deilmann, 1989: 644).

With this, it was added that if the WTC were to be approved, Oberhausen would be the first large city in Europe to have a uniformly planned and commercially operated shopping mall and theme park as its main city center. This fact alone raises a number of normative issues such as the sanctity of public space in city centers, the questionable effect of the artificial environment created and other civic issues.65

4.3.4 NRW seizes responsibility
According to German planning law, the state government was authorized to call in the decision of the WTC application on grounds of the GEP rezoning, but the political conflict

64 In fact, the 9-million tourist figure for WEM was not even corroborated by the municipality of Edmonton which counted only 3.4 million tourists for the municipality as a whole, the mall included.

65 However, it should also be remembered that as a factory, the location of CentrO was never public but private space (Discussion Basten, 2001).
which had ensued between municipalities gave additional cause for it to feel justified in doing so. In addition, the planning capacity of Oberhausen was deemed insufficient to handle projects on this scale (Wood, 1996: 2). In light of the two negative reports by independent consultants and a political climate hostile to WTC outside of Oberhausen, NRW decided on 20 June 1989 to deny the permit. The official reason given was its non-reconcilability with state goals concerning central places. The political motivation for this decision is explained by Basten (1998: 54):

The early organized and vociferous opposition of the neighboring communities and regions could readily be identified, with which the Land government could count on offering massive opposition if one officially decided for confirmation — and thus also simultaneously for execution — of the WTC project. The political price for an SPD [Social Democratic] Land government for ignoring such a large number of generally SPD-ruled municipalities and thereby a considerable part of their own constituency with such a decision … could be reckoned to be extremely high.

Resentment
It should be clear that this decision was highly disappointing for the city of Oberhausen. It was bad enough that the state took control of something that is usually a function of the municipality (i.e. urban development), but the fact that it denied the application in the face of overwhelming local support evoked an understandable bitterness. The mayor (Oberbürgermeister) Van der Mond complained that: “We always explained that we didn’t want to develop the project against the region, but still neighboring communities created an anti-Triple Five sentiment behind our backs” (Scheffler, 1990: 78). In the 1990 Oberhausen yearbook, a member of the Oberhausen planning department wrote:

This was an investment of world format, and one that was dealt with by the German partners in a horribly provincial way. Outside the city, the discussion on the World Tourist Centre was dominated by ideology, fear and envy. It brought the painful recognition that regional solidarity has not come far (Hoeß, 1990).

All this placed additional pressure on state authorities to quell the resentment festering in Oberhausen. As consolation, NRW pledged that it would find a suitable economic function for the site, and initiate a competition for new ideas for development. NRW would also promote plans for High resolution digital television (HDTV) in Oberhausen — “The state, which in the discussion with Triple Five, did not make itself particularly well-liked, appears now to be offering solid support for Oberhausen as a media locale (planned Osterwood media park)” (Schmitz, 1990: 101). More importantly was the assignment of the NRW Minister of Finance Heinz Schleußer to the project as the one responsible for the Thyssen site. His real estate portfolio is not sufficient to explain this decision; the fact that he was native to Oberhausen was a political move to help soften the blow dealt to Oberhausen (Basten, 1998: 55). This proved to be a decisive factor for CentrO. Another was the founding of a development company on 28 September (1989) to deal with the site: the Grundstückentwicklungsgesellschaft Oberhausen (GEG). The GEG began as a subsidiary of the company West LB Immobilien GmbH, but on 4 April 1990, both NRW and the city of Oberhausen each purchased a one-third interest (Basten, 1998: 59-62).

4.3.5 First steps towards renewal
At the beginning of the 1990s, economic restructuring continued to head the political agenda in Oberhausen. It is interesting to note that immediately following the demise of WTC, no

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66 What finally came was a strong subsidy (up to 80%) for the high definition television studio (now Digital Renaissance) which opened in 1999 in Osterfeld (Stadt Oberhausen, 1999: 22).
provisions were made for another project at the site (Basten, 1998). In fact, the then planning director explicitly stated that: “The city is not going to give up its polycentric structure, that is, no new city center is planned” (Hoefs, 1990: 104). For this reason, plans for the physical and economic recovery and restructuring were directed at the three district centers, and Oberhausen-Alt in particular. Because the image of the inner city was, even for its residents, determined by the less-than-inviting railway station terminal and especially the unremarkable Marktstraße, these two areas were singled out as demanding immediate attention (Hoefs, 1990: 105). In an attempt to bolster the inner city, the association AktionsGemeinschaft Innenstadt Oberhausen (AGIO) was created, comprised of representatives from retailers, industry and trade, banks and restaurants. Immediately after its founding, AGIO hosted an initiative with the local retail association and the planning department to set up a competition to create a vision for the center: one bid for the station area, the other for the Marktstraße. These competitions would then serve as the basis for the production of an urban design study to transform the area.

A preliminary conceptual competition in January 1991 cited as assets for the city center its 20,000 residents and the presence of some attractive 1920s architecture. Most ideas generated in this phase concentrated on “green axis” concept, traffic reduction, better public transportation, bicycle facilities and the like (Piam, 1991). The train station competition took place in the context of the IBA program and was held in March 1991. The winner was announced in June, and a start was made in 1992, € 12.5 million was contributed by NRW. The Marktstraße competition took place in April 1991, and most bids showed green spaces and partial enclosure (middle area was to become an open-air galleria). This was included mainly as a design feature, not as a shield from the elements (Piam, 1991). Still, this became a central element for the revitalization of Marktstraße and the financing would be carried by inner city retailers, the state and the city; a building permit was finally issued in 1995. However, this was to no avail, as objections to the roofing by residents in the Marktstraße proved decisive in blocking the project (Interview Baum, 2001; BBR, 1999: 19). The regrets of city center proponents regarding this failed initiative were amplified once it became known that a powerful competitor was about to arrive on the scene — the shopping mall CentrO.

4.4 Design and development of the Neue Mitte
This section will discuss how the various actors dealt with the proposal by Edwin Healey to build a mall at the Thyssen site. In this, the city of Oberhausen became a much more active participant. The bitter lesson learned by the WTC fiasco had induced the proponents to adapt their tactics to avoid a similar humiliation. The new strategy included behind-the-scenes cooperation between the GEG, Dresher, and the State Ministry of Finance, the early dissemination of positive information via self-commissioned impact studies and substantive design modifications according to the largest objections to the WTC proposal.

4.4.1 Finding a developer
As explained in §4.3.4, ever since the rejection of the WTC proposal, NRW had committed itself to finding a suitable economic use for the Thyssen site. For years it had tried in vain to find a manufacturing company willing to establish itself there. At the same time, despite (or because of) the Triple Five debacle, Oberhausen gained international recognition more effectively than any other PR stunt could have done (Hoefs, 1990). Soon word about the potentials of the location had begun to resonate within the retail development world. Within

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67 One can look back on this with a healthy degree of irony, considering the car-friendly changes made in recent years (BBR, 1999: 19; Interview Baum, 2001).
two years of the WTC proposal, this had reached the ears of the British developer Edwin Healey, the “father” of CentrO. Because the character of Healey figures so prominently in discussions of the Neue Mitte, some background is warranted.

The English developer was born in 1938, and took over his father’s paint and internal furnishings business, and became its driving force. He floated in 1972, and in 1980 sold his company “Status Discount Ltd.” to Mullhard Furniture Industries, which was also involved in building out-of-town shopping malls. After working some time with the parent company and gaining experience in shopping mall development, he used the capital gained from the sale of his old company to found the property company Stadium which would manage the building permit process for malls. This company succeeded in developing one of the largest shopping malls in the UK at a derelict industrial site: Meadowhall. This can be seen as a direct predecessor to CentrO.

**Meadowhall**

Like the Ruhrgebiet in the 1990s, England in the 1980s was characterized by high unemployment rates and factory closings. As will be discussed in Chapter 5 (§5.1), the Thatcher government opted for a market-based strategy rather than direct subsidies, implementing a system of Enterprise Zones to facilitate area-based development. Healey was developing a parcel at one of these sites, the Gateshead Enterprise Zone, while a larger piece was being developed by another shopping mall developer John Hall. Hall was planning to sell the land to Healey until the retailing giant Marks & Spencer’s indicated that they were interested in renting space in the mall. This was too unique an opportunity to pass up, so Hall decided to develop it himself. Disappointed, Healey bought up 18 other sites in the next 18 months to secure another project. Soon he came into discussions with Rotherham, a city 4 km from Sheffield about building a mall there. The Labour-dominated council voted overwhelmingly to approve it. At the same time, Sheffield gave permission for a mall to be built by developer Sykes. There ensued a clash between both cities, and Healey knew who would ultimately decide the final location for the mall: Marks & Spencer. In 1987, this M&S chose Sheffield, and Healey was able to buy the rights to Meadowhall from Sykes. Shortly thereafter came “Black Friday” on 13 October which sent the London stock exchange tumbling, and along with it, consumer confidence and retail real estate values. Already having sunk millions of pounds into the project, Healey required an additional £25 million before June 1988 for the definite sale: this was what he described as the most trying moment of his business career. After a search, Healey obtained the backing of the company P&O as a partner, which regained the confidence of the banks (Schmitz, 1996). Meadowhall was then built between June 1988 to September 1990. Although the mall opened during the recession, it was still a big success, drawing about 30 million visitors annually. At 140,000m², approximately 300 tenants, its own train station, and a price of £270 million, Meadowhall was also the first multifunctional shopping mall of its kind in Europe.

After Meadowhall, Healey felt that he needed to gain more knowledge about building massive shopping malls, so he met with Canadian mall designer Ron McCarthy who had worked for Triple Five in 1989. At the end of November 1990, McCarthy told Healey about a Canadian-German woman Marion Weinberger who had been involved in the WTC project in Oberhausen. At their meeting, she told Healey that Triple Five was being “too greedy” in Germany with its demands. Healey then invited Marion to visit Sheffield and Meadowhall,

68 Recently, Healey sold it and the adjacent land to the investment firm British Land for £1.17 billion, believed to be the largest single mall acquisition ever (ICSC-SCT 9 July, 1999). Before this trade, Meadowhall was the largest privately owned retail center. Healey will continue to be involved with the mall as president of Meadowhall Holdings.
and she was impressed with the example of brownfield mall development. She suggested that Healey use the Oberhausen GEG as a middleman between himself and NRW and the city. On Healey’s first visit to Oberhausen in late 1990, he was impressed by its similarity to Sheffield: “I wanted to start building straight away — I just needed one minute to decide” (Schmitz, 1996). An exchange of invitations then ensued between Healey and Sheffield and the GEG and Oberhausen, deepening the relationship. By 13 March 1991, Healey’s conceptualizations were concrete enough to present himself as a potential investor to a small circle of people around the GEG. This presentation was only days after Burkhard Drescher became Oberstadtdirektor (city manager) of Oberhausen.

4.4.2 Internal negotiations in private

The new Oberstadtdirektor proved to be an immediate proponent of a commercial development at the Thyssen site and soon became a powerful ally for Healey. Shortly after Healey’s inquiry into the German situation a small circle of actors congealed in private to work on the project. The primary objective was to avoid the mistakes that were made with the WTC proposal. This strategy included a clear division of labor between the parties involved, financial arrangements regarding land transactions, and most importantly negotiation behind closed doors on design and finances in order to ensure that all actors emerged as a united front against the surrounding communities.

4.4.2.1 Compromises and strategy

Regarding the delineation of tasks, the GEG would negotiate with Stadium about the development while the Minister of Finance Schleußer negotiated with Thyssen regarding the sale and cleanup of the site (Basten, 1998). Meanwhile the city, and principally Oberstadtdirektor Drescher, promised to take care of the management of technical preconditions (administration) which included the planning procedure (Gatermann, 1996). In this regard, Drescher was also able to circumvent some of the political opposition to the project and streamline the planning procedure by instigating a new policy called Rathaus ohne Ämter (city government without bureaucrats) that allowed special committees to decide on certain key policy areas (Basten, 1998: 159). In addition, by contracting out the preparations of the B-plan to external commercial firms, the city of Oberhausen sent out a signal to Healey about how committed they were to seeing the project succeed. This also sped up the process and gave Drescher more control over the design than if this had been conducted by the public sector (Ronneberger, Lanz and Jahn, 1999).

The topic of negotiations centered around the division of public and private investments. It was agreed that Stadium would pay for all the infrastructure and development at the site, and that the public sector would cover all these costs in the immediate area and pay for the cleanup/decontamination. Specifically, the public sector would level the site, expand surrounding streets, and widen the freeway exit and bridges over the Emscher and Rhein-Herne Kanal. Much of this was covered by NRW, partly because it had placed the demand that at least 30% of the people come with public transportation (Interview Baum, 2001).

Although the primary directive of the GEG was to develop the area, the negotiations with Stadium were intensive as this dealt with difficult issues such as design concessions (Stadt

69 Here it is apropos to note the difference between an Oberstadtdirektor and an Oberbürgermeister. The former is the political leader of the city and chairman of the city council, while the latter heads the administrative apparatus. However, in 1997, both positions were merged, and Drescher became the first Oberbürgermeister to have both powers.
Oberhausen, 1992). For example, Healey was only interested in building CentrO and Arena. However, “from the WTC experience, the city of Oberhausen knew that other functions such as leisure, employment and housing could make a substantial contribution to the level of acceptance” (BBR, 1999: 34). Another point regarded mobility and integration. In order to justify the Neue Mitte as a true city center, a high quality public transportation link was required, the costs of which would be borne by the public sector; Oberhausen pledged to adapt its public transportation system and reintroduce the tram to the city. In order to bring more coherence to these desires and agreements regarding traffic and planned facilities, Drescher called in the architectural and planning bureau Kuhn in the Spring of 1991 to draw up a masterplan that would integrate the visions of the city, Stadium, and NRW. The Ministry of Finance also worked closely with the city and the GEG to prepare the groundwork for a watertight rezoning and building proposal.

The most contentious issue, however was the mall’s size. Healey’s original concept called for a mall of 95,000m² of sales space. This was much smaller than the 250,000m² proposed by Triple Five, but still quite large for a city the size of Oberhausen. After consultation with the state minister of planning — who pointed out that it was agreed that the regional centers Rhine-Ruhr and Ruhrpark each only had about 50,000m² in sales space — it was decided to reduce the floorspace of the proposed mall to an amount commensurate to the total flow of sales out of Oberhausen to its neighbors (see §4.3.2). In order to justify the argument for the mall on the basis of binding purchasing power, the firm Prognos was commissioned in the Summer of 1991 to investigate the flows of sales out of Oberhausen to outlying cities. The verdict of this report was clear: a big expansion of retail space in Oberhausen was seen as needed to counteract local drain. It found, for example, that Oberhausen residents were 75% less satisfied with their city than those in neighboring communities were with theirs, and two-thirds — particularly higher-income households — were dissatisfied with the available shopping and leisure facilities in Oberhausen (Prognos, 1991: 12-13). Residents often visited neighboring cities for shopping, dining and entertainment — due to the “flair” that the other cities had, and that which Oberhausen presumably lacked. Specifically, the survey found that 84% of all households in Oberhausen shop in other cities, while the figure for those coming to shop in Oberhausen was much lower. This was framed as an alarming discovery, especially given the already dire position of the city in terms of unemployment and debt. In fact, these results were just what the group working with Healey needed to help justify its plans. Thus the estimated € 350 million trade deflection from Oberhausen to its neighbors was translated into floorspace on the basis of average sales figures. This was calculated to be 70,000m² (Schmitz, 1996), and became an accepted standard for new development (Scheffler, 1993a: 86). Healey subsequently agreed to reduce his mall to meet this 70,000m² criterion (Basten, 1998: 86) in order to make the development more acceptable to the state and thus more likely to gain planning permission.

Meanwhile, the state Minister of Finance Schleußer negotiated with Thyssen about the sale and cleanup of the site. As explained in §3.5, Schleußer was officially responsible for the site, and took this task to heart, devoting his office resources to the Neue Mitte development, and purposefully excluding others in the process: “involvement/incorporation of other ministries and other official bodies and/or institutions transpired either directly or indirectly through the

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70 Interestingly, the state Ministry of Urban Development was not invited because they were afraid that they would meddle with the design. Moreover, this ministry had been considerably weakened by a reorganization after the 1990 elections, and its anti out-of-town minister (who had fought fervently against the WTC proposal) had been replaced (Basten, 1998: 63).
minister of Finance” (Basten, 1998: 58). Already in 1989, the ministry had developed financial models for the cleanup and sale of the site in its negotiations with Thyssen, and by March 1990, the financial details were ironed out for the complex land transaction.

4.4.2.2 Land transactions
The site changed hands three times in a short period of time at the beginning of the 1990s. On 5 December 1991 the first major step towards the realization of the Neue Mitte project was taken at the Essen law and notary office Peter Heinemann. As a first step, Thyssen sold the land for € 10 million to the state government (Schleußer) to prepare it for development. The land was then given to the GEG to perform this task. The cleanup costs and infrastructure costs were estimated at € 70 million, of which € 37 million were covered by the European Union (Objective 2 structural funds). In a third sales contract, the land was then sold to the British investment group Stadium for the original price paid to Thyssen before the costly cleanup. This considerable financial support on the side of the public sector, allowed it to attach some strings in the final transaction. For example, in the sales contract with Healey, §14 requires that:

The buyer agrees to, in conformance to the plan drawn up by the firm Kuhn … develop the purchased site in consideration with the preamble of this contract, into a new city center for Oberhausen, build it, and to guarantee its operations for 20 years. (…) deviations from the Kuhn plan …shall only be permitted with the consent of the city of Oberhausen.

This clause effectively protected the city from the threat of an investment disaster, should the project fail. This is a crucial point given the scale of the Neue Mitte development in relation to the size of Oberhausen, and the weak financial position of the latter (Callies, 1999: 44). This clause also granted the city power over any modifications of the plan in the future. One can speculate that these demands made any further demands regarding retail mix unacceptable: if CentrO was to guarantee 20 years of operation within the confines of the masterplan, it must have the freedom to select which businesses would most help them achieve this end. In addition, as a result of the agreement between Stadium and the municipality, CentrO also obtained a waiver of paying any direct taxes (Ronneberger, Lanz and Jahn, 1999). One author writing on urban development projects in Germany noted that, “The greater the product received by the municipality, the higher the probability that they will bend to the will of the investors” (Der Spiegel, 1998: 65). In this case, this statement seems to be true: the concessions given to Healey, while considerable, are much less than those demanded (and would probably be granted) in the far bigger WTC proposal.

With the Stadium agreement, we can also see the complete reversal of opinion by Oberhausen regarding the desirability of a polycentric structure (as it had stated less than a year before). The preamble of sales contract states:

The city of Oberhausen strives toward the realization of a new center between the districts Alt-Oberhausen and Osterfeld. The Thyssen site will represent the core of this new district. The planning intentions of the city of Oberhausen include the development of a design with green areas, parks, arcades and courtyards, services, offices, recreation, sports, dining and entertainment, hotels, media park and shopping (in Scheffler, 1993a).

71 Much later, it appeared that the EU was never notified about sale of the land (€ 30 million), which would have reduced the subsidy considerably and now a EU commission is looking into the matter (Die Welt 18 March, 2001). Already some cases of fraud have surfaced, including the GEG director’s sale of his personal vehicle to the GEG for € 25,000 and then continuing to use it as a company car.
Thus the prospect of building a mall at the Thyssen site proved sufficient for Oberhausen to reevaluate its conceptualization of the city’s spatial structure. As so many times in the past, economic imperative was to spearhead its urban development.

4.4.3 External negotiations in public
The many plans that had gestated for over a year were finally made public on 8 October 1991, including the transactions of land between Thyssen and NRW. This was done with a well-prepared presentation by Oberbürgermeister Van den Mond, Oberstadtdirektor Dresher, Minister of Finance Schleußer, masterplan designer Jochen Kuhn, GEG head Lennings and Eddie Healey. Aside from the impressive ensemble of representatives, the role of Schleußer was vital to demonstrate to potential opponents that the state already backed the project and that financial arrangements already had been secured (Basten, 1998: 116). To most it was presented as a done deal: even the Oberhausen city council had not been informed of these plans prior to this date (Basten, 1998: 193). It is only after this point of public unveiling of the plans that the other (outside) actors had a chance to take sides on the construction of the Neue Mitte.

4.4.3.1 Oberhausen politics
Oberhausen seemed more than ready to welcome a Meadowhall into its borders, and a distinctly pro-mall mentality dominated the local administration. On the day the proposal was made public, for example, fifty public officials had assembled to greet Healey at the steps of city hall (Schmitz, 1996: 69). Not surprising given his key role in the secret negotiations, Dresher came out as a major public proponent of the Neue Mitte plans, calling it a “one-time chance for Oberhausen” and explaining that “it simultaneously meets the legitimate and continually growing demand for leisure activities in a responsible way, gives the city a new, vital and vibrant center, converts an industrial wasteland into a livable area, initiates structural change, and creates up to ten thousand new jobs” (Drescher, 1992: 26). Another thing that the mall would do would be to reverse the flow of retail sales out of Oberhausen to the surrounding communities, but also from its own centers as well.

In order to make the project more palatable to local economic interests, the council brainstormed ways to prevent all commercial activity from being sucked into the Neue Mitte, and avert a trade war between its old center and CentrO (Scheffler, 1995). One would expect that the retailers in the city center would react en masse against the development of a large-scale shopping center because they would stand to lose the most from the project. However, after much internal discussion, the retailers’ union for the city finally came out in favor of the proposal, admitting that despite whatever damage it may cause to existing centers, it would probably benefit the retail sector of the city as a whole by reversing the sales drain to surrounding communities (Interview Baum, 2001). In the end, the jobs argument seemed to weigh more heavily in the municipal political discussion than trade deflection from the district centers (BBR, 1999: 14).

The idea of a mall at the Thyssen site also enjoyed wide support among Oberhausen residents. In Autumn 1992, an attitude survey was carried out by the municipality on the Neue Mitte (Schmidt, 1995: 41). The results showed an overwhelming interest in the project (83% indicated they were either interested or very interested), and support (only 12% were opposed). Remarkably, while respondents cited issues such as improvement of retail offer, new jobs and improved attractiveness of the city (top three), externalities such as traffic and environmental concerns were the main points cited for ill effects — economic impacts and destruction of the retail structure were much lower on the list (Schmidt, 1995: 42-43).
Finally, the report found that support for the Neue Mitte was to be found more among young, wealthy, successful and highly educated respondents (Schmidt, 1995: 209-210) — hardly astonishing considering that these would be the predominant patrons of the new center. In all, this survey also played a role in the establishment of political acceptance for the Neue Mitte in local politics.

Not everyone was for the CentrO proposal however. A perennial critic of this temple of consumption was the church which, as with WTC, viewed it as a symbol of unbridled materialism and hedonism, and thus a threat to the spiritual. Artur Schorzmann argued the case of the church by pointing out that the Neue Mitte cannot be called a “city center” when not everyone is able to go there; because of this, the mall will contribute to the division of society (Scheffler, 1994). In the negotiations, this group was placated by a concession by the developer to include a religious function (Unitarian center) at a “prominent” location in the Neue Mitte at the entrance of CentrO park off the promenade (Scheffler, 1995). This is something rather unusual in shopping center development. The experiment was not to last long, however, and the building has since been converted into a Third World Shop, thus retaining half of its original function — “consumerism with a conscience” (Discussion Basten, 2001).

Another criticism regarded the physical integration of the Neue Mitte into the urban fabric. Some charged that the Neue Mitte and CentrO was anything but “middle” and “central” and that the project was actually an out-of-town regional center in disguise. This placed pressure on the proponents to justify Neue Mitte as a true city center. In so doing, housing in Osterfeld was cited as being only 2km away (although this is only when measured as a straight line, and not along existing roads) and plans for new housing schemes were announced (which to date have not materialized). Incidentally, Healey had tried to get housing built in Sheffield too to support the Meadowhall development, but this also failed (Discussion Basten, 2001).

The economic function of the HDTV initiative in Osterfeld also became part of the spin control in favor of the Neue Mitte, and the developers also agreed to plan an office park around the mall (Gatermann, 1996).

**4.4.3.2 State politics**

One of the most important aspects of the planning procedure was that the site was zoned for industry in the GEP and the rezoning necessary for CentrO would require a procedure that would involve not only the state government, but required the approval of the neighboring communities. This brought the discussion to an entirely new level. Where hitherto negotiations had been conducted in a professional way between Oberhausen and Stadium, the involvement of the surrounding communities was politically charged and required different tactics and the help of different actors.\(^\text{72}\)

As could be expected, the announcement caused a great political stir at the state level. The CDU, Grüne, and FDP set up a committee to look into the matter because: “there is a founded suspicion that Minister Schleußer and the state government have broken the State Constitution by ignoring the budgetary authority of the state assembly.” This sparked a heated discussion for two days in the assembly on the sale of land to Stadium for bargain

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\(^{72}\) The actors that occupied the stage at the state level were many and varied: the state cabinet (Landesregierung), state district president in Düsseldorf, the Ministry of Finance, Ministry of Environment, Planning and Agriculture (MURL), the Ministry of Urban Development, Housing And Transport (MSWV), Ministry of Economics, Shopkeepers and Technology (MWMT), the state parliamentary committee, West German State Bank, and the GEG Oberhausen (Basten, 1998: 57).
prices, doubts about a mall on a greenfield (or not integrated site), public transportation concerns, etc. In other words, for a moment, it seemed “like Triple Five all over again” (Scheffler, 1993a: 84). There were mixed opinions of Neue Mitte in the media. Die Zeit columnist Gerwin Zohlen denounced the mall proposal as “the latest attack on the concept of the city.” Harmut Krämer, head of Peek & Cloppenburg seethed: “the permission [for the Neue Mitte] is a catastrophe. Merchants have invested in the old city centers to make them attractive, and now there’s a danger that this effort will be annihilated” (Scheffler, 1994). As in the WTC controversy, the issue of catchment area was key: how far would the pull of the mall radiate outwards, and who would feel its effects?

Figure 21: Catchment area of CentrO (Frehn, 1997)

However, this time Oberhausen was ready for the critique. First, rather than allow the issue to escalate into the political realm — as had been the case with WTC — the proponents made their case directly to the district planning agency. This can be viewed as a tactical maneuver:

The initiation of a GEP-modification procedure by the district planning agency led to a hitherto unseen arena of political discord … which by virtue of the legalistic rules [it entailed], was only to a very limited degree accessible to the exercise of hierarchical ministerial power (Basten, 1998: 210).

Second, on the political/public relations front, the municipality retaliated with a prearranged media campaign of its own, issuing counter-information from its Media and Advertisement Agency. One brochure published in June 1992 which contained an interview with Oberhausen Oberbürgermeister Friedhelm van den Mond in 1992 provided a rather slanted view. When asked if only Oberhausen would profit from the Neue Mitte, he answered “I am
completely certain that along with the city of Oberhausen, also the region, the entire Ruhrgebiet will profit” basing this claim on the belief that it could also provide employment for those in neighboring communities (but failing to mention the potential loss of jobs). Another dubious answer was given in response to the stance of other mayors in the area on the project: “My colleagues in the Ruhrgebiet cities are positive about the project. We see ourselves as a region that wants and must show how it deals with brownfields” (Stadt Oberhausen, 1992).

Even more importantly than these kinds of statements were expert studies that backed them up. While the WTC proposal had foundered on the basis of results of studies commissioned by NRW and the neighboring communities (AGEPLAN), this time around three “friendly” studies had already been commissioned and completed: two by the city of Oberhausen and one by Stadium. In addition, a masterplan had already been completed that had taken into account the political situation at the state level.

The first friendly report by the Gesellschaft für Konsumforschung (GfK), was commissioned by Oberhausen and published in 1992. It found that the CentrO proposal would not significantly impact the neighbors, estimating this between 1.4% and 3.5% (BBR, 1999: 14). On the contrary, it found that “the new center can serve as an important step in improving the attractiveness of the Western part of the Ruhrgebiet” (Stadt Oberhausen, 1994). Similarly, the report commissioned by Healey by the Institut für Stadt-, Standort, Handelsforschung und –beratung (ISH) concluded that the Neue Mitte would not cause a negative impact on the urban system because Oberhausen residents already shop in other towns, and that the proposal would merely reverse these lost sales to Oberhausen (Stadt Oberhausen, 1992), thus echoing the findings of the Prognos report.

4.4.3.3 A verdict reached
In May 1992, the NRW constitutional court rejected the complaints of Neue Mitte opponents. This caused especially the heavily attacked Schleußer to breathe a sigh of relief. According to the court: “The economic disadvantages felt by some businesses that are caused by a building proposal that allows for new competition do not fulfill the criteria [for rejecting the permit].” On the basis of this decision, on 15 October 1992, the state district planning council in Düsseldorf finally voted to change the GEP to allow functions other than industry to be built at the site, effectively giving a green light to CentrO. There were, however, several conditions placed on this decision. First, a cap was established of 70,000m$^2$ retail space for the mall, and 76,000m$^2$ for Oberhausen as a whole. A second condition was that the Neue Mitte be integrated into the city and the region (BBR, 1999: 27). The decision also established that the Neue Mitte would be the “last chance” for Oberhausen to realize something of these proportions in the foreseeable future (Scheffler, 1993a: 87). This marked the end of a long period of uncertainty for Oberhausen, and the beginning of a building spree (see §4.4.6 and §4.5.2).

4.4.3.4 Praise
With the relief at the verdict came a flood of praise for those involved. Some of this applause reveals the roles played by the various actors. For example, Healey commended Oberhausen for a “notable form of partnership” which allowed the planning and building permits “to be obtained in record time” (Scheffler, 1995). This remark should be hardly astounding given the fact that Drescher and the GEG acted as a middleman between Stadium and opponents in the planning process, protecting the developers from direct exposure to political criticism. Within Oberhausen, most people realized that Drescher and Schleußer had played crucial
roles in the process: “it wasn’t easy for the city and its political representatives to get back on its feet after the Triple Five shock. Without the Minister of Finance Heinz Schleußer there would be no Neue Mitte… it was a tough job in a city that, more often than not, has little optimism” (Scheffler, 1997: 26). Similarly, “Without the power of Drescher and the ambition of Stadium, the project would have taken twice as long” (Schmitz, 1996: 69).

The strategic method was also extolled, namely to perform studies and mobilize communication efforts before commencing the GEP rezoning procedure. Drescher: “our people did their homework well: everything was watertight” (Scheffler, 1995). The head of the state district planning council, and Duisburg’s Oberbürgermeister Josef Krings also appreciated this method: “the city of Oberhausen came to the district planning council with extensive information about the Neue Mitte. This enabled especially the neighboring communities to participate in the discussion, and reach consensus after an intensive dialogue. An exemplary process” (Stadt Oberhausen, 1994: 3).

4.4.4 Phasing and construction
Once the planning process was complete, the Neue Mitte could move on to the subsequent phase of operations, one less dominated by public officials, planners and politicians and more by the developer, architects and builders. It is in this phase that the activities of Stadium are most definitive as the central link in the web of actor relations. This section will be written in the form of a timeline, as it is rather self-explanatory and less conflict-laden and thus of less interest for an institutional analysis of shopping center development.

1989
WTC proposal and its rejection by NRW

1990
Competitions for inner-city renovation
Negotiations between Thyssen and Ministry of Finance on cleanup and sale

1991
Dresher becomes Oberstadtdirektor (1 March)
Healey and P&O present plans for development behind closed doors (13 March)
Progos study and masterplan ready (September)
Press conference and publication of plans (8 October)

1992
Design of masterplan by RTKL and CentrO by the London team
Constitutional court rejects objections to Neue Mitte by neighboring communities (May)
Beginning of demolition activity of Thyssen factories (24 September)
District planning council approves GEP rezoning (15 October)

1993
Paul Healey put in charge
Design and development of the promenade
B-plan approved (8 February)
Building permit issued (17 August)
Building commences at Neue Mitte (23 August)

1994
Official transferal of site from GEG to Neue Mitte Oberhausen Projektentwicklung GmbH (17 May)
Contract for public transportation line and expansion of streets (Spring)
7,000 piles driven into site, and first stone laid on 24 September for CentrO and Arena (Summer)
CHAPTER 4: CASE STUDY OBERHAUSEN

1995
Neue Mitte information center opens (6 March)
_Rathaus ohne Ämter_ implemented (1 April)
Begin on CentrO park, promenade and cinema (Summer)
Dutchman Hans Matthijsse appointed to be the first director of CentrO GmbH

1996
Public transportation line begins service to Neue Mitte (1 June)
Opening of hotels in Neue Mitte (19 August)
Grand opening (12 September)

4.4.5 Grand opening
One of the most important things to keep in mind as regards the scheduling of construction activities is that CentrO and the promenade is an integrated project. Unlike (as we shall see in Chapter 6) the ArenA Boulevard whose construction spans a decade and whose parts are fairly independent of one another, none of CentrO’s shops or restaurants opened to the public until the official grand opening. Moreover, this was also the opening date for the promenade and its 28 restaurants, the adjacent theme park, sports stadium or multiplex cinema (Haupt and Berlon, 1997: 41). The amount of media attention was therefore all the more intense, and reached to the far corners of Germany. With this, Oberhausen had obtained a place on the national map.

On the day of opening — 10:00 a.m. sharp on 12 September 1996 — thousands watched as the “founding fathers” (Oberstadtdirektor Drescher, Stadium chairman Healey, and NRW Minister-president Rau) cut the ribbon of the new shopping mall. The presence of the national media was exploited to the fullest as an opportunity for free publicity with a
collection of stunts such as singing tomatoes, giggling pickles and a banjo playing horse (Scheffler, 1997). It was also a day for speeches: Oberbürgermeister Van den Mond announced that it was “a proud day for Oberhausen” and Drescher exclaimed “a man from England showed us, through entrepreneurial spirit and courage, that it was possible. No red tape or neighbor-envy stopped this investment” (Scheffler, 1997).

The city of Oberhausen had indeed obtained an urban development object and an investment that far exceeded its size of roughly 200,000 inhabitants. Its allure was also something hitherto unknown in Oberhausen, it exuded luxury and exuberance in a community accustomed to sober and functional environments. The investors had insisted on using high-quality material and accessible (or to some, kitschy) design elements in its architecture, common to many shopping malls of its size. The styles are pastiche and stand without explanation beside one another in defiance of any architectural coherence: Chinese beside German tradition, Paris beside Italy (Albus, 1996). In many respects, CentrO is a copy of US-style malls, but one difference is that the design of CentrO also pays attention to the outside of the building (Kooijman, 1997: 13). Another is the unifying use of a particular shade of green. A quote from a book published by the architects illustrates that the exuberance is not limited to the quality of the material and design, but in the words to describe it as well:

> Its bustling atmosphere introduces new arrivals to the world of CentrO, drawing them into this bright new realm and encouraging them to forget their daily routines. The bowed oval of the glass roof generates fascinating lighting and shadow effects, creating shifting patterns as the day takes its course. At night the great hall turns into a brilliant crystal ball, a star shining upwards into the darkness (Haupt and Berlon, 1997: 21).

In addition to these physical elements, there are several other points that made CentrO unique for Oberhausen. The first is that the central management had allowed it to coordinate certain efforts to bolster the concept. All shops are required, for example, to remain open until the legal maximum, 8:00 p.m. during weekdays, and recently on Saturday as well (NRZ 15 April,
2003). In addition, the wide-screen monitor in the Coca-Cola Oasis is not only used to announce events in the Neue Mitte, but sometimes shows popular soccer games, where it can count on full occupancy. The central management has also allowed it to set up an extensive website, that has been up since 1998 (www.centro.de).

Although it brings in only a fraction of the total sales, the restaurant and catering functions have added considerable value to the mall. By giving patrons the opportunity to eat and rest during a shopping day, the length of time spent (and presumably the amount of money as well) is significantly increased. The promenade along the manmade waterfront in particular is bustling in the evening, and has added significantly to giving CentrO a positive “urban” quality. Jörg Prüser, CentrO catering manager, explains that the “experiential factor” is important: managers might eat a slice of pizza or a Big Mac for lunch, but at night they will want a three-star restaurant: CentrO needs to offer both (NRZ 15 Jan, 2001). In this, the fast-food dominated Coca-Cola Oasis is complemented by restaurants such as the Lebanese “Efendy” on the promenade, complete with belly dancer, and by discos.

<table>
<thead>
<tr>
<th>Centro on a Tuesday evening in March 2001</th>
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</table>
| Centro seems to have a park-like quality, silent and somewhat tranquil. A young Japanese professional shuffles by, talking on a cell phone, and a middle-aged man with glazed eyes waits outside a woman’s clothing shop, counting the minutes. There is no muzak. Heading to the Coca-Cola Oasis, the out-of-order escalator seems strangely out of place in the overall display of contrived opulence. The Oasis offers food from “everywhere” but distinctly gravitates towards the German/American fast food variety. There are some bizarre combinations: “Swiss” Rösti Hawaii at a small hole-in-the-wall, and at the other end, Tortilla Döner menu at Mr. Chicken. Other “ethnic” food has been appropriated as well: a “Holland Patat Store” as well as fast-food Bavarian schnitzels and the Dutch-owned “New York Pizza.” On the promenade this is continued with a “Rendez-vous Bali” Indonesian restaurant, Planet Hollywood and the Middle East. Back in the Oasis, the decor resembles that of a traditional German city, and vastly more quaint than the postwar blocks that define the scenery on the Marktstraße. A group of well-dressed Turkish teenage boys, all wearing the same brand of black leather jacket intermingle with some bored looking German girls. The clientele in CentrO seems to represent that segment of society absent in Oberhausen-Alt: young, trendy and affluent. In the café Mövenpick in the Oasis all employees wear uniforms on which is written (in English) “The Fresh & Friendly Company.” Three chain-smoking suburban housewives, all with dyed hair — blond, red, lavender — exchange opinions over Milchkaffee drunk from oversized mugs, resembling cereal bowls with handles. A cell phone rings next to me — it isn’t mine, but the cleaning lady’s.

The social sorting of CentrO
It is amazing that given all the commotion surrounding CentrO and its great success with the public at large, the shops which it contains are actually no different from those found in the average German city center. The shop names are exactly the same (e.g. C&A, H&M, Kaufhof), and so is the size. Only the environment is different: they are housed in an integrated enclosed mall format at the urban fringe. Perhaps it is not what CentrO has but what is excluded by CentrO that is more important for its success. First, there is no garbage, graffiti, double parked cars, transients, scooters or motorcycles, skateboarders, ghetto blasters, chewing gum on pavements, rain, sleet or wind in CentrO. One reason for this is that, unlike policemen, private security agents in a shopping center are given more license to intervene.  

For example, at the request of the local schools, CentrO has recently begun an anti-truancy campaign: pupils found at the mall during school hours are approached by security guards, the school is notified of their absence, and they are escorted to the rail station (NRZ 19 Nov, 2002).
In addition, there are no supermarkets in CentrO because the drudgery associated with grocery shopping runs counter to the leisurely image the mall wishes to cultivate. In fact, nowhere in the entire Neue Mitte can one find a shopping cart. The exclusion of services such as banks and hairdressers and the like serves a similar function — it must be a “fun” environment completely detached from such mundane activities — as does the inclusion of functions such as the promenade, the theme park and Germany’s first Planet Hollywood. An additional attraction of the mall, albeit most visitors are not consciously aware of it, is the substitution of public for semi-public space. By creating and perpetuating an atmosphere of middle-class exclusivity, the mall is a rather unappealing place for certain other groups to inhabit, and the location which requires that one use some form of transport raises this threshold further. In a comedic piece in the local media, Schmitz (1997) describes his visit to CentrO shortly after its opening. The author observed that, despite the thronging masses, there was little that CentrO had to offer him: virtually everything was geared to younger (under 40) patrons. What merchandise was available for other age groups was much more expensive and in less variety than on the Marktstraße. This intentional social sorting process is even more evident when one now compares the clientele of CentrO to that in Sterkrade center or Oberhausen-Alt, a subject that will be addressed in more detail in §4.5.1 on the impact of CentrO on the city.

4.4.6 Other projects in the Neue Mitte
CentrO is rightfully seen as the catalyst for other projects at the Thyssen site. Here it is worthwhile to reflect on how prophetic the sketches made by Triple Five were for Oberhausen. While the mall is only a fraction of the size of what Euro Mall would have been, the explosion of auxiliary functions coincides well with these first brainstorming sessions by the Canadians ten years before. An overview is provided below.
<table>
<thead>
<tr>
<th>Completed projects</th>
<th>Planned projects</th>
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<tbody>
<tr>
<td><strong>CentrO</strong></td>
<td><strong>Aquarium</strong></td>
</tr>
<tr>
<td>A shopping mall offering approximately 70,000m² of net sales space and 200 individual shops, garages for over 10,000 cars, a foodcourt and an alternative market (<em>Bunte Gasse</em>). Flanking the mall is a promenade with restaurants and discos.</td>
<td>Of all Neue Mitte projects, the supervisory council director of GEG and SPD party head Michael Groschek was most enthusiastic about the aquarium — a 21st century zoological garden — that creates an artificial underwater ecosystem complete with coral reefs.</td>
</tr>
<tr>
<td><strong>Gasometer</strong></td>
<td><strong>Ovision Future Park</strong></td>
</tr>
<tr>
<td>A 100-meter tall gas container reopened in 1994 as a theatre and exhibition hall, as well as being an attraction in itself. Includes inside and outside elevators to Neue Mitte lookout point. This project was financed by IBA funds.</td>
<td>An old steel mill might be converted into a “future park”, a museum of technology on the 70ha site at the border with Essen, including a 200 meter long and 60 meter tall “glass human” model, allowing visitors to take a trip through the human body <em>à la</em> Disney and learn about organs, etc. (Stadt Oberhausen, 1999). The core of the site will be used for multimedia presentations.</td>
</tr>
<tr>
<td><strong>Arena</strong></td>
<td><strong>Homeworld</strong></td>
</tr>
<tr>
<td>A multifunctional stadium for pop concerts and small sporting events (e.g. ice hockey, but not football).</td>
<td>This regards plans to build 70-80 model homes as an exposition “Homeworld” at the Neue Mitte. This is being done in a PPP construction (Müller, 1998: 47).</td>
</tr>
<tr>
<td><strong>CentrO park</strong></td>
<td><strong>Family-Entertainment-Center</strong></td>
</tr>
<tr>
<td>A mini-theme park including some attractions and rides. Entrance fee is about € 10.</td>
<td>Another site of about 25ha to contain various things like a ski hall and a hotel.</td>
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<tr>
<td><strong>Neue Mitte station</strong></td>
<td><strong>Transparent Airplane Factory</strong></td>
</tr>
<tr>
<td>A direct rail and bus line linking the Neue Mitte to Oberhausen-Alt and other centers. High frequency (approximately every 2 minutes) and no competing traffic. Mostly financed by the state of NRW.</td>
<td>This is a planned attraction intended to create some manufacturing jobs and help tourism. Visitors could see how planes are built and go in flight simulators, etc. A similar complex in France draws 3 million visitors annually.</td>
</tr>
<tr>
<td><strong>Theater</strong></td>
<td><strong>Yacht harbor</strong></td>
</tr>
<tr>
<td>This facility (1600 seats) cost € 38 million and claims that it will draw 500,000 visitors annually to its 400 performances (Müller, 1998).</td>
<td>For 400 boats to the Northeast of the site.</td>
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</tbody>
</table>

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74 Although the plans were approved and construction was scheduled to commence in 1999 (Stadt Oberhausen, 1999: 14), an investor could not be found right away (NRZ 6 June, 2001), which has delayed the opening of the attraction to 2004 (NRZ 2 April, 2003). Originally, the US company IDEA agreed to develop it, just like they did in Boston (1967), Baltimore (1981), Osaka (1990), Genoa (1992), and Tennessee (1992) [hardly seems 21st century though if the first built over 30 years ago, also hardly unique] Müller (1998). Now, the project has been taken over by the British Merlin Group (NRZ 5 March, 2003).
4.4.7 Spin-off effects and other issues

One of the main spin-off effects argued by developers of projects like CentrO is that they will help to claw back the relative decline of retail sales by offering other attractions and foster a synergy of functions. In the Anglo-Saxon literature, reference has even been made to a “Holy Trinity of Synergy” between food, retail and entertainment. However, contrary to this *raison d’être*, one study found no perceptible synergy effects between retail and leisure activities: most visitors go to CentrO to shop, and use food services to a limited degree (Lütje, 1998 in Callies, 1999). Mattner (1998) is also skeptical about the prospects for this kind of combination in Germany, “mixed forms of trade and entertainment usually do not work. If well-mixed, both forms can at most complement one another.” In contrast to the USA which does have cases of synergy (in Ackermann, 1999).

4.4.7.1 Employment

In times of mass unemployment, almost every project can be legitimised at the local level with the jobs argument, at least during the construction phase (Scholz, 1999). In 1992, the city of Oberhausen had 10,000 registered unemployed, exactly the number of jobs that the Neue Mitte project promised to create (Ronneberger, Lanz and Jahn, 1999). This makes this factor crucial for the Neue Mitte development: did it indeed create jobs or merely reshuffle regional employment?

In a study by the city of Oberhausen that compared economic figures between 1987 and 1995, a number of remarkable changes were perceptible. The total number of jobs in both years was about the same, just above 80,000; the kinds of jobs were much different, showing a significant shift from production (-10,000) to services (+7,152), organization (+1,630), retail trade (+1539) and wholesale (+333). In addition, while the jobs which vanished were almost exclusively held by men, a majority of the jobs created were occupied by women (Stadt Oberhausen, 1997: 13). The new jobs generally also offered lower wages and were
often part-time, resulting in an aggregate 10% drop in average wage levels for the city in the 1987-1995 period (Stadt Oberhausen, 1997: 67). In addition, as only 15% of the new jobs went to people over 45, CentrO did not significantly help those who lost their industrial jobs (Ronneberger, Lanz and Jahn, 1999). Wilke (1997: 36) even claimed that the mall had destroyed more jobs than it had created (in Ronneberger, Lanz and Jahn, 1999). These kinds of complaints are common for cities attempting to restructure themselves from heavy industry to consumer industry (Wood, 1996).

In recent years, however, non-retail or service jobs have been created in the Neue Mitte as well, particularly in the business park. For example, Siemens settled its mobile phone component purchasing office in Neue Mitte in 2001 citing “the CentrO effect” as its reason, namely the close proximity to facilities that improve working conditions (despite the prestige the office park is only about 5600m² however). Since about 70% of the companies in the park are from outside of Oberhausen, this indicates a net gain for the city (NRZ 9 Feb, 2001).

4.4.7.2 Tourism
Before the Neue Mitte, Oberhausen had a poor image within the Ruhrgebiet, which had a poor image within Germany. The only significance Oberhausen seemed to have for tourists was a name on a highway sign they passed on the way to somewhere else (Scheffler, 2000). Since the World Tourist Center proposal in 1989, Oberhausen realized that it could draw tourists by means of mega-projects, and the media attention surrounding the opening of the Gasometer in 1994 and the CentrO complex in 1996 confirmed this. After six shopping days, CentrO had already drawn over one million visitors.

Once the potential of the Neue Mitte as tourist destination began to take hold, the first tourist center in Oberhausen opened. Alex Biermann, the first director started with gimmicks such as Gasometer saltshakers and went on to offering package vacations. In this, he gained full backing of the city government: “if a new proposal had to be discussed in three council committees, the season would already be over. There are few places where one finds such good working relations” (Scheffler, 2000). There is also close cooperation between the bureau of tourism and CentrO. Today, tourist brochures are published regularly for the city, in which the Neue Mitte figures prominently. The 2001 version, for instance, after spending pages on the Neue Mitte, reminds visitors in one or two sentences “not to forget” to visit the old city center (Tourismus & Marketing Oberhausen GmbH, 2000).

The appearance of the tourist industry can also be read in hotel bed occupancy rates: from 1994 to 1999, the rate of hotel bed occupancy in the city tripled. However, most of the guests are still from Germany (only one in seven is from abroad), and in 1996, 97% of the visitors were from NRW (Quack and Wachowiak, 1999: 56). Despite the opening of hotels in the Neue Mitte, there are still no luxury hotels in the city that can accommodate more wealthy guests (NRZ 19 March, 2001).

4.4.7.3 Phenomenon UEC
The Neue Mitte can also be understood as what is called in the international literature as an Urban Entertainment Center (UEC). These are expensive integrated projects built in highly populated areas. They originated, like many retail developments, in Canada and the United States where customers began to tire of the conventional out-of-town mall format and investors wished to capitalize on growing city tourism and leisure time activities (Die Zeit 5 75

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75 The first examples of UECs can be found in Las Vegas, Atlantic City and Times Square.
March, 1998; Hennings, 2000). Similar tendencies can be seen in Germany. By combining tourist, leisure, retail and entertainment functions, they overlap with functions usually found in city centers, and are thereby by definition a new form of competition (Romeiß-Stracke, 2001). This then prompts the question: is CentrO an UEC?

The short answer to this question, according to most authors, is yes. The most unconvincing opinion was found in a report on UECs which according to their definition, “only under certain conditions” could CentrO be considered a UEC, although other projects in Germany did fully fulfill the criteria (Ackermann, 1999: 15). On the other hand, Blotevogel (2000: 14) lists three criteria that all UECs possess. The first is that they create an artificial experiential world (hyperreality). The second is that they combine shopping, entertainment and tourism attempts to combine shopping with entertainment (e.g. casinos, theatres, water theme parks). In this, it should be pointed out that shopping remains the most important function to investors, while the other functions are often put into the foregound to gain acceptance from planners and politicians. The third criterion is that they are built by international firms that have the necessary capital and know-how. Based on this, CentrO certainly qualifies as the Neue Mitte is a mixed-use commercial project (retail, entertainment and food), an attempt is made to craft an artificial experiential environment, and that it was built by a foreign investor that had experience with similar large-scale shopping malls. Thus, both Callies (1999: 1-3) and Blotevogel (2000) also list CentrO among the top of German UECs, and Brickau (2001) as the first UEC in the Ruhrgebiet.

The UEC concept has been surrounded by controversy among planners and politicians. They can serve as powerful competitors for city centers in that they satisfy many different needs (shopping, recreation, food) in a safe and clean environment (Quack, 2000). On the other hand, some UECs fuelled by restrictive planning policy, particularly those in traditional city centers, and government restrictions on opening hours make UECs in train stations and airports (which enjoy a waiver to this policy) more attractive. Although there seems to be a veritable “boom” of UECs in Germany — e.g. Bremen Space Park, Ufo Dortmund, Multi-Casa Duisburg — they are already losing popularity in the US and since they are not “authentic” and often are built of kitschy design elements and mediocre architecture, they have a short half-life (Werner, 1996), as has already proven to be the case with the closure of CentrO Promenade’s main magnet Planet Hollywood (NRZ 9 Jan, 2001; Parool 8 Nov, 1999). This calls into question what the effects are of these kinds of developments on urban development as a whole.

4.5 Impact and evaluation
This section will first examine the impacts that CentrO has had on the city of Oberhausen both in terms of quantifiable economic drain and in the surge of building activities in and around the Neue Mitte. Specific attention will be on how various actors (city government, city center shopkeepers, CentrO) interacted.

Although CentrO claims to be the largest shopping mall on the European continent, this cannot be confirmed in terms of sales space, and this statement is probably just another hyperbole, so common in the retail-development field. In fact, according to this indicator, it is not even the largest mall in the Ruhrgebiet. Nevertheless, 70,000m² of retail sales space is a considerable addition for a city of only 220,000 or so inhabitants. By contrast, the largest shopping area in and around the pedestrianized Marktstraße has only 37,000m² (Callies, 1999: 41). More telling, however, is the kind of retail offered at CentrO. There was absolutely no claim made, nor could one be made, that CentrO strove to be complementary to
the existing retail structure. With its 200 high-street style shops, it was a competitor from the very beginning. Even its design sought to evoke a surrogate urban feel by emulating a traditional city center shopping district. As a book on CentrO by the architects RKW explain, “the various wares can be found in differently designed malls which recall the streets in a city” (Haupt and Burlon, 1997: 24). However, as pointed out in the previous section, these “streets” have been sanitized and painstakingly tailored to maximize consumption and extract only certain segments of society as patrons.

### 4.5.1 Impact of CentrO on Oberhausen

Much of the political power-plays that transpired before and during the planning and construction phase were indeed based on “fear and envy” — as the then planning director of Oberhausen described it during the Triple Five controversy — as no reliable figures existed regarding possible impacts. The imagery evoked matched the interests at stake: surrounding communities imagined a monster insatiably sucking up trade in the vicinity, whereas Oberhausen argued that CentrO would benefit the entire Ruhrgebiet by attracting tourists and improving its image. In this ideological battle, ex ante analyses commissioned by NRW and the neighboring communities were greatly responsible for defeating the WTC proposal in 1989 and ex ante analyses commissioned by the municipality of Oberhausen, the GEG and Stadium helped gain approval for CentrO in 1991. However, ex ante research has considerable weaknesses. Whatever the case may be, several years were needed to adequately gauge the quantitative trade deflection. The degree of indirect or spin-off effects which can be attributed to CentrO are more difficult to determine.

Since the day of its opening, the economic effects of the mall has been closely monitored by the media. The spectacular opening of the center — described in the previous section — created a sensation which drew huge crowds for months. This eventually tapered off, and by wintertime the establishments on the promenade were scrambling for customers. Since this kind of seasonal vacillation is not uncommon in the retail sector, the first adequate benchmark date was one year after opening.

In September 1997, twelve months after opening, an estimated 21 million people had visited CentrO; it was less than expected (32 million) but more importantly the sales target of € 500 million was met, € 75 million of which was obtained from the cafés and restaurants (Frehn, 1997). Later in 1997, the city of Oberhausen contracted Dr. Lademann at the Hamburg consultancy firm GWH to perform an ex post study on CentrO’s economic impact. Aside from being one of the few sources available for this case, as CentrO is a fairly new phenomenon in Germany, this study is also one of the few of its kind in the nation on shopping mall impact (Callies, 1999). The study also served to reopen the discussion in the city council on the vulnerability of the inner city (Scheffler, 1999).

Even after reducing the figure for the total annual sales at CentrO from the € 425 million (DM 850 million) provided by CentrO in a press release to the more realistic € 372 million (DM 745 million), GWH found a significant impact on local retailers, particularly in the inner city. The net effects of the center was a € 303 million rise in sales in Oberhausen as a whole, 76

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76 For example, they are sensitive to the turbulent market of consumer demand (e.g. a sudden drop in disposable income will affect the kind of center consumers will patronize). Moreover, they cannot adequately describe the dynamics of the retail sector (e.g. whether existing will reinvest or adapt to meet the new competition or not, or whether the format of the new center will catch on with the population or not). Sometimes the mere threat of competition can be a blessing in disguise for inner cities, as the example of the Kalverstraat city management will show in §6.2 (Van de Wiel, 1996: 30).
and a diversion of €45 million in sales from within to CentrO. It also showed that the diffusion of purchasing power away from Oberhausen was halted, and even turned around, increasing the town’s “retail centrality index” by 32%. The net drain from the inner city was €11 million (€17 million drain less €6 million linkage: combination-trips by visitors from outside drawn by CentrO) which the researchers described as “a painful loss” (GWH, 1999: 9 in Callies, 1999). On the other hand, the extra €6 million in sales to the inner city provided by CentrO does show some positive spin-off effects, albeit this is only about a third of what CentrO took away. The picture becomes even more gloomy when one takes a closer look at how the €11 million drain is distributed across branches: while supermarkets were not particularly affected, fashion shops on Marktstraße lost up to 30% in sales in the year following CentrO’s opening (Callies, 1999: 43). The total loss for center-oriented shops in the inner city was measured to be 15%, but due to other factors such as repaving of the pedestrianized zone, only 8% to 9% could be directly attributed to the mall (GWH, 1999 in Callies, 1999).

![Figure 23: Impacts of CentrO by GWH (in Callies, 1999)](image)

An even more comprehensive study on CentrO’s impact was performed in 1999 by a research team from the University of Trier. This came to similar conclusions: namely that there was a significant impact, and that this was mostly felt in Oberhausen itself. The change in where the residents of Oberhausen chose to shop is powerfully illustrated by the figure below comparing the situation in 1996 to that in 1998. One should note that this data only concerns Oberhausen residents, and not the total regional shift in sales as did the model above. Aside from the clear reduction in residents going to other cities to shop (e.g. Oberhausen-Alt to Essen dropped from 9% to 4%, and Sterkrade to Essen from 20% to 4%) the drop in importance of the city center is remarkable. Whereas 78% of its own residents had used it to shop, this share was cut in half after the opening of CentrO. Similarly, Sterkrade residents using Oberhausen-Alt as a shopping destination fell from 24% to 5% (Quack and Wachowiak, 1999: 88).

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77 Centrality, or Zentralität is calculated as the ratio of the total retail turnover in a particular location to the disposable income of its population” (Vielberth, 1995: 84).
Figure 24: Impact of Neue Mitte on leisure shopping (Quack and Wachowiak, 1999)

In summary, the authors state that before CentrO, there was a lack of both assortment on offer and atmosphere (i.e. quantity and quality of retail). After the Neue Mitte, residents rarely go to another old center to shop; they either patronize their own center or go to CentrO (Quack and Wachowiak, 1999: 85). The impact on the central structure of Oberhausen was described as “dramatic” and particularly Oberhausen-Alt and the Marktstraße were called the “big losers” in the fight between the inner city and the new center (Quack and Wachowiak, 1999: 173). Still, the authors were not despondent, arguing that CentrO can be seen as “a successful addition to retail provision in Oberhausen and the region from the day of opening” and that “the total development of Oberhausen must be seen as positive” (Quack and Wachowiak, 1999: 173).

Marktstraße after 6:00 p.m. on a Monday in March 2001

As the gray twilight slowly turns to black, lights begin to flicker out (not on) in storefronts, especially clothes and shoe shops and electronics. Druggists like Woolworth (the sign missing its W) and discount knick-knack shops manage to hold out a little longer before succumbing to the night, whereupon only the Turkish import shop braves it to the official closing time of 8:00 p.m. — the time at which all shops in Centro are required to remain open. Although restaurants and cafes are not subject to these restrictions, they might as well be. The standard fare offered on Marktstraße, bakeries and sausage stands, have long since closed. Only a few shady bars remain open, and for some inexplicable reason, given the lightly falling sleet, two ice-cream parlors, one with wet plastic tables and chairs placed outside in front. Nobody is on the street now, except for a group of lost Dutch teenage girls talking fast and gesticulating, their voices sucked away by the chilling wind.
CHAPTER 4: CASE STUDY OBERHAUSEN

Figure 25: Origin of Oberhausen visitors to Neue Mitte (Quack and Wachowiak, 1999)

One last thing that may be considered about the quantitative impact of CentrO on Oberhausen regards the change in rents for retail space. While city centers in Germany (and even the Ruhrgebiet) tended to show some increases, the prices for shops in Oberhausen-Alt fell by 30%. Essen also showed a marked decrease (Brickau, 2001: 263). Most media reports have taken this to mean that CentrO has damaged the central place structure, but there are also claims that rents in early 1990s Oberhausen and Essen were too high. This (rent levels) appears to be yet another indicator that fails to provide non-contestable evidence for distributional change.

4.5.1.1 Qualitative impacts – “district theming”

As we shall see with the Kalverstraat in Amsterdam, one cannot understand how the Marktstraße has changed by aggregate economic data alone — the rather abstract number €11 million or 15% tells us very little about the real impacts in terms of quality, that is, what people see on a day-to-day basis. The loss of, for example, C&A to CentrO has not been adequately overcome, and many long-term vacancies are apparent. Moreover, while some of the functions (furniture dumps, discount warehouses) that have replaced the fashion-based shops that closed or moved may very well generate sufficient sales in a purely economic sense this has added to the qualitative downgrading of the city center in general. At the end of the day, it seems that the large impact CentrO had was less a function of floorspace (70,000m²) but of a retail mix that overlapped with the city center: 50-60% of CentrO’s shops are textiles, and “with CentrO it is thus attempted to reproduce the inner city” (Quack, 2000: 190). Even the element of surprise — something which is generally the token advantage of historic centers — is reproduced in CentrO’s Bunte Gasse: a section of the mall devoted to unusual gift shops, alternative boutiques and market stalls that continually varies its assortment. Moreover, as already discussed in §4.4.5, it is commercially more powerful than a traditional city center because of the synergy effects of its weather protection, optimized

78 While they increased throughout the western part of Germany by an average of 12.2% between 1999 and 2000, they fell by 50% in Oberhausen (WAZ 19 May, 2000; Die Welt 18 March, 2001).

79 The departure of C&A is finally being assuaged somewhat by Linex renting the building.
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retail mix and uniform opening hours, collective marketing, and central management: “CentrO is a closed concept: the goal is to offer visitors everything they want of shopping, entertainment, leisure and culture on site for the day. It should not be necessary for one to leave the area for more leisure facilities” (Quack, 2000: 190). Naturally, the entry of such a powerful new competitor will affect the strategic decisions made by retailers (especially chains) regarding the inner city as a location.

Admittedly, the retailers in the inner city did not meet the challenge proactively, and it was not until the pain of lost sales began to make itself felt that action was taken. In 1998, the first city management scheme “CityO” was set up — two long years after the opening of CentrO (Interview Baum, 2001). According to GWH,

> The pain caused by CentrO had made possible what fifteen years of continuous talk about a common city marketing strategy, including the deployment of countless assistants, advisors and professors, had not been able to do: start a comprehensive initiative that had a chance of success (GWH, 1999 in Callies, 1999: 44).

The reasons for this are many. Not only were market interests and the city often in opposition, retailers were usually divided amongst themselves and distrustful of one another. Division of costs and the free-rider conundrum is difficult to overcome (Müller-Hagedorn and Schuckel, 1996: 131). Increasingly, the city center has accepted its share of the blame for its own demise. SPD party head Groschek explained that:

> Oberhausen never really had a city center... For many years it has suffered from self-paralysis ... we [city hall] have done a lot for the city center, like improve car friendliness, made people available for city management, and improve public transportation ... [we even] agreed to Saturday and Sunday opening times, although Kaufhof hasn’t managed to take advantage of this in practice (in Scheffler, 1999: 56).

In the political debate in 1998, long-time Neue Mitte proponent Drescher downplayed the trade deflection, saying “whoever points to Marktstraße vacancies and says ‘I told you so’ should remember that even before CentrO opened, it was not a location without problems, nor was it a particularly rosy period for the retail market” (in Scheffler, 1999). Similarly, CDU Finance speaker Heinz Niemczyk also urged a change in mentality:

> When we take a new boat [Marktstraße] to water, then everyone in this boat must be represented: retail association, city management, advertisers, municipal agencies, politicians, and not least the retailers and property owners. Whoever believes he can swim next to the boat doesn’t belong on the Marktstraße. All must row and one must steer (in Scheffler, 1999: 57).

With limited room to maneuver, the city center had few options to develop itself. With the disappearance of high-end retail, and the inability to compete with the product ranges offered at CentrO, the city marketing organization CityO aimed for a “complementary mix” centering on “convenience and service-oriented” functions. In other words, the inner city was to relinquish its former status and become just another district center (this is certainly not how CityO would have described it though!).

Both of the other district centers are becoming increasingly themed and marketed accordingly. Although CentrO has impacted Sterkrade, it still has independent local shops as well as chains. Sterkrade is also profiting from upgrading, and is home to an annual fair which draws people from throughout the region (Stadt Oberhausen, 1999: 6). Osterfeld was mainly a grocery (errand) center, and thus less affected by the adjacent CentrO, which focuses on other assortment types (Quack, 2000). It has been helped in terms of image by other functions, such as the establishment of the HDTV studio (now Digital Renaissance) as well as the 1999 Landesgartenschau (Stadt Oberhausen, 1999: 6). Nevertheless, in a series of
interviews with residents in 1999, investigators from the University of Trier found that people were skeptical about prospects for the three old centers in Oberhausen and found the parking situation problematic in relation to the Neue Mitte (Quack and Wachowiak, 1999).

In summary, Marktstraße has been considerably impacted in both quantitative and qualitative terms. There are now more vacancies, less boutiques and more discounter. Currently, more elderly and price sensitive consumers frequent the inner city than before as the young and affluent have been siphoned off to the Neue Mitte. There seems to be a paucity of vision and cohesion: Marktstraße for example has no real anchor stores at the ends, it just peters out. As a final consideration, it should be noted that one unpredicted consequence of CentrO on the city center was not its impact on retail, but its impact on the restaurant and catering industry. The traditional focal point for these functions in Oberhausen was the Elsässerstraße (crossing Marktstraße) but within two years since CentrO’s opening, many businesses there have closed. One of the most recent was the linen and stockings shop Voigt. According to the manager, the shop had been struggling ever since the arrival of CentrO in 1996: “it was the death blow to the city, slain with eyes wide open” (NRZ 1 April, 2003).

4.5.1.2 Integration of the Neue Mitte?

Throughout this chapter, the issue of whether CentrO is an out-of-town development or not has surfaced from time to time. There is no clear or easy answer to this question, and the final judgment will ultimately depend on the kind of criteria employed, and this is often linked to whether one is a proponent of the development or not.

On the one hand, there are those that point to its location in the geographical center of Oberhausen. For example, the first director of CentrO GmbH (and Dutchman) Matthijssen said: “the unique thing about CentrO is that it’s not isolated somewhere on a greenfield site,
but in the heart of the city, which is in the heart of the Ruhrgebiet” (Scheffler, 1995: 95). This view is also echoed by Oberhausen’s planning and urban development officer Dieter Baum (Interview Baum, 2001) who argued that the high-frequency and relatively fast public transportation link to the other centers collapse space and integrate the parts. According to Oberhausen, 53% of the visitors from the city use public transportation to get to CentrO, as opposed to 15-20% for those from other cities.

This subject was also treated by Basten (1996) who argued exactly the opposite, comparing the Neue Mitte to an American “edge city” by using the criteria of Garreau (1987). He pointed out that almost nobody lives in the Neue Mitte, and there is a lack of facilities that one would associate with an urban area. There are, for example, no schools, post office, bank or even a supermarket in the Neue Mitte (Basten, 1996; Interview Basten, 2001). There is also the point about the lack of a potential civic function due to the absence of public space. Although the reference is to WTC and not CentrO, the observation of Blotevogel and Dielmann is still relevant, namely that this project will make Oberhausen-Alt a mere sub-center, and Oberhausen “the first big city in Europe that has a uniformly planned and commercially operated shopping mall and theme park as its main center” (Blotevogel and Dielmann, 1989: 645). Seen this way, it is difficult to imagine that the Neue Mitte can indeed be conceived as a true city center in the conventional sense.

4.5.2 Impact of CentrO on others
Even more politically charged than the impacts on Oberhausen were the reports and studies that sought to predict or determine the impact that CentrO had in the metropolitan region. As with the above discussion, this will be broken down into quantitative and qualitative impacts, the latter manifesting itself primarily in the deluge of CentrO-like developments in the Ruhrgebiet.

4.5.2.1 Quantitative Impact
In purely quantitative terms, there are two main ways of measuring impact. Before the mall is built, one can carry out ex ante analyses that attempt to model the effects (diversion of sales) by comparing the size, characteristics and attractiveness of the proposed center to the existing retail structure. Several such studies were performed at the time of evaluation of the CentrO
proposal in the early 1990s. As explained earlier, studies commissioned by Stadium and the city of Oberhausen (GfK and ISH) showed a minimal impact on neighboring communities, which helped considerably in obtaining the consent for GEP rezoning. The studies had argued that even after its opening, € 100 million in retail sales would still flow out of Oberhausen (of a total of € 1.1 billion). On the other hand, CentrO would attract € 150 million from the region. In total, the experts contended that the drop in sales for Oberhausen’s centers and neighboring communities would be between 1.4% and 3.8% (excepting Oberhausen-Alt which would suffer a 14.3% drop). Both therefore recommended approval of the application on the grounds that no spatial impacts in the sense of a sustained disruption of the current center structure should be expected (BBR, 1999: 13-14).

A more critical analysis was carried out by Müller-Hagedorn and Schuckel at the University of Cologne in 1996 using a Huff (gravity model) analysis. The results of this are presented below.

Figure 26: Impact of CentrO (Müller-Hagedorn and Schuckel, 1996)

This study was intended to model only the impact on clothes shops in the retail sector rather than the total impact. As such, some of the figures will seem much lower than in other studies. Here, it is mostly interesting to see the relative degree to which various centers would suffer. According to this model, Essen would be the big loser at € 27 million loss, and Duisburg (€ -17.5 million) while that for Oberhausen was much more modest (€ -8 million). It is also interesting to note that all impacted cities are in the Ruhrgebiet rather than farther.

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80 The model of “retail gravitation” by Reilly (1929) predicts sales volumes of two opposing centers. Converse (1943) then used this to calculate “breaking point” where the gravitational pull of both centers was equal. Huff (1964) realized that people do not just go to one center or the other, but may visit both (exercise a choice) and thus the models need adaptation to allow for overlap. He devised a probability model which, like Reilly and Converse, used distance and attractiveness (size) as variables. This model enabled several things to be predicted: the sales volume of center, the destination of market share or a particular area, the catchment area and the impact on neighboring centers. For a more detailed description, including the associated equations, please see Müller-Hagedorn (1988).
away, as CentrO with its diagrams of vast catchment areas and talk of tourism seems to want to claim. There are, for example, no figures shown for Dutch cities, Köln, Dortmund or Wuppertal. Müller-Hagedorn and Schuckel claimed that CentrO was an example of an “outburst” from the hierarchy of central places (1996: 219).

Another ex ante study was performed at the University of Nijmegen to predict whether CentrO will significantly redirect sales in border cities. It noted that CentrO, at 70,000m² is about the same as the entire shopping capacity of the city center of Groningen and Maastricht. There are also several Dutch formulas present: M&S Mode, Hij, Hunkemöller and The Sting which could be considered additional drawing factors (Van der Velde and Van de Wiel, 1996). Most of the article is about the kinds of consumer profiles likely to use CentrO — the German who shops in Dutch cities, Dutch who shop in German cities, or those who shop in their home country — to assess potential impact. No real conclusions were drawn but several conjectures were made. The main finding was that Kleve (in Germany) would suffer more from the Dutch going to CentrO instead than Nijmegen would from Germans staying away. Despite the claims made by the developers, this study found too that the bulk of CentrO’s patronage would be drawn from the region. According to Van der Velde, “it still is at least an hour’s drive away, and that will discourage most Dutch people” (1996).

However, as these prognoses came to light in the same year as CentrO’s opening, it was soon to be made obsolete by ex post studies studying the observed changes in sales in Oberhausen and its environs. For example, estimates by Frehn (1997) a year after opening found that CentrO impacted mainly smaller cities around Oberhausen and its districts in clothes, shoes and leather goods. CentrO also had a wider impact: the number of visitors traveling over 60 minutes is 30% higher than for other shopping centers (conventional centers 10%). According to GWH, the catchment area of CentrO was even larger than initially expected, and drew people from over an hour’s driving distance: “a not unimportant part of which is from the Netherlands” (in Callies, 1999: 7).

Figure 27: Origin of all visitors to Neue Mitte (Quack and Wachowiak, 1999)
As discussed in §4.5.1, one of the most comprehensive ex post impact studies of CentrO was Quack and Wachowiak (1999). This research found a significant impact of the Neue Mitte on the urban structure of Oberhausen, and particularly the city center proved very vulnerable to CentrO’s formula of quality retail, entertainment, restaurants and cafes. On the other hand, they found less quantitative impact — “perceptible but limited” — on the neighboring communities (p. 173). A quick examination of the map below reveals some interesting points. One is that despite a large influx from Essen (14%) and Duisburg (12%), the main numbers are drawn from further away in the region (54%). Of course, some of this can be explained by the smaller population of the other communities. One of the more surprising findings is that only 1% of CentrO visitors came from abroad, a fact that undermines some of the “tourist” argument of the mall, and contradicts the findings of the GWH study.

Two recently completed undergraduate theses from the University of Bonn also attempted to measure the trade deflection. The first showed impacts on the region four times that predicted by the 1992 forecasts (Standortvorteil 3 April, 2001). In these areas, up to 27% less sales were reported, but after correcting for the poor economic climate this was estimated to be “only” 14%. In concrete terms, Bottrop suffered a € 23 million drop in sales as a result of CentrO, and Oberhausen-Alt € 25 million (BBR, 1999). However, the researchers also noted that CentrO helped to polish Oberhausen’s tainted image, and improve its public transportation system. All in all, one can see diverging opinions in studies not only on the magnitude of impact, but the significance of visitors coming from far away.

4.5.2.2 Qualitative impacts – “Manufactured destinations”

In addition to draining trade (or, as Oberhausen would phrase it, reclaiming sales) from centers in neighboring communities, the CentrO phenomenon has sent a clear signal to the region about the potential of initiating economic restructuring via consumer-based projects. Not only has CentrO been successful in terms of generating income, but it acted as a catalyst for the Neue Mitte development, and improved Oberhausen’s image as a whole. It is not surprising that other cities in the Ruhrgebiet — some of which had opposed CentrO with allegations that it would create an oversupply in the market — have attempted to follow suit in recent years. Oberhausen succeeded in positioning itself from a rather unremarkable city to a shopping and entertainment city in the Ruhrgebiet. In so doing, it opened up a new level of inner city locational competition — and it certainly represented the ultimate starting shot and measure for a metropolitan competition that was increasing in momentum (GWH, 1999: 3 in Callies, 1999: 41).

In 2001, approximately 750,000m$^2$ of additional retail space was planned in the Ruhrgebiet, equal to almost a dozen CentrOs (NRZ 19 Feb, 2000). Among the projects are Dortmund’s ambitious plan to redevelop its main train station into a colossal 90,000m$^2$ multi-theme complex; this soon acquired the appellation **UFO-Dortmund** (the proposal resembled a gigantic flying saucer in the artist’s impression). Although not by any means an out-of-town project, it still encountered criticism from inner-city merchants who feared a displacement of sales. UFO was finally abandoned due to financial reasons, although a foreign investor is expected to build a scaled-down version in the near future (Die Welt 23 Jan, 2002). Essen, also fearing trade deflection, approved the construction of its **Pasarea** mall at its main train station — this also encountered problems and had to be reduced in size from 30,000m$^2$ to 10,000m$^2$ (Taz 20 July, 2000). Düsseldorf also has plans for a 30,000m$^2$ shopping mall called **Düsseldorf Arcaden** at its train station, although still enveloped in controversy (NRZ 24 April, 2003).
Other examples include the proposed expansion of the already large (comparable to CentrO) shopping centers Rhine-Ruhr\(^\text{81}\) center in Mülheim and the Ruhrpark\(^\text{82}\) in Bochum (Scholz, 1999). Other recent projects where the focus includes, but does not revolve around retail are the Hansa-Caree in Dortmund (Multiplex theatre as anchor), the 80,000m\(^2\) Köln Arena project built around a event hall and the Space-Park in Bremen which includes a 30,000-40,000m\(^2\) shopping center (Hennings, 2000: 67-68). An even larger and more controversial project is Multi-Casa at the train station in Duisburg.

The Multi-Casa proposal was put on the table in October 2000 and envisions the transformation of the 35ha site at Duisburg’s main railway station and an investment of € 400 million. Proponents claim that it will create 2,000 jobs. The proposal includes 93,000m\(^2\) of retail space with 250 shops (stress on electronics), 7,000m\(^2\) for restaurants, a new casino within walking distance, a hotel and office space (NRZ 18 Oct, 2000). The project will also require considerable physical restructuring (demanded by the Canadian investor TrizecHahn).\(^\text{83}\)

Many struggling inner city shops fear that rather than providing an impulse to Duisburg’s center, Multi-Casa will drain the last of the sales remaining, pointing to the impact that CentrO had on Oberhausen-Alt. This view is shared by the local chamber of commerce. Still, the head of the local retail association Bommann is not in principle opposed to the project:

> It will always hit someone, but one must look at the big picture about this. Sometimes you need to sacrifice a pawn to avoid a checkmate. Competition is getting greater, and jobs will disappear (NRZ 1 Feb, 2001).

Duisburg Oberbürgermeister Bärbel Zieling is also cautiously in favor of Multi-Casa: “integration with our city center is very important: we don’t want to repeat what happened in Oberhausen” (NRZ 18 Oct, 2000). Fears of Multi-Casa harming the city are patently rejected by the municipality’s chief planner Jürgen Dressler however: “three or four new megacenters are no danger in a region with 15 million residents” (NRZ 26 June, 2000).\(^\text{84}\) Although the first round of planning and politics surrounding Multi-Casa finally ended in defeat, the proponents — perhaps taking a page from Oberhausen history — came back with a second proposal in 2003 (NRZ 7 Feb, 2003).

CentrO is only 20 km away from Multi-Casa, and already complaints have been voiced in Oberhausen regarding the impact this development will have on the region. To meet the challenge, CentrO announced that it would expand by another 6,000m\(^2\) (the maximum extra sales spaced allowed in the city according to the conditions stipulated for the rezoning in the GEP in 1992). According to Basten, Drescher already investigating whether this 6,000m\(^2\) figure is legally binding (NRZ 15 Dec, 1999; Discussion Basten, 2001). This stance of Oberhausen has raised several eyebrows. Karl-Friedrich Schulte-Uebbing of the

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81 This concerned a general 5,000m\(^2\) extension and a 700m\(^2\) biological market (NRZ 2 Feb, 2000).

82 Opened in 1964, this was the first US-style shopping mall in the Ruhrgebiet. It is located in close proximity to the highway and has a total surface area of 100,000m\(^2\) and an additional 15,000m\(^2\) is being added in 2000 (Brickau, 2001: 256).

83 This includes the widening of the A59 to 6 lanes, shift of station entrance hall 50m closer to platforms, and a new freeway exit. However, these changes to the national highway structure will require permission from the national government (NRZ 18 Oct, 2000).

84 Interestingly, these projects favor big cities against smaller ones: small towns in the simply Ruhrgebiet cannot compete with these kinds of projects because they lack the capacity, and are seeing their town centers slowly die out (NRZ 15 May, 2000).
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Gelsenkirchen chamber of commerce, for example, stated: “what’s surprising is that the city of Oberhausen now suddenly has objections to the new projects in its surrounding communities, while at the same time trying to add on another 25% to CentrO” (Der Standortvorteil 3 April, 2000). History once again seemed to repeat itself as CentrO’s expansion was contested by surrounding municipalities — headed by Essen — at the state level, but ultimately dismissed (NRZ 15 Dec, 1999; NRZ 9 Feb, 2000). The ways in which Oberhausen and Duisburg quarreled over their respective centers was described as “shameful” in the local media (NRZ 31 Dec 1999; NRZ 17 Jan, 2000), and cities such as Mülheim anticipated losses of 8.9% in sales in its city center and Rhein-Ruhr center (NRZ 4 Jan, 2000). To the annoyance of its neighbors, Oberhausen is allegedly increasing its retail space by subterfuge by incorporating shops into the other facilities in the Neue Mitte such as the Ovision Future Park (NRZ 24 Jan, 2003).

All these developments have also caused some reflection on the nature of politics in the Ruhrgebiet. Former head of IBA Zlonicky characterized these projects as “the expression of a new generation of politicians in search of their own profile and identity” warning that “this is the old coal and steel thinking all over again: they try to solve big problems with big projects, when that just creates even bigger problems” (NRZ 19 Oct, 2000). Certainly when the political factor is considered, there is a clear push for more and bigger projects: “It is no secret that many municipalities in the area have felt a drain of sales to CentrO, that they now want to turn around” (Brickau, 2001: 260).

4.5.2.3 Ruinous competition and its cure

No other state in Germany has so many large-scale shopping malls as Nordrhein-Westfalen, and no other state has so many plans to build more (Die Welt 23 Jan, 2002). Thus, the level of market capacity for shopping centers is a sensitive topic. On the one hand, one can make the claim that no market exists for new malls by pointing to the fact that retail sales are declining in Germany and that the area already appears to be saturated. On the other hand, one can argue from an individualist standpoint that since these projects are often commercially successful (admittedly pulling trade away from existing centers in a zero-sum manner), a market does exist. The state president Jürgen Bussow exclaimed that, “we are caught in a spiral of ruinous competition” (NRZ 26 June, 2000). In a recent report commissioned by the national government on the potentials for leisure-based industry in the Ruhrgebiet, the authors state that:

> In a polycentric and heavily populated area with adequate infrastructure, one city should not hold all the retail supply. It is therefore necessary to have intermunicipal cooperation and coordination regarding large-scale retail in to help stave off abandonment of sites as a result of a flooding of the market, and to help municipal policy from being compromised in this area (BBR, 1999: 15).

Already some cautious steps have been taken in this direction in the Ruhrgebiet. At the beginning of 2000, Bussow invited all ten mayors of the cities in the direct vicinity of CentrO to discuss further retail development in the area. This was also in line with the amendment in 1998 to the German Spatial Planning Act encouraging regional cooperation (see §4.1.1). Later, on 25 June 2000, an expert meeting was held called “Megacenters: blessing or curse for inner cities?” (NRZ 26 June, 2000). This conference was supported by the state government as well as the state retail association, and sought to bring an end to the collective action problem plaguing Ruhrgebiet municipalities.

At the conference, it was commonly believed that if every city were to develop its own CentrO-like destination, this would spell the ruin of the region’s retail structure, and be
especially disastrous for small independents operating outside of planned centers (NRZ 19 Feb, 2000; Friedrich, 2000). NRW Regierungspräsident Jürgen Büssow, for example, seemed determined to put an end to the “wild-west conditions” in retail: “Without regional coordination, we will be faced with a mega-ruin” and “if necessary, we are prepared to use [state level] spatial planning instruments” (NRZ 27 June, 2000). This view was echoed by traditional retailers, whose president F. Conzen argued for a “large-scale decision” to “avoid irreparable damage” and went on to say that “if all the public money that was put into CentrO was channeled into the inner city, probably everyone would have flocked there instead.” Hans-Jürgen Reitzig, head of IHK Niederrhein: CentrO is without a doubt successful, and sent out a clear signal for other cities to follow suit” (NRZ 27 June, 2000). Despite all this apparent consensus, mutual mistrust prevented any party from promising not to attempt such a development. Those municipalities who had already succeeded in developing were (unsurprisingly) much more in favor of future restrictions than those with clear plans in the pipeline. When the Western Ruhrgebiet Regional Retail Concept was finally unveiled in late 2000, it was immediately attacked by Oberhausen because it did not forbid Multi-Casa (WAZ 2 Dec, 2000). All in all, while the legal problems involved in drawing up a regional policy or agreement on retail development are quite surmountable (see Goppel, 2000: 20), the fact remains that such an agreement must always be entered into voluntarily by all parties, and consensus is notoriously difficult to achieve in the Ruhrgebiet, especially on this issue. The Western Ruhrgebiet Regional Retail Concept was finally approved shortly afterwards, although it remains to be seen whether this voluntary cooperation model will be any more effective than top-down measures like the 1996 Retail Decree.85

4.6 Conclusions
The intention of this section is to summarize the development process of the Neue Mitte in a more formalized manner by recalling the conceptual framework in Chapter 3 and applying it to this case. From this, a few key factors will be named that help explain large-scale shopping center development in the Ruhrgebiet. Afterwards, some additional issues will be addressed such as the possible spin-off effects CentrO may have had, and the implications it has for urbanism in the area.

4.6.1 Application of conceptual framework
Clearly, institutional factors played a large part in determining both the sequence of events (process) as well as the final product Neue Mitte (substance). The structuring factors (space, administrative structure and economics) are clearly apparent in the way they influenced actor orientations and strategy. The following page displays an application of the conceptual framework to the German case.

85 A first impression is that it has not yet slowed the zero-sum competition. Most of the proposals have not been abandoned, and even some new ones have emerged, such as the ECE-Center in Moers (NRZ 22 Jan, 2003), finally abandoned due to lack of financial backing and political reservations in the municipality (NRZ 9 April, 2003).
Explaining the development of CentrO Oberhausen

Relatively Stable Parameters

**Economic**: High market share of multiples in retail trade, economic restructuring

**Administrative**: Decentralized federal and fiscal system, legalistic disposition

**Spatial**: Polycentric conurbation, high infrastructure density

Contingencies and Events

**Economic**: Economic crisis in the Ruhrgebiet in 1990s, slow retail market, footloose shoppers

**Administrative**: Little regional cohesion, fiscal crisis in Oberhausen

**Spatial**: Increasing severity of retail planning restrictions, closing of Thyssen plant, failed WTC proposal

Retail Development Arena

- NRW state planning agency
- Minister of Finance (Schleußer)
- Other Ruhrgebiet cities
- Oberhausen (Drescher)
- Stadium (Healey)
- Consultants

Strategic action

Privately, Oberhausen and Stadium negotiate on design specifics, commission studies before going public

State rules in favor of Oberhausen that “did its homework”

Thyssen site rezoned to allow shopping center

Outcomes (CentrO built)
As can be read in the figure, a combined series of economic, spatial and administrative factors framed the situation in which the most important actors found themselves in the early 1990s. Oberhausen was caught in the grip of a fiscal crisis, unemployment and urban blight in its geographic core. Other Ruhrgebiet cities were facing similar problems, and long-lasting competition/mistrust had caused most to view the issue of retail as a zero-sum game: that a gain for one city necessarily entailed losses elsewhere (see §3.2.3). Strong legalistic planning rules based on maximum floorspace and central place theory also proved no match for developers wishing to avoid them, especially when not actively discouraged by municipalities (see §4.2.3). Finally, the Triple Five experience had taught Oberhausen much about the limits of its influence: despite the decentralization of the German system, the issue was volatile enough to cause NRW to intervene. Knowing this, a three-pronged approach by Oberhausen was taken: cut other cities out of the debate, appeal directly to NRW from inside, and strengthen their case beforehand (via preemptive impact reports and trimming down the proposal). The application of this strategy shifted the critical decision-making mass to development proponents, or the right side of the figure. What follows is a more detailed description of the summary above.

**Economic structure**

The far-reaching economic restructuring of the Ruhrgebiet in the past decades defines the setting for urban development there (Basten, 1998: 9). Oberhausen at the beginning of the 1990s was caught in a downward spiral of rising debt and unemployment, and attempting to weather the same kind of economic restructuring process that had devastated the Midwestern United States and Northern England. At the same time, the subsidies that the Ruhrgebiet had enjoyed under the Federal policy goal of territorial distribution of wealth were largely redirected to revive the former East German States. As factories closed, unsightly and polluted spots appeared on the map with no apparent value. At the same time, declining retail sales in both relative and real terms (unlike the Netherlands which only lost in relative terms) placed tremendous pressure on the sector to renew itself, leading to ever-fiercer competition. Constructing shopping centers at these sites would fulfill both municipal objectives of urban regeneration and easing the shift from an industrial to a service-sector economy.

**Administrative structure**

The federal system in Germany is governed by an intricate form of top-down and bottom-up communication and coordination via the Gegenstromprinzip. This has its advantages when it comes to establishing legal certainty and achieving consensus. On the other hand, it is very time-consuming (Salet, 2002) and “causes a lot of problems for maintaining a continuous policy line for land-use matters from the national via the state level, to local urban development” (Kreukels, 2000: 56). This is evident in the ineffectiveness of the BauNVO and even the Retail Decree to halt or redirect large-scale retail development.

Like the rest of Germany, there is a strong local tradition in the Ruhrgebiet with a “strong mayor” system and little internal cohesion. There is no formal regional planning level. The next tier of government which can seek to bring order to the spatial structure, NRW, also seems rather spatially incongruous: Oberhausen for example is under the jurisdiction of Düsseldorf, which does not even lie in the Ruhrgebiet! While the coal and steel industry had local ties, they were still relatively footloose within the Ruhrgebiet, and factors like municipal policy on land provision, taxation, and infrastructure were essential weapons in the fight for industry (Basten, 1998: 95).
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There is a high degree of competition between local authorities in the Ruhrgebiet. There is no coordination and every city is intent on getting what it can for its local population. Coordination at a regional level is virtually impossible (Hoogerbrugge, 1999: 62).

Because cities wish to “satisfy their fiscal interests” and because mayors want to put themselves on the map, they engage in partnerships with developers, which often turn sour: “with the contractual agreements with investors local politicians have maneuvered themselves into the uncomfortable position of either having to deliver a tailor-made B-plan or come face-to-face with a financial debacle” (Der Spiegel, 1998: 36).

This tradition has been carried forward in the next generation of large-scale economic functions in the consumer and leisure industry. Although the “Ruhrgebiet cities had a spirit of competition and opposition since the industrial era” the collective action problems this produces have compelled municipalities to attempt to enact cooperative organizations from time to time (Basten, 1998: 91). The result seems an uneasy balance between coordination and competition, with the former given prominence in formal documents and the latter in actual practice. The prospects for coordination seem to have worsened however if we are to believe Gualini (2000) who argues that the economic restructuring also eroded some of the corporatism that had defined this region of Germany, and hastened trends occurring elsewhere (e.g. shift from government to governance, and an emphasis on national welfare to local economic development).

Spatial structure
The Ruhrgebiet is a rather unordered polycentric area where planning has always been subservient to economic functions. Peter Hall called this area a “multicentered metropolis” in his 1966 book The World Cities, a more flattering than the term “coalfield conurbation” once used by Geddes. The polycentric aspect of the Ruhrgebiet undermines the center/periphery distinction that lies at the heart of retail planning thought as well as the theory of central places (Basten, 1998: 90). In the postwar period this has been exacerbated by the growth in mobility, allowing the various cores to integrate in unexpected ways. Today, the complex use of metropolitan area by residents shows irrelevance of state, regional and municipal borders. Students attend class in Dortmund, go to bars and clubs in Bochum, and shop in Essen or Düsseldorf. This tendency towards functional specialization in space has led some to conclude that the hierarchical structure of central places has become irrelevant altogether (Kunzmann, 1996), but others (Blotevogel, 1996 in Gebhardt, 1998) argue that it is still useful heuristically as well as normatively to determine what kinds of retail development is desired, and what should be avoided. Whatever the case may be, the increased influence in NRW’s restrictive retail policy, based on central place theory, has not slowed the pace of development, but displaced some of it from peripheral sites to city centers. NRW already has the most large-scale shopping malls in Germany and the most planned retail space in the pipeline, mostly at train stations (Die Welt 23 Jan, 2002).

With regard to the CentrO development, the most important “spatial event” was the closure of the Thyssen plant. After the departure of Thyssen, there was a hole in the geographic center of Oberhausen. It had never really been a “center” in terms of civic life, but it was certainly an economic center in so far that Oberhausen residents from all districts converged this place to work (this point also makes it difficult to argue against the non-public aspect of CentrO on traditional grounds). The structuring role of infrastructure as a spatial object is also important for the Neue Mitte development: its intensity makes it easily accessible from larger distances, but also cuts it off from direct environment. Without the Autobahn connections it is doubtful that either Triple Five or Stadium would have given the location...
consideration at all. The direct public transportation link with Oberhausen’s train station is significant in appeasing those criticizing the lack of integration (still no housing, schools, post office, supermarket in Neue Mitte).

**Actor interaction**

Although WTC did not result in a change in the physical structure, it did bring about a change in mentality amongst key actors responsible for producing urban space about the potentials of Oberhausen. Triple Five represented at the same time salvation to Oberhausen and a colossal threat to all those around it. In retrospect, WTC may be considered the practice round or test case for the Neue Mitte development. By its failure, it taught development proponents in Oberhausen exactly what was required for a successful attempt in the future. Triple Five foundered largely because other cities were able to produce studies to demonstrate that it would cause undue harm to their centers, and by implication, the hierarchy of central places. It also failed because the developers were too rigid in their demands. It is also noteworthy that the city of Oberhausen was relatively inactive in facilitating the WTC proposal, and that it remained primarily an initiative conceived and carried through by a foreign investor.

Because of these lessons, the subsequent strategy was dramatically altered. The company GEG was founded to oversee the development of the site and institutionally bound the interests of NRW, Oberhausen and the developer together. With a financial stake in the GEG, Oberhausen also became an active participant in the development game, actively searching for developers and commissioning the Prognos study of its retail sales leakage. In Healey, the city of Oberhausen found a man prepared to compromise in order to reach his objective. In Oberhausen, Healey found a city committed to the project, and one that was ready and willing to deal with the political altercations.\(^\text{86}\) Another major advantage is that, with the full commitment of Schleußer to the project, Oberhausen also had a friend on the inside at the NRW level. Schleußer had also masterminded the transaction of property, giving further legitimacy to the project and giving it the aura of a “done deal.” Finally, unlike WTC, Oberhausen used time to its advantage. It only went public at the last minute, armed with a well-orchestrated communication campaign and supporting impact studies. Interestingly, this successful strategy seems to go against most of the planning literature which emphasizes collaboration and early consultation (Healey, 1997; Voßebürger and Weber, 2001).

**Outcomes**

There was little time for opposing interests to react to the formidable preparation and travails of Oberhausen within the official planning timeframe. The site was therefore rezoned in the GEP and Healey could immediately proceed with the construction phase.

CentrO opened at the same time as the other attractions such as the multiplex and the promenade, and after the express public transportation facilities were already in place. This enabled the developers to turn the grand opening into a nationwide media spectacle. The number of visitors to the mall in the first few months reflects this successful publicity

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\(^{86}\) Within the city of Oberhausen there are some other noteworthy administrative maneuverings that helped make the Neue Mitte possible. The autonomous power of the Oberstadtdirektor to act has already been mentioned. Dresher was able to use this influence to reform the organization of the local government with his goal-oriented *Rathaus ohne Ämter* policy (this influence later increased when he assumed the post of Oberbürgermeister in 1997 in which the powers of Oberstadtdirektor had been added). By slashing planning procedures and contracting out the preparation of plans, a clear signal was given to investors of Oberhausen’s market orientation and positive disposition towards developers. In all, “an important building block of Oberhausen’s urban development is … the organizational structure of the actors involved in this area” (BBR, 1999: 35).
campaign. Even afterwards, CentrO has remained something rather novel and exciting for Germany. The protection from the elements, carefully drawn up retail mix, synergy between retail, entertainment and restaurant functions has made it a powerful regional competitor. Of the many different “impacts” that CentrO has had — leaving aside the hotly disputed levels of trade deflection — one of the most significant was to mobilize other cities to attempt similar large-scale retail projects such as Ufo Dortmund and Multi-Casa in Duisburg.

4.6.2 Final thoughts on CentrO
This German case study has highlighted some interesting factors in retail development, some of which have been discussed in earlier chapters.

Primacy of rules
It is interesting to note how large-scale peripheral retail schemes can get built in a country apparently opposed to such development, and with a reputation for strictness. In fact, one can argue that it is the legalism of Germany in attempting to give clear rules to the retail development game that has backfired at times and allowed developers to discover and exploit loopholes in the legislation. Similarly, CentrO — a mall that closely resembles an out-of-town North American suburban prototype — was argued as conforming to central place theory because it was located at the geographic center of the municipality. Other projects such as Multi-Casa and Ufo take a similar approach. For the five reasons stated in §4.2.3, as well as the illustration of CentrO, the stark reality of retail development is less crucial and tangible in Germany than the letter of the law.

Importance of information
In the WTC case, both parties were able to supply information, and that of the opponents were more elaborate and sophisticated than the claims of the developers. The situation was reversed in the next round: Oberhausen and Healey both commissioned impact studies that found their proposal to be non-objectionable on trade deflection grounds, while opponents were not given the chance to do the same.

Entrepreneurial politics
Before the WTC, Oberhausen never had a history of stimulating economic development, or even conducting economic policy. Afterwards, it became an active player in attracting investment. Indeed, a study of CentrO’s impact argued that “The example of Oberhausen shows that city politicians want to overcome old structures, even when this inconveniences others” (Müller-Hagedorn and Schuckel, 1996: 131). Ludgar Basten’s 1998 PhD thesis Die Neue Mitte also argues that the personal power of actors was determinative in the development of the Neue Mitte, and that a study concentrating purely on official planning procedures would have been insufficient for understanding what actually happened (1998: 207). This conclusion of the predominance of politics is remarkable given the German planning system’s emphasis on legal rules and procedures, largely intended to preclude this kind of actor-related political maneuvering. The next chapter on the Trafford Centre (UK) will reveal that politics and conflict can be even more pervasive in determining policy and ultimately retail development.
5.0 Introduction
On 10 September 1998, four years after the British Secretary of State for the Environment had announced a full-scale ban on all new out-of-town shopping center development, the £600-900 million Trafford Centre opened its doors for business. At just over 100,000m² of retail sales space, and approximately 30,000m² more of catering and leisure, the Trafford Centre is one of the largest out-of-town shopping malls in Europe. Its location in a suburb of Manchester at a site catering exclusively to car owners runs directly counter to most contemporary planning principles and current UK government policy. As with other malls of its type, the assortment offered in the 280 shops operating in the mall is geared towards that of the traditional city center, or, in quintessentially British terminology, the high street. Like CentrO, the anticipated impacts on retail trade had made the proposal highly controversial; a coalition of business and municipal interests had tried for years to block the project, but after a grueling nine-year gambit between developers, local authorities and central government, and approximately £10 million spent on impact assessments, the House of Lords finally upheld the building permit in May 1995. This decision brought to an end the most exhaustive planning inquiry into a commercial development in the UK’s history (Trafford Centre Insight, 1997: 2; MEN 9 Sept, 1998: 5).

As spectacular as this may sound, the drama of the Trafford Centre is not unique, but rather symptomatic of the British planning system’s struggle with the out-of-town shopping mall format. As illustrated in the conceptual framework in Chapter 3, certain specific conditions had framed the decisions, policies and strategies of the constellation of actors involved in the retail development process. These helped to create a particular “way of doing things” (or
mode of interaction) that resulted in the probable approval or denial of large-scale out-of-town retail projects.

This chapter will seek to explain the origin of the Trafford Centre by examining the institutional context in which the application was submitted, and the way this mobilized the actors involved. As with the other case studies, this chapter is divided into two parts. The first will survey the most relevant aspects of the political, legal and administrative system and include a chronology of the most important developments in national retail policy and its consequences in the postwar period. The second part of the chapter will focus on the Trafford Centre proposal in its historical context, with a brief analysis provided at the end as regards its impacts on trade. The chapter concludes with an application of the conceptual framework to the information unearthed in this case study, and draws a few general conclusions. The final comparison of case studies and reflection on methods will be the subject of Chapter 7.

5.1 National context
At present, the United Kingdom has a total surface area of 244,820 km$^2$ and approximately 60 million inhabitants. Officially, the United Kingdom is the term used for all of the kingdoms — England, Scotland, Wales and Northern Ireland — while the term Great Britain excludes Northern Ireland. However, for purposes of readability, these terms will be used interchangeably in this chapter, and generally the focus will be on England, the most urbanized and politically powerful of the kingdoms, and where the case study area is situated.

5.1.1 The British retail structure
Although a wealth of information is collected and published regarding individual firms and sales data from within the sector, it is difficult to acquire good comparable data about the geographies of retailing in the UK. Eurostat, for example, observed that, “there are no recognized official data on floorspace or geographical distribution. The last overall census of distribution was conducted in 1971 but subsequently abandoned” (European Commission, 1993: 188). After the demise of the Census of Distribution, the government continued to offer more limited information on retail trade under the name Distributive Trades EDC, but this expired in the course of the 1980s as well (Stocks, 1989: 71). Nowadays, data is usually collected by consultants in an ad hoc manner using local knowledge derived from their own commercial property contacts (Burt et al, 1997: 2). Therefore, the figures as they are presented here and elsewhere in the chapter (which are taken from various secondary sources), should be interpreted as only giving an indication rather than an accurate appraisal of the country’s retail structure.

Before the mid-nineteenth century, the British retail structure was poles apart from what is today taken for granted. In urban areas, shops were usually either of the producer-retailer variety, such as blacksmiths, tailors or cobblers, or of artisans or merchants associated with a particular guild. Markets and fairs were also common, as were itinerant traders and peddlers (O’Brien and Harris, 1991; Kooijman, 1999b). Shops in the modern sense of permanent structures devoted to retail trade only became prevalent in the late nineteenth century, fuelled by technological improvements, a buoyant economy and ongoing urbanization. As new shop formats were introduced, the importance of haggling, guild membership and producer skills gave way to skills of salesmanship and advertising. The advent of fixed prices in department stores in particular caused severe price competition during this period, resulting in pressure on the government for the introduction of resale price maintenance (O’Brien and Harris, 1991: 47; see also §2.1). With this came a further professionalization of the sector, stock exchange listings for some retailers, and an expansion of some enterprises into regional and
even national markets. The market share of multiple retailers, for example, was only 3% in 1875, but grew to 20% by 1920 (Thomas, 1990; O’Brien and Harris, 1991: 48).

The Second World War marked an important turning point for the retail industry. As the retail sector modernized and consolidated, consumer behavior changed radically. Mobility and prosperity increased, and what were once considered luxuries (e.g. televisions, vacuum cleaners, washing machines) were soon considered necessities (Guy, 1980). During this time, the corporate and spatial consolidation that had begun before the war accelerated. Shop sizes steadily increased, as did the market shares of multiples, doubling from 30% to 60% between 1960 and 1990 (Guy, 1994: 10). These trends are perceptible in the table below.

Currently, the level of consolidation in the UK is among the highest in Europe (European Commission, 1993: 192). In 1995, for example, there were approximately 196,500 shops in the country, or 3.36 shops per 1,000 inhabitants, which is much less than on the Continent. Another indicator of Britain’s consolidation is the fact that, in the same period, the top ten food retailers accounted for about 85% of all grocery sales (Kolen and Bell, 2000b: 4).

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of businesses (x 1000)</th>
<th>Sales in stores with</th>
<th>Percentage gross margin</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>with single store (x 1000)</td>
<td>over 10 stores (%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>394</td>
<td>40</td>
<td>24.9</td>
</tr>
<tr>
<td></td>
<td>356</td>
<td>44</td>
<td>29.2</td>
</tr>
<tr>
<td></td>
<td>with over 10 stores (x 1000)</td>
<td>54</td>
<td>26.9</td>
</tr>
<tr>
<td></td>
<td>1900</td>
<td>57</td>
<td>27.4</td>
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<tr>
<td></td>
<td>with over 50 stores (x 1000)</td>
<td>61</td>
<td>27.7</td>
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<tr>
<td></td>
<td>433</td>
<td>67</td>
<td>29.7</td>
</tr>
<tr>
<td></td>
<td>with over 100 stores (x 1000)</td>
<td>43</td>
<td>30.3</td>
</tr>
<tr>
<td></td>
<td>n/a</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td></td>
<td>with superstores and hypermarkets 0</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Employees in retailing (x 1000) n/a</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percentage gross margin 24.9</td>
<td>280</td>
<td></td>
</tr>
<tr>
<td></td>
<td>29.2</td>
<td>403</td>
<td></td>
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<tr>
<td></td>
<td>26.9</td>
<td>733</td>
<td></td>
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<tr>
<td></td>
<td>27.4</td>
<td>990</td>
<td></td>
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<tr>
<td></td>
<td>27.7</td>
<td>2379</td>
<td></td>
</tr>
<tr>
<td></td>
<td>30.3</td>
<td>2379</td>
<td></td>
</tr>
</tbody>
</table>

Figure 28: Quantitative change in the UK retail sector (Burt et al, 1997: 5)

Parallel to corporate consolidation and growing shop size were the introduction of new retail formats. These have been described in the British retail literature as consecutive “waves” of out-of-town development. The first wave was supermarkets in the 1970s, the second superstores in the 1970s and 1980s, the third out-of-town shopping centers in the 1980s and 1990s, and the last factory outlet centers and retail parks in the late 1990s. Because these developments are so closely tied to the issue of planning policy they will not be discussed here separately, but will be included as part of the subsequent policy/development discussion.

5.1.2 Retail planning in the UK

It is impossible to fully understand the developmental history of the Trafford Centre without understanding the idiosyncrasies of the British planning system and the legal-administrative structure in the UK, both of which diverge in important ways from Continental Europe. The

87 Despite claims of high levels of competition between the largest firms, a government inquiry was initiated in the late 1990s to investigate the possibility of monopoly practices and overcharging customers, or throwing up intentionally high barriers to entry (Telegraph 31 July, 1998; Telegraph 24 Sept, 1998; Telegraph 25 Sept, 1998; Hallsworth and Evers, 2002).
section that follows includes a brief introduction to the United Kingdom and the formal institutions that have a bearing on how planning is carried out. Reference will be made, where relevant, when this affects retail development.

5.1.2.1 Legal system
The legal system and public administration of England has remained remarkably stable over the centuries. Since 1066 there has been no imposition of foreign institutions through invasion and occupation, and no violent revolution has occurred since the restitution of the monarchy in 1666. In addition, as Britain has no written constitution, there are few decisive moments in its history where the state has been completely revamped. Instead, both its system of law and the principles of public administration have been in a gradual state of evolution (Norton, 1994; Lambregts and Spaans, 1997). Of course, this is not to say that there have not been major substantive changes in state structure via legislation and policy; on the contrary, unlike Continental Europe, there are no constitutional safeguards against public restructuring, something which has allowed political shifts to produce shifts in the way the state is organized.

In most countries on the European Continent, a system of law is in place using principles derived from Ancient Rome, concerned with the application of codified universal norms stipulated in a constitution or otherwise to particular cases. Two variants on this model are the Germanic and Napoleonic legal systems, the latter of which serves as the basis for Dutch law. Common Law, as applied in North America and the UK, varies from Roman Law in a number of important ways, and this has influenced how planning is and can be carried out (Salet, 1994). The most important feature of Common Law is that it is evolving and cumulative: as cases are handled by the courts, judgments subsequently become part of the law itself. The question of precedent is therefore vitally important (Newman and Thornley, 1996; Salet, 2002: 33). In the litigation surrounding shopping center approval, for example, Common Law procedures would take more cues from judgments in similar cases in the past, while Continental systems decide more on the basis of the specific policy, plans and legislation pertaining to the case. Sometimes this may interfere with the aspiration to “judge every case on its own merits” in the British planning system.

Specific laws relevant to retail planning include the 1946 New Towns Act, Town and Country Planning Act (enacted in 1947, and amended in 1971 and 1990), Inner Urban Areas Act of 1978, and the Use Classes order of 1987. Laws on shop opening hours, although less restrictive in Britain than other European countries, are also relevant for retail development. These, and the more specific policies derived from it, will be elaborated in the section on the formal planning system.

5.1.2.2 Administrative system
Because there is no constitution, no blueprint exists for the composition of the public sector, and the division of central-local responsibilities. Instead, historical tradition had implicitly dictated that all power was held by the parliament in London. Otherwise, there are laws passed from time to time that define the distribution of power. One such law is the Local Government Act of 1888 (LGA) which sought to modernize the public administration. This Act created 62 county councils based on historic shire councils (excepting London), and introduced universal household suffrage. Counties were divided into smaller metro boroughs, urban districts and rural districts. In addition, county boroughs were identified that had a status similar to the free cities in Germany (Interview Bristow, 2002). Local governments in this period acquired a certain degree of autonomy, including town planning which, again,
were not constitutional rights, but legislative mandates and/or based on tradition (Thomas, 1990: 7). The period following the 1888 LGA, roughly from 1890 to 1930, has been called the “golden age of local government” (Norton, 1994: 352-353). In some instances, English local authorities had attained a level of unofficial autonomy greater than the official autonomy in more decentralized nations on the European Continent (Ambrose, 1994: 38). It is in this period too that local governments began competing with one another for commercial facilities. As Gayler observed, “prior to [the] local government reorganization of 1974 many local authorities, particularly in Northern England, granted planning permission to out-of-town centers in order to prevent the loss of purchasing power of its population to neighboring centers” (Gayler, 1983: 71). As observed earlier, this is common behavior in decentralized systems.

The postwar era brought with it a series of reforms that seriously curtailed the influence English local governments had acquired. A reapportionment of authority was introduced under the Local Government Act of 1974 intended to rationalize the organization of British public administration. The 1974 LGA created new district councils via the amalgamation of boroughs with urban and rural districts and the establishment of metropolitan authorities, effectively regionalizing the local level especially in urbanized areas. As will be discussed later, this centralization was carried further by the Thatcher administration in 1985 to the national government level through a revision of this Act, enabling the abolition of metropolitan authorities and the creation of unitary authorities based on the former metropolitan districts. In 1998, the Labour government once again reshuffled the boundaries of public administration, creating Regional Development Agencies and a new democratically elected metropolitan council for London. The intention was, in part, to turn back the Tory-driven centralization and resume the regionalization that had begun in the 1970s (Jeffery and Mawson, 2002: 715). Because this last change happened after the opening of the Trafford Centre, and because the effects are still being debated, it will not be elaborated on in detail here.

All in all, the system of English public administration can still be said to be prone to fluctuation but at the moment is still highly centralized. It is much more “united” than the Netherlands, and far more so than Germany. Unlike their brethren in the Netherlands and Germany, British mayors play “only a symbolic role” (Newman and Thornley, 1996: 31). This is borne out in part in the low share of local government revenues raised through local taxation. As an indication, the Urban Task Force reported this in 1995, to be around 12% in the UK as opposed to 18% for the Netherlands and 68% in Germany (Urban Task Force, 1999: 282).

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88 A 2002 white paper Revitalizing the English Regions, for example, discussed ways in which, subject to a referendum, regional assemblies could be established on a region-by-region basis.

89 In 1990, the property tax system was restructured to create a Uniform Business Rate. This taxed the market value of local property, pooled the collected resources and then redistributed the proceeds roughly according to the population count of a local authority (Falk, 1998). A direct result is that English municipalities are less prone to the development of prisoners’ dilemma situations regarding large-scale retail proposals than many of their Continental counterparts.

90 The Urban Task Force used the figure of 8%, but this has since risen due to the introduction of local fees (still mostly earmarked by the national government however). The figures for the other two countries are those used in the report.
5.1.2.3 The political system
Party politics plays a greater role in Britain in determining the course of retail development than in the Netherlands or Germany. Moreover, “unlike the Netherlands, Great Britain has no political culture of compromise” (Lambregts and Spaans, 1997: 84). One of the reasons for this can be found in the structure of the public sector: the British “spoils system” in which one party obtains complete control over policymaking (as opposed to most Continental systems where power is proportionally distributed among a winning coalition) creates little incentive for compromise. The adversarial nature of politics is reflected in other aspects of British society, including litigation surrounding planning disputes which are also framed in a “winner-takes-all” fashion. This will be returned to later.

5.1.2.4 The planning system
The United Kingdom has a rich tradition of urban and regional planning, and many of the most prominent names in the field — Ebenezer Howard, Patrick Geddes, Patrick Abercrombie, Peter Hall — are from Britain. Planning at the super-municipal level (including retail) is mainly a postwar activity however. Although formal planning can be traced back to 1909, modern urban and regional planning in the UK is based primarily on the groundbreaking 1947 Town and Country Planning Act. This legislation sought to address a number of deficiencies in the less comprehensive 1932 act of the same name by nationalizing the right to develop land (Hall, 1992; Booth, 1996). Like elsewhere in Europe, the need for strong planning was keenly felt in 1940s Britain due to a confluence of wartime damage (the need to rebuild old and damaged stock) and the “baby boom,” the first wave of urban renewal and the 1940-1960s urban deconcentration. The 1947 Act established a comprehensive system for planning at the local level by means of five principles: (1) providing an official definition of development, (2) mandating that local authorities prepare development plans, (3) requiring that planning permissions be evaluated according to these plans and “material considerations,” (4) a right of appeal of applicants to the Minister (i.e. Secretary of State with cabinet responsibility for the national planning authority) if denied a permit, and (5) the right of local authorities to enforce their decisions (Davies, 1998).

In view of these five principles, one of the first observations one can make about the statutory planning system in Britain is that, unlike the Netherlands and Germany (or indeed most of the rest of Europe and the United States), rights to build do not extend automatically from a legally binding zoning plan, but revolve around the planning permission itself. Nor is there a national spatial plan. This has several direct implications. First, the system can be described as inherently reactive and development-oriented since it only really comes into action with the submission of a development proposal. Second, the system involves a delicate balancing act between the rights and duties of the initiator, the local authority and central government. These two factors inject a great deal of flexibility into the formal system. Finally, in the spirit of Common Law, planning decisions and the “material considerations” they relate to then form precedents on which subsequent cases can be judged (Thomas, 1990: 41).

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91 For example, the issue of whether “material considerations” outweigh the provisions stipulated in a local plan is subject to a certain degree of local discretion. This provides flexibility in the system when evaluating building applications (Thomas and Minett et al, 1983; Newman and Thornley, 1996; Healey, 1997). The right of applicants to appeal to the Minister/Secretary of State provides a further level of discretion, this time at the central government level. It also serves as a check on local authorities, either to protect against discretion degenerating into arbitrary decision making, or to enforce central government authority. Furthermore, for projects with a wider scope (and out-of-town shopping centers often fall into this category), the Minister has the power to “call in” applications to his office to make the decision himself, rather than leave it to the discretion of the local authority.
In 1971, the Department of Environment was established to centralize policy on housing, construction, transport, planning, local government and other environmental functions (Cullingworth, 1997: 39). Its statutory responsibilities also included providing guidance to local authorities on planning matters, ensuring “consistency and continuity between local authorities in their interpretation of development control and their interpretation of statutory requirements of planning by approving the strategic elements of development plans and act as arbiter at planning appeals” and to initiate new ideas (Pal, 1996: 3). Although its instruction to local government “takes the form of ‘advice’ rather than obligatory rules… in legal terms, [this] forms a ‘material consideration’ which should be taken into account” (Guy, 2002: 322). This level of centralization is now characteristic of British planning. Indeed, “the national government holds the balance of power in defining the parameters of the regulatory system, and used it with a tight grip during the 1979-97 administrations” (Vigar et al, 2000: 25).

The positions of central government on planning matters are published as White Papers (government policy statement), green papers (discussion papers), circulars and Planning Policy Guidance (PPG) notes (Department of Environment advice). The latter were introduced in 1988 in order to “provide a single source of up-to-date guidance and ensure an element of consistency between land uses as well as across the country” (Pal et al, 2001: 233). Although not legally binding, PPGs have been very influential in determining the course of retail development in Britain. At the local level, they frame the decision-making process about whether to grant planning permission, or whether sufficient material considerations exist to deny it. They are also used at the central government level when evaluating appeals and call-ins (Guy, 1994: 76). Because PPGs can be changed much more quickly than local development plans, this has served to amplify the level of flexibility of the British system as compared to continental systems where local plans are more determinative.

Another important characteristic of British retail planning that sets it apart from the Netherlands and Germany, … has been the adjudication by public inquiry, either by way of appeals following refusals, or where government has called in major planning applications. This has often resulted in very high profile public inquiries, reflecting the level of controversy surrounding, particularly, out-of-town retail development (Mappin and Allmendinger, 2000: 196).

As will be discussed in more detail with respect to the Trafford Centre, the right of appeal to the courts is central to large-scale shopping center development in Britain. Because its structure is inherently adversarial, it “is a gritty earth bound procedure, far removed from free wheeling academic debate” (Stocks, 1989: 68). It is also often a long and expensive process, particularly because applications can often be altered, resubmitted, and if relevant, re-appealed. There are two main routes by which a developer may contest a disputed application: via an informal appeal by “written representations” or a more formal public inquiry (Thomas, 1990: 66-67; Pal, 1996; Cadman and Topping, 2001: 194). Both have their advantages and disadvantages. Written representations are generally quicker, and involve submissions to a planning inspector who reads the evidence, makes a site visit, and comes to a decision.

Public inquiry, on the other hand, can be a drawn-out process. The developer must send a note of appeal to the Department of Environment, which then appoints an inspector for the case. The inspector then hears the testimony of the parties, reads submitted evidence, makes a site visit, and then prepares a report with a decision to uphold the rejection or grant the
permit. The hearing takes place in a quasi-courtroom setting, with strict protocols and procedures and allows for oral statements and cross-examination of witnesses.

It is difficult in a small space to communicate the atmosphere of a public inquiry with its ploys, strategy, tactics, rhetoric and histrionics: most are fairly boring to anyone other than the dramatis personae and those personally affected… the form is adversarial. The experience and credibility of witnesses may be systematically destroyed… [or] vital evidence may have been omitted from written submissions because it does not support an appellant’s or local planning authority case (Thomas, 1990: 69).

In some cases (like, as we shall see, the Trafford Centre), a decision by the inspector is overturned by the Secretary of State. If this happens, there are further legal recourses, such as the High Court, the Court of Appeal, and finally the House of Lords. The number of appealed applications for retail projects and the cumbersome legal battles accompanying them has been a continual source of concern in Britain.

In 1990, partly in order to reduce the number of appeals, the Town and Country Planning Act was amended to give more weight to development plans in determining applications. Such a “plan-led” aspect would also bring the British planning system somewhat closer to Continental European systems. Towards the end of the decade, the planning system was also embroiled in the discussion of the introduction of regions in the UK (these are much larger than metropolitan areas, and more like German states), and what impacts a decentralization of authority to this level would have. Finally, a green paper was recently published to discuss a fundamental restructuring of the English planning system (Office of the Deputy Prime Minister, 2001). However, because the implications of most of these changes go beyond the scope of the timeframe of this thesis (the Trafford Centre opened in 1998), they will not be discussed further here. Thus, for our purposes, the original five principles as stipulated in the 1947 Act for the most part still comprise the legal foundation of the planning system in the UK during the Trafford Centre controversy (Davies, 1998; Vigar et al, 2000: 11). Thus, in summary, the British planning system is one where local authorities evaluate planning applications on the basis of a development plan and other material considerations, generally stemming from central government policy. The fact that central government input tends to outweigh local policy has intensified the level of centralization already inherent to the British planning system, as has the ability to initiate a planning inquiry procedure (Newman and Thornley, 1996).

5.1.3 Retail planning policy and development
As noted in §5.1.2.4, planning permission forms the heart of the British planning system. Consequently, retail planning revolves around the applications for shops or shopping centers submitted by either retailers or developers, rather than being specifically zoned for in a local plan. As noted, this is a reflection of the inherent flexibility of the planning system in the UK. Consequently, regulation of out-of-town retail development was “to be carried out through the normal operation of the land use planning system, rather than through special legislation, as in continental Europe. Thus, the planning system’s response to applications for major off-center developments could potentially be changed at short notice” (Guy, 1994: 171). Because of this variable nature, different periods of retail policy can be distinguished in the UK, reflecting different government attitudes towards the market. The sections to follow will trace

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92 Despite the recent emphasis on a (local) plan-led approach, these plans still need to be made in accordance with central guidelines. Thus, despite the small boost given by the new plan-friendly Town and Country Planning Act, spatial plans are still much less important in Britain as they are in Germany or the Netherlands.
the course of retail planning policy from its inception in the early postwar period to the present.

5.1.3.1 Local discretion and guardedness

Quite correctly, Guy observed that, “the course of retail development in Britain since the 1940s has been massively influenced by the land use planning system” (1994: 71). Before the 1947 Town and Country Planning Act, retail development was largely free of specific government intervention (Taylor, 1998: 23). The nationalization of land-use by the 1947 Town and Country Planning Act allowed hitherto unthinkable levels of restriction on shop location and the 1946 New Towns Act also provided guidelines for shop location (O’Brien and Harris, 1991: 84). Notably, like Germany (and the Netherlands), a Christallerian notion of central places comprised the guiding principle for officially sanctioned shop location for most local authorities (Guy, 1980: 97; Dawson, 1983: 69-70; Thomas, 1990). Besides structure and local plans, local authorities also drew power from the Use Classes Order which regulated which changes in function would require a permit (e.g. from A1 shop to A3 food take-out or A2 professional services). In addition, local authorities could rely on the Inner Urban Areas Act to sustain the retail function of city centers, and declare an area a Commercial Improvement Area. Specific policies include shopping street pedestrianization, litter and graffiti removal from public shopping areas, and taking a strict stance against out-of-town retail proposals. All in all, Davies (1976: 177) remarked at the time that “there is no other country in Western Europe which has sought to contain the process of [retail] decentralization to the same degree as in Britain. Unsurprisingly, the vested business community, keen to maintain the status quo and protect their retail market position, applauded the stance generally taken by local authorities (Gayler, 1983: 26).

The major planning acts of 1947 and 1968 gave an opportunity, readily grasped, for intense conservatism motivated by ideas of conservation, containment and control. The end-product has been continual conflict with retailers anxious to develop store formats that would lead to greater profits and greater efficiency and, it must be stated, lower prices (Hallsworth, 1988: 154).

Most of this regulation, although enabled by the national statutory planning system, was not necessarily endorsed at the central government level; it was largely the initiative of local authorities. The first statement by central government specifically related to retail planning can be found in the 1972 Development Control Policy Note 13 (later updated in 1977) issued by the newly formed Department of Environment. This rather slim document was “cautious and unspecific” in its advice (Dawson, 1983: 99; O’Brien and Harris, 1991: 85; Tomalin, 1996) thus changing little at the local level. The tone of this document was circumspect, stating that out-of-town outlets should be permitted if it could be demonstrated that they would not otherwise fit within the existing retail core and if they “will not be detrimental to the interests of inner areas of our towns and cities” (in Thomas, 1999: 16). Thus, when preparing plans in the 1960s and 1970s, studies were conducted regarding meeting “projected need” to keep development spatially tidy: if permission was obtained for one large new store, it was unlikely that permission for a second would be granted, especially considering the level of fiscal centralization and pressure from the local business community. Thus, by the 1970s,

…a system was established in which retail planning was carried out under the twin umbrellas of Structure and Local Plans… In general, all sought to contain the pressures for decentralization and to maintain the traditional hierarchy of shopping centers (Davies and Howard, 1988).

However, change was in the air, and this planning system would soon be faced with what Fernie (1995, 1998) has termed the “first wave” of out-of-town development. As elsewhere in
Europe, suburbanization, prosperity and increased car ownership in the 1960s had created an enticing market for out-of-town shopping formats. In Britain, this was given a further push by the abolition of resale price maintenance in the mid-1960s (Guy, 1998a: 957). The effects of this rule-change was to unleash fierce price competition, especially among stores selling a wide range of products like supermarkets (Fernie, 1995). As land costs were substantially lower outside of town centers, discount retailers pressed wary local authorities to build at or relocate to these areas.

The multiplying number of applications for peripheral supermarkets posed a dilemma to a local planning system mistrustful of peripheral development. Most fringe superstore proposals over 5,000m² were summarily rejected as being in conflict with local policy. Local authorities were moreover afraid of establishing a precedent in favor of such development, and denied all proposals placed before them. Some of these decisions were appealed while in other cases large new stores were built in existing shopping centers “despite evidence that these locations were often unsuited to this type of development” (Guy, 1994: 90). Writing at the time, Gayler complained that:

...superstore organizations have all too often fallen into line with government thinking in order to have their schemes approved. To hold out for an out-of-town location approval is to invite years of frustration, delay, high legal costs and most likely refusal anyway (Gayler, 1983: 18).

The enlarged jurisdictions resulting from the 1974 local authority act had also played a role in this hesitation. Its effect was to decrease competition at the local level for peripheral retail developments (superstores) because the catchment areas often fell within a single jurisdiction (see Chapter 2, §2.3.2 for more on this). A notable example, which will be discussed at length in §5.5.5, is that of Haydock Park: a proposal for a regional out-of-town shopping center in the 1960s rejected by the county council. Even in cases of multiple jurisdictions, the situation was vexing for developers:

...local politicians of different political persuasions and from different authorities can find very easy grounds for a common opposition front. So much so that there is little or nothing to be gained by an out-of-town center developer trying to play one local authority off against another by threatening to locate in a neighboring area (Gayler, 1983: 72).

In the 1970s, peripheral superstore and hypermarket development in Britain trailed behind that of France and Germany. However, an increasing number of developers were successfully appealing their case, arguing that such stores would not negatively affect town centers. This litigation created a lucrative market for impact assessments, which generally proved to the benefit of superstore developers, who could readily produce studies showing that these new formats were complementing — and not replacing — specialist functions within the cities (Thomas and Bromley, 1993; Guy, 1994; Howard, 1995). By the end of the decade, it had become clear that central government inspectors were more forgiving in their evaluation of out-of-town proposals than were local authorities and the number of appeals accelerated. Supermarket applications were soon joined with retailers seeking permits for stores selling bulky items (e.g. furniture, garden supplies, washing machines) and home-improvement (DIY) formats — the “second wave” of out-of-town development. By the early 1980s, superstores were appearing with more regularity in outlying areas, causing one expert to conclude that Britain’s planners had lost the first battle against out-of-town development (Interview Bridges, 2002).

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93 Dutch authors find it interesting that in the UK, it is generally localities that adopt a more conservative position vis-à-vis peripheral retail developments than the central government — this is exactly opposite to the central/local standpoints in the Netherlands (De Feijter and Jannette-Walen, 1999).
Astonishingly, this period has also been called the “golden age” of shopping center development in Britain, but these all concerned in-town and often city center locations. To realize such projects a “triangular partnership was typically formed between the local authority as owner and landlord of the site, the successful property development company, and its financial backer” (O’Brien and Harris, 1991: 94). Manchester’s Arndale Centre is a prime example of this kind of development, considered desirable by local planners.

Thus, at the beginning of the 1980s, the planning system still posed an effective block to developers wishing to develop peripheral shopping malls:

The experiences of other potential regional shopping center developers has not encouraged a flood of applications to build North American style out-of-town centers. The opposition and inherent protectionist attitudes of local authorities, together with the strengths of the existing retail hierarchy, have not made it a favorable climate in which to invest and seek a return on capital (Gayler, 1983: 19).

Within a few years, however, Britain would arguably become the most favorable climate in Europe to develop out-of-town shopping malls. Existing meta-institutional structures (e.g. no formal constitution, spoils system, adversarial culture) enabled a political shift to cause far-reaching public sector reorganization and dramatic shifts in planning policy at the central government level.

5.1.3.2 Lifting the Burden: the 1980s reforms

The system of restrictive retail planning as described in the previous section came to an abrupt end with the victory of Margaret Thatcher and the Conservative Party in the 1979 elections. With the coming of Thatcherism, the old system of retail planning was swept aside to suit the new ideology of the free market, and public authority was centralized further to expedite this (Thornley, 1991; Newman and Thornley, 1996). The first planning statement of the new government, Circular 22/80, used language that was vague in operational terms, but clearly had a positive view towards the private sector and placed economic growth at the top of the agenda.

A change in mentality was indeed needed. British cities in the early 1980s faced great challenges, generally bearing the brunt of the economic malaise that had enveloped the country. Shopkeepers in urban areas were confronted with problems of declining population, especially under the higher income groups, and rising expenses, accessibility problems, and a general decline in the level of amenities (Thorpe, 1983: 138). The Conservatives believed that many of the ailments afflicting British cities were primarily the result of divestment on the part of the private sector (Lambregts and Spaans, 1997: 85). The prescribed remedy was to create a more favorable business climate by relaxing planning rules and offering tax incentives. Although retail was just one small aspect of the wider project of Tory governmental reform, it is illustrative of the changes that occurred in other sectors. The following paragraphs will list the most important changes that occurred in the public sector that directly affected retail development. These were implemented during the course of over ten years, but centered around the white paper *Lifting the Burden*, published in 1985.

First, ostensibly as a “cost saving measure,” the Census of Distribution which collected data on retail trade was discontinued. This had the immediate effect of depriving local authorities of an important source of data when evaluating shop planning permissions for their potential impacts on trade. Specifically, it became much more difficult for municipalities to demonstrate that a proposed out-of-town development would damage the existing retail
structure, and obviously worked to the advantage of developers of out-of-town formats. In such cases, both parties hire consultants to supply them with relevant data and analysis. Discrepancies in the data or research findings presented has “made the Inquiry process unhappily long” (Davies and Howard, 1988: 9; Howard, 1995). The question of economic impact became a moot point after the Thatcher Administration declared a few years later that this could no longer be used as a material consideration in determining planning permission.

One of the most dramatic organizational reforms of the Tories was its far-reaching **administrative centralization** through the diversion of power away from the local and regional level. This was a highly political maneuver: many local authorities and metropolitan bodies had been traditionally left-wing bulwarks of the Labour Party, and as such were staunchly opposed to many Conservative policies, and hesitant in implementing them (Thornley, 1991). Although British local authorities never enjoyed the formalized autonomy and home rule powers of their counterparts in Germany or the Netherlands, they had over the years gradually and unofficially acquired a great deal of discretion in planning matters and service delivery (Norton, 1994). The centralization was for many local authorities a painful and bitter transition.

Regarding the regions, in a dramatic decision in the middle of the decade following the publication of the 1985 White Paper **Streamlining the Cities**, and a 1985 revision of the Local Government Act, the left-leaning metropolitan councils were simply abolished and power devolved to localities (Ghanbari Parsa et al, 1995: 21; Pal, 1996: 4). The abolition of the Metropolitan Counties and the Greater London Council in 1986 removed an important strategic guidance on retail development, and encouraged rivalry between city boroughs (Davies and Howard, 1988). Perhaps this was motivated by a “divide and conquer” mentality.

Still, as observed above, local authorities proved capable of coordinating efforts to block out-of-town shopping center projects and setting forth a restrictive retail agenda. Since local authorities could not be abolished, even by the Thatcher Administration, a different tactic was required to regain central government control over local planning decisions. The statutory powers of central government to intervene in planning matters were reasserted by the government, and retail applications were frequently “called in” by the Minister of Environment for review. The Tory government was more permissive of appealed superstore applications than its predecessor, and in many cases where a local authority had initially rejected planning permission for an out-of-town retail project, the Department of Environment granted it under appeal. It became clear that by the mid-1980s the central government was maintaining a “presumption in favor of development” when evaluating major out-of-town retail schemes, and encouraging and sustaining a “win-on-appeal” system of retail development in Britain.

The Thatcher administration was also responsible for instituting the area-based **Enterprise Zone** reform. Businesses establishing in designated Enterprise Zones were offered generous tax incentives (ten-year amnesty from local taxation) and waived planning controls (Booth, 1996: 30; Cullingworth, 1997: 98-99). In certain categories, no planning permission at all was required. It was hoped that developers would seize this opportunity to realize larger and bolder projects at Enterprise Zones, providing a much-needed impulse to troubled areas. Although retail was excluded from automatic permission in most Enterprise Zones, some did allow them (Guy, 1994: 174). Two major shopping center developments, Merry Hill and Metro Centre, both of which have been severely criticized in later years for the damaging effects they produced on nearby town centers, were developed at Enterprise Zones.
Unsurprisingly, an approach like this blatantly circumvented the formal planning process was heavily criticized by the planning profession, who were effectively placed at the sidelines of urban regeneration policy: “The 1980 Act which created Enterprise Zones has enabled ad hoc retail development outside of any formal plan to make a nonsense of retail planning in particular areas” (Davies and Howard, 1988). A parallel policy was the creation of Urban Development Corporations (UDCs) whose sole purpose was to attract investment to a particular area designated by the Secretary of State for the Environment. These organizations were independent of and not accountable to local authorities. Other measures included City Challenge and Single Regeneration Budget which provided urban regeneration funding on the basis of successful bids (competition-based allocation, rather than need-based) and private-sector involvement.

Aside from these organizational matters and a general push towards freeing up the market, there was little interest in retail planning as a policy arena during the first decade of Conservative rule. Retail location was seen as a matter to be decided by the private sector, not by civil servants, and questions of the economic impact of new retail initiatives were no longer considered sufficient for rejecting permits (Interview Bridges, 2002). This was explicitly articulated in the planning advice document Circular 22/84: “policies and proposals should neither seek to regulate competition between retailers, nor to stifle the evolution of new forms of retail provision” (in Thomas, 1999: 16). Consequently, schemes for out-of-town shopping centers were designed “without any regard for Structure Plans, and with little concern for their impact on existing centers” (Davies and Howard, 1988), and local authorities often felt “powerless” to prevent out-of-town retail development (Taylor, 1998: 82). Even new inner-city initiatives largely neglected retailing, focusing instead on housing, industry and infrastructure. It was around this time that the “second wave” of out-of-town development broke: non-food superstores.

5.1.3.3 Market response in the 1980s
The developments listed above contributed to producing a very attractive climate for large-scale out-of-town retail development. Such development was made possible, in part, by the central government overruling decisions made by local authorities to refuse planning permission, which were weakened by a lack of accurate census data. The average sales areas of retail establishments thus increased from 643m² in 1980 to 1,200m² in 1990, while the share of sales in superstores rose from 11% to 36% over this same period (European Commission, 1993: 199). Proposals for retail warehouse parks also increased, particularly schemes involving a pair of superstores (one food, the other non-food) and a small mall of approximately 20 shops. In all, “the speed of implementation of superstores and retail parks in the late 1980s was breathtaking and underlined the success of the [Tory] policy to strip away unnecessary government controls on development” (Tomalin, 1996: iv). However phenomenal the growth in superstores, the most devastating affront to town planners came with the “third wave” which was about to break: the out-of-town shopping mall.

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94 Particularly DIY formats, which had been given a large impulse by the Conservative’s encouragement of home ownership (European Commission, 1993: 195).
Unlike the last two waves of out-of-town development, on which planning opinion was divided (the threat to the hierarchy versus relieving congestion in town centers) planners were united in their resistance to this new retail format, particularly because it duplicated the most essential high street provision (Gayler, 1989). As stated, enclosed shopping malls were confined to town centers or at edge-of-center locations, often to regenerate a derelict part of the city and in 1984 no out-of-town shopping center had yet been built. Still, there was an increasingly attractive market for American-style shopping in the UK. Postwar Britain had been undergoing a sustained growth in population and experienced an increase in consumer spending power and car ownership rates (Jones, 1969: 14-19). It was obvious that it was the planning system that was holding back the tide of out-of-town mall development, not the market.

The first out-of-town shopping malls appeared as a result of the Thatcher Administration’s Enterprise Zone policy which effectively bypassed concerns by planners. In 1986, Metro Centre, the first out-of-town mall opened at the Gateshead Enterprise Zone near Newcastle: “Without doubt, it was the availability of extensive sites in Enterprise Zones together with the generous rates reductions that played a crucial role in the development of Metro Centre, Merry Hill and Meadowhall” (O’Brien and Harris, 1991: 105). It also served to open up the British market for more of these kinds of developments, and the number of applications rapidly multiplied. By 1987, there were close to fifty out-of-town shopping malls being proposed in the UK, ten of them in the Manchester metropolitan area alone (RTP, 1986).
Many malls were opposed by local authorities, the Secretary of State, or both, but gained permission via the courts after lengthy public hearings and appeals.

By the mid-1990s, virtually all large and medium sized British cities had out-of-town developments and between 1970 and 1990, 33 million m$^2$ retail was added to the country’s stock, 71% of which at peripheral sites (Kolen and Bell, 2000b: 3). Centers like Merry Hill were accused of undermining the vitality of centers in the entire region. In the absence of middle-level retailers and residents, gentrification in the 1990s resulted in transforming larger urban areas into two-tier cities, and smaller and less competitive neighborhood shopping streets were dying a slow death (Van der Wal, 1996; Volkskrant 22 Jan, 1996: 9). However dramatic this may sound, Guy (1994b) correctly observed that, when compared to the United States, the number of out-of-town shopping malls in Britain is still rather modest.$^{95}$

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$^{95}$ In fact, in the 1990s the total number is less than that around Charlotte, North Carolina (Burt et al, 1997: 1).
5.1.3.4 New rules for retail development
At the beginning of 1988, guidelines finally came for retail development in the form of Planning Policy Guidance Note 6 designed to curtail the number of decisions made on call-ins and appeal, replacing all previous guidance notes, circulars and ministerial statements preceding it. The instructions to local authorities in this document did not indicate a major departure from the previous non-interventionist policy however. The 1988 PPG6, like Circular 22/84 before it, reasserted that commercial competition was not a land-use planning consideration:

> It is not the function of the planning system to inhibit competition among retailers or among methods of retailing, nor to preserve existing commercial interests as such; it must take into account the benefits which flow from new developments in the distributive and retailing fields... since commercial competition as such is not a land use planning consideration, the possible effects of a proposed major retail development on existing retailers is not in this sense a relevant factor in deciding planning applications and appeals (Department of Environment, 1988).

Even more strongly, the document stated that,

> Retailing developments which extend choice in shopping, allow more efficient retailing, enable a better service to be given to the public as a whole and making shopping more pleasant are to be welcomed (Department of Environment, 1998 in PW 9 June, 2000).

On the other hand, the 1988 PPG6 did state that local authorities could deny permits when “new development seriously affects the vitality and viability of a town center as a whole” (Department of Environment, 1988). However, because the clause “serious damage to vitality and viability” is rather subjective, and because there was a lack of data available to local authorities to demonstrate this anyway (i.e. after the abolition of the distribution census), planners expected little as a result: “There is widespread cynicism [among planners] about the effectiveness of the new document, and a belief that policy will continue to be made in the appeals and call-in system” (Davies and Howard, 1988: 11-12).

At the beginning of the 1990s, planners in the UK continued to level sharp criticisms at the central government for its nonchalant attitude towards retail. The lack of strategic and regional guidance was lamented, as was the apparent choice for a planning stance on retail that resembled more the United States than it did Continental Europe, despite the obvious shortcomings of the former. However, a changed central government attitude was already starting to make itself apparent with the publication of the 1990 white paper *This Common Inheritance*, which pledged to adapt British planning policy to the ideas being expressed at the preparations for the Earth Summit in Rio.

This paralleled a general mood in the country that was less neo-liberal than in the 1980s, and consequently less averse to planning controls. As stated, the Planning and Compensation Act was amended in 1991 to make it more plan-led and hopefully reduce the need for call-ins and appeals. Under the new conditions, counties were to prepare structure plans, which were intended to be fairly broad-brush and cover a timeframe of approximately 15 years; district councils would then prepare more detailed local plans, generally with a ten-year planning horizon. For larger conurbations, a new kind of plan was introduced, the Unitary Development Plan, which would combine the functions of both structure and local plans into a single document. This latter kind of plan will become relevant when considering the Manchester case.
In 1993, PPG6 was revised to take a harder line against out-of-town retail development. The new document sought to sustain and enhance the vitality of town centers and ensure that sufficient shopping opportunities existed for everyone (i.e. carless shoppers). It also asked that impact studies on existing shops be carried out. In addition, it encouraged clustering as opposed to competition and “town management” schemes for town centers akin to that in a mall. As discussed in Chapter 2, this regards the aspiration to achieve the benefits of shopping malls (i.e. in terms of aesthetics, convenience and amenities) through the coordination of businesses in the town center (Medway et al, 1999; Medway et al, 2000). In 1991, the Association of Town Centre Management (ATCM) was set up to coordinate activities with other relevant organizations. Throughout the 1990s the ATCM would lobby for increased planning control over retail development (Pal et al, 2001: 240).

Despite this positive language, little more was expected of the 1993 PPG6 than of its hands-off predecessor. Howard (1995: 238) complained that, “The PPG has been hailed as marking the end of out-of-town development. It contains, however, two key principles of earlier retail planning: that commercial competition is not to be considered [material]… Furthermore, the planning statutes remain unchanged.” Even the strong encouragement for town management schemes rang rather hollow since little institutional support existed for it — the Chamber of Commerce, for example, which would normally play a large role in this regard, is rather weak in the UK (Howard, 1995). In short, despite the encouraging language, the PPG provided no additional substantive planning controls, allowing permits to continue to be issued according to the appeal/call-in formula, rather than according to a thought-out conceptualization of the desired retail structure.

It is also at this time that the largest UK superstore developers found themselves ensnarled in a situation of overproduction and destructive competition. In the early 1990s, Sainsbury, Tesco, Safeway and ASDA were taking severe financial risks to obtain new superstore locations before their rivals, even if the profitability of these new locations was dubious. The collective action problem which plagued these retailers resulted in a widespread diffusion of retail functions in the food sector (Hallsworth and McClatchey, 1994). At the same time, stores were being closed in urban locations to the extent that the central government began describing these areas as “food deserts”; immediately placing issues of accessibility, social justice and environmental impact on the political agenda (Lowe and Wrigley, 2000: 644). Moreover, the very working of the retail market seemed threatened by this push out-of-town: Wrigley (1993) suggested that the overdevelopment may have been also a conscious effort to drive up prices for new locations in order to thrust up a barrier to entry. Whatever the motivations, these factors prompted retailers and umbrella organizations like the British Retail Consortium (claiming to represent approximately 90% of the industry) to lobby the government to regulate the sector.

5.1.3.5 The Gummer years: compassionate conservatism
Planners and retailers did not have to wait long for new support from central government. John Gummer, the new Secretary of State, was more environmentally conscious than his predecessor, and hailed in a new era for retail planning in Britain. Two years after the Rio Summit, and full of ideas about sustainability, came the publication of PPG13 which attempted to integrate transport and land use policy. PPG13 called for a reduction in “the length and number of motorized journeys” and encouraged “alternative means of travel which have less environmental impact” in order to reduce reliance on the private car (Department of Environment, 1993). Clearly, this policy note complicated proposals for retail developments.
that were manifestly car-oriented and pointed to a growing standpoint against peripheral retail development.

The following years the stance became more explicit. The Secretary of State announced a ban on all new out-of-town shopping development after reading the House of Commons Environment Committee’s report *Shopping Centres and their Future*. This was the first major inquiry into the economic effects of a large-scale shopping mall on the regional shopping hierarchy in Britain. It also contained the findings of an investigation into the effects of the Merry Hill shopping center on the Dudley metropolitan area which had found significant levels of impact (House of Commons, 1994). The Department of Environment’s offensive against out-of-town developments intensified with its 1994 report *Vital and Viable Town Centres*. In this document, the concepts of vitality and viability — already mentioned as early as 1986 — were finally operationalized as policy concepts. The new focus was not only a reactionary response to new out-of-town retail formats in terms of sustainability and social justice, but also a response to general economic neglect of town centers. Despite this, the instrument employed to this end, an amended PPG6, is more significant for its introduction of rules inhibiting out-of-town retail growth than its promotion of town center management schemes.

The next incarnation of PPG6, specifically intended to promote town center development contained the substantive controls that its previous versions lacked. It specifically advocated a plan-led approach, the vitality of town centers, mixed-use development, town center management, good urban design and the like (Department of Environment, 1996). The most important aspect of the document however was the introduction of the “sequential approach” for the evaluation of retail applications. Quite simply, this rule stated that local authorities should give preference to town centers for new retail development, followed by edge-of-center locations, and finally out-of-town centers. The onus would be on developers to demonstrate that they had considered more central locations before submitting a proposal for an out-of-town site. This method quickly became interpreted as a mandate to check whether a proposal for a peripheral shop could be accommodated at a site closer to the town center, and the term “sequential test” was born. Naturally, a debate soon erupted as to the precise definitions of these locations, the importance of establishing precedents, and the degree of local interpretation allowed in applying these terms (PW 30 Oct, 1998: 13; PW 30 Oct, 1998: 14-15; PW 25 Sept, 1998: 22-23). These discussions were soon put to rest, however, in a series of decisions that confirmed the government’s resolve to implement the new restrictions.

Secondly, PPG6 reasserted its support for the “vitality and viability” of town centers and encouraged local authorities to facilitate town management schemes, and included — apropos for the mid-1990s — statements in support of sustainable development and a reduction of vehicle miles traveled. Some observers at the time pointed out, however, that the concepts of sustainability (environmentally driven) and viability (economically driven) may be at odds with each other (Tomalin, 1996). Interestingly, at the same time that regulations were being

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96 On the other hand, the decline of Dudley was not exclusively due to the construction of Merry Hill, as it had been losing trade to other centers for years. Part of the blame certainly lay with the local authority’s inability to create an attractive city-center shopping environment. Whatever the case may be, this report and the parliamentary inquiry helped to reopen discussions on how best to sustain Britain’s decaying town centers.

97 Despite the fact that the term “sequential test” quickly became informally adopted, nowhere does PPG6 call this a test, but an approach (Hillier Parker, 1999).
tightened on shop location, rules on opening hours were being relaxed. In 1994, for example, retailers were successful in lifting the ban on Sunday trading, with complete freedom for small outlets (under 280m$^2$) and six hours of trading for larger stores (TC 28 April, 2000; MEN 16 Jan, 2002). In the early 1990s restrictions on Sunday trading were called into question, and ultimately revised.

There was widespread support for the government’s new hard line against out-of-town retail development. For example, the House of Commons Select Committee on the Environment’s report into the effects of superstore development bragged that,

> The evidence is clear: leading experts on planning and retailing, planning associations, local authorities and almost all the supermarkets themselves, support the central thrust of policy laid down in PPG6. We have rarely seen so much support for a government policy (House of Commons, 1999).

The measures also enjoyed bipartisan support in parliament (surely the Labour party would not take a more free-market position on this than the Conservatives). Parliamentary members like Thomas McAvory were quick to point out that, although

> …the Secretary of State has put his name to and, indeed, possibly staked his reputation on the new approach outlined in the revised PPG6 and PPG13 … he and Conservative Members must recognize that the Government cannot easily escape the consequences of their approach to retail developments which they pursued with relish during the 1980s (House of Commons 15 March, 1995).

The new rules sparked a wide debate. One of the most common complaints was that by the time that the policy was implemented in 1996, most of the damage had already been done (Burt et al, 1997). The consultants Hillier Parker, for example, argued that so many superstores had been built at peripheral sites that the market was already saturated, and so many planning permissions had been granted but not yet acted upon that the “pipeline effect” would dampen the effect of any new restrictions. Hillier Parker argued further that the sequential approach may do little more than drive up prices of approved permissions already in the pipeline. Others were concerned that if PPG6 would force retailers to reduce their format to fit in town centers, this would be a situation where planners were determining what is best for consumers, not the market. Finally, there was the controversial view that retail parks and shopping malls might also be considered town centers in their own right (Lowe, 1998; RW 13 Aug, 1999: 24-25; Hillier Parker, 1999; Lowe, 2000). If successfully argued, this could result in allowing extensions to existing malls because they satisfy the sequential test!

Others were skeptical about the wording of PPG6, particularly the question of when a retailer could argue for a more peripheral location. For example, if retailers would only have to claim that they had “considered” a town center site, and found it to be uneconomical, this would be a rather weak policy. Surely town centers can be ipso facto considered uneconomical to large-scale discount retailers, and this fact has led to planning inspectors increasingly rejecting this line of reasoning (Taylor, 1998: 32). After some government statements and jurisprudence around 1997, however, it became possible for local authorities to reject large-scale peripheral developments if the items they were selling could be accommodated in a smaller, more central location (PW 16 October, 1998: 3; RW 21 Sept., 2001: vi). Finally, in 2000 the government laid all doubt to rest by formally rejecting the “format” argument for desiring an out-of-town location (i.e. that some formats require more space) (Interview Bennison, 2002).
Town center managers were supportive of PPG6 because they felt it would increase the attractiveness of town centers for investment, and because it would tip the scales against out-of-town applications on appeal (Taylor, 1998: 51). This seems to be the market reaction as well: “immediately after the revision of PPG6 there was evidence to suggest that it had directly influenced the future decisions of major retailers and forced them to begin to look at redevelopments of existing stores and shift back in-town” (Mappin and Allmendinger, 2000: 194-195). Indeed, several years later, the consultants Rodger Tym and Partners found that,

The latest version of PPG6 has had a profound effect on the location of retail development... where proposals do not match the objectives of PPG6 are pushed through to a public inquiry they are invariably dismissed, unlike the position prior to 1996 (RTP, 1999b).

By the beginning of the new millennium, Hillier Parker had found that out-of-town shopping center development had been “virtually eliminated by strict planning restrictions” and that town center schemes comprised over 90% of new development in the pipeline (RW 27 April, 2001; RW 19 Oct, 2001: 23) — see also Figure 29.

Over time, grocery retailers have found themselves constrained by the new rules, and have become increasingly critical of them (Pal et al, 2001: 237-238). This sentiment was echoed by the McKinsey group, who argued that planning rules (particularly with respect to retail) were stunting economic growth (PW 9 Nov, 1998). It is for future generations to decide whether locating planned shopping centers in town centers again, as they were in the 1960s and 1970s, is a blessing or a curse. One thing is clear: this policy has had some side effects. It can be blamed, as argued by McKinsey and others, of stifling the dynamics of the retail sector and driving up rents and land prices. In some cases, this has hurt independent retailers in town centers — the very types of shops that planners had hoped to preserve. In addition, by creating scarcity, the restrictions have increased the value of already approved permissions and out-of-town stock. This has the tendency to draw further investment, resulting in expansions (when permitted) or refurbishments (Yates, 1995). Nevertheless, for better or for worse, it is obvious that PPG6 and its sequential approach has now become the cornerstone of British retail planning policy.

5.1.3.6 Labour’s Urban Renaissance
With the landslide victory of the Labour Party in 1997, expectations were high that the pro-planning policies that had been adopted under Gummer would continue and be strengthened. One of the first acts of the new government was to create the Department of Environment, Transport and the Regions (DETR), showing a willingness to undo some of the Thatcherite anti-regional reforms. A month after assuming office, the new minister John Prescott announced his commitment to the sequential approach to retail planning, and a series of strict interpretations in reviewing planning applications quickly confirmed this predilection (PW 1 May, 1998: 13). In a speech to the British Council of Shopping Centres on 5 November 1998, the Minister for the Regions, Regeneration and Planning announced that:

Let me be quite clear, we are not trying to strike a balance between town centers and out-of-town shopping. That would be the type of wishy-washy policy that means all things to

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98 At the century’s end, formerly no-frills retail park units were being upgraded to compete with high street locations, expanding the merchandise offered, and even dabbling into other “center” functions such as galleries at out-of-town locations (Telegraph 28 June, 1997; Guy, 2000).

99 This, despite lobbying by the major retailers (and often backers of the Labour party) to relax planning rules (Telegraph 26 Oct, 1996).
all people. This Government — like the last one — has an explicit preference for encouraging retail development in existing town centers (Cadborn, 1988).

Encouraged by the success and general support of PPG6, the government began expanding the sequential approach to include other commercial developments and even housing (PW 9 October, 1998: 7; PW 21 August, 1998: 9).

In 1998, PPG6 was party vindicated by a report published by DETR on the impact of large-scale retail development, namely large superstores and supermarkets on medium-sized towns. The report found effects on the vitality and viability of the investigated town centers from large format shops...

...our research identified impacts on market share of between 13%-50% on the principal food retailers in market towns and district centers as a result of large foodstores in edge-of-center and out-of-center locations... these levels of impact on market share have directly and indirectly led to the closure of some town center food retailers; increases in vacancy levels; and a general decline in the quality of the environment of the center” (DETR, 1998: 7).

Unsurprisingly, these results were disputed and thus became another aspect within the general political debate on centers and periphery (Sunday Telegraph 2 Jan, 1998; DETR, 1998).

At the end of the decade, the Urban Task Force issued its aesthetically-challenged bold yellow report Towards an Urban Renaissance, which was seen as the runner-up to the next white paper. As the Italian Renaissance was essentially a revival of classical principles, so too did Lord Rogers’ Urban Renaissance constitute a partial revival of former planning principles. Most importantly for retail planning was a reemphasis of the urban hierarchical structure, discouragement of greenfield development and the need for compact cities (Urban Task Force, 1999: 52-55; Interview Robson, 2002). The report was well received by the media, being described by The Guardian as “usefully anachronistic in its faith in the capacity of government to plan” (in Bullivant, 2000: 55). Interestingly, and for some rather appropriately, Continental Europe was the source of inspiration for the proclaimed renaissance; in the introduction, the chairman of the task force wrote that, “in the quality of our urban design and strategic planning, we are probably 20 years behind places like Amsterdam and Barcelona” (Urban Task Force, 1999: 7) and later, “we have been heavily influenced in drafting this Chapter [recommendations] by our analysis of other north European approaches to land use planning, particularly the Netherlands and Scandinavia” (ibid.: 191). Despite little specific mention of retail issues, the unswerving support for towns and cities by the Urban Task Force clearly indicated a commitment to continue and even strengthen the regulatory stance already taken against out-of-town shopping development under PPG6.

The long-awaited urban white paper Our Towns and Cities: The Future - Delivering an Urban Renaissance was published the next year (November 2000). For those who had read the Lord Rogers report, its contents did not come as a surprise. In fact, DETR stated that, “we whole-heartedly support the vision set out by the Urban Task Force. We agree with most of its recommendations and have already implemented many of them” (DETR, 2000b: 42). The white paper, while again usually addressing retail issues in vague or indirect terms, did make

100 Much of the controversy surrounded a DETR press release that claimed that the study proved that large format stores have a significant impact, while the conclusions of the actual report were more cautious (PW 16 Oct, 1998: 8; PW 16 Oct, 1998: 12).
a few statements regarding out-of-town retail. For example, it noted that, “between 1979 and 1997, 13 million square meters of out-of-town shopping floor space was developed. This undermined the viability of many town centers and encouraged increased use of car travel” (DETR, 2000b: 45) and pledged continued support for PPG6 and PPG13. In addition, in line with the disposition of the Labour party, it devoted an extra £ 33 billion to the £ 106 billion urban budget. Perhaps as an additional political maneuver, the white paper promised an updated version of PPG11 on regions to strengthen regional planning — another institutional “undoing” of the Thatcherite policy of centralization. Finally, Blair pledged to grant local authorities the authority to levy an additional business rate for improvements of certain areas, similar to the “Business Improvement District” initiative in many US-cities (RW 4 May, 2001: 21).

It is far from clear which direction future British spatial policy will go in the next century. The restrictive planning as in the 1996 version of PPG6 was introduced under the Conservatives, and the Labour administration has continued it with renewed vigor. On the other hand “a major struggle is under way between forces which would maintain the patterns of paternalism and professionalism inherited from the welfare state era of mid-century, and the new forms of business alliance, a proto-local corporatism, which have developed in recent years” (Vigar et al, 2000: 285). Restrictive policies might also prove unmanageable under future market conditions as consumer behavior already may seem to be at odds with planning policy: in 2001, for example, the highest ranked centers by the Store Performance Consortium were: Heathrow Airport, followed by Oxford Street, Meadowhall, Bluewater, the Trafford Centre, Brent Cross, Lakeside, Cribbs Causeway, Merry hill and Milton Keynes (RW 20 July, 2001: 26). Note the interesting position of the airport, and the share of out-of-town malls! Thus, it is doubtful that such policies could halt, let alone reverse, the growing polycentricity of British metropolitan areas. In addition, while this restrictive policy currently enjoys wide political support in parliament and amongst planners and most stakeholders, recent investigations by the Office of Free Trading and the Competition Commission may result in calls for policy relaxations. However as we will see in Chapter 6, the British government is not the only government capable of holding conflicting standpoints simultaneously (Guardian 11 Jan, 2000; Hallsworth and Evers, 2002).

5.1.3.7 Conclusion: policy and patrons

When one looks back on approximately fifty years of postwar planning and the stances taken on retail in Great Britain, a clear pattern of policy vacillation is observable. A locally based conservatism towards out-of-town formats in the 1970s gave way under the Thatcher government reforms in the 1980s to a highly centralized system with a development-friendly stance. This gradually became more restrictive in the early 1990s as environmental concerns came to the fore and the consequences of out-of-town shopping on town centers and mobility began to make themselves felt. This stance has continued under the Labour government under the banner of the New Urban Renaissance, bolstered by an enhanced PPG6 and government white paper.

These swings in policy have favored different parties at different times. The political climate in the 1970s was so hostile to out-of-town development that many superstores and regional shopping centers were built in town centers. This tended to favor established retailers and big cities, and frustrated those who wished to trade from larger stores. In the next decade, the Thatcher Administration removed important institutional impediments to the free market.

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101 BIDs are designated areas set up to overcome the free-rider problem of town center management.
demand for peripheral retail development through the establishment of Enterprise Zones, Urban Development Corporations, abolition of metropolitan councils and the like. It also actively sanctioned much of this activity via the appeals/call-in process. The 1990s brought a reversal of opinion and policy with the announcement of increasingly strict measures to curb out-of-town retail. There were also some efforts to offer some “carrots” in the form of town center management as well as the traditional “stick” of planning restrictions. This last reform provided local authorities the opportunity to engage in some entrepreneurial activity of their own. Now we shall turn to a particular case, the Trafford Centre in the greater Manchester area.

5.2 Regional context
The purpose of this section is to sketch out some of the most salient characteristics of the region of England that the case study takes place: the North West. The most important themes treated are the administrative reapportionment over time which witnessed the birth and death of a regional level of government, the forces of economic restructuring, and the complex power plays involved in a struggle over out-of-town shopping center proposals. These themes will give insight into the context in which the victorious proposal — the Trafford Centre — emerged, the subject of the following section.

5.2.1 The Manchester Conurbation
After England’s affluent Southeastern region, the second most populous area can be found in northern England, much of which has grown into an immense highly populated polycentric urban region similar in some respects to the Dutch Randstad or the German Ruhrgebiet. North England stretches from Merseyside/Liverpool in the West to Sheffield and Leeds in the East. North West England, the subject of this study, is comprised of the urban agglomerations of Merseyside and Greater Manchester, which have grown into one another over time (Bontje, 2001: 191). This suburbanization is a well-known phenomenon “Manchester has a tradition of people leaving work and heading straight out of the city center to the suburbs” (Parker, 2000).

The jumbled urban structure is not simplified by local authority boundaries. Administrative borders in and around the Manchester conurbation have caused some confusion because of ambiguous names or changing borders as a result of jurisdictional reapportionment. For example, Manchester city has a clear border which divides it from its surrounding metropolitan boroughs on paper, but most residents of the conurbation are unaware of exactly where these borders lie, since they do not necessarily correspond to geographical landmarks or follow morphological features. Lately, for example, some areas of Salford are becoming gentrified as a result of the erroneous perception that these areas are, in fact, still part of Manchester city center! Another important feature to note is the low population in the conurbation’s core. Although still vastly important both commercially and culturally, Manchester city center has few residents. At the beginning of the 1990s, for example, the center housed only about 1,000 people (MEN 5 May, 2001).

At the regional level, the entity of Greater Manchester and specifically the Greater Manchester County Council (GMC) was created in 1974 as part of the general administrative reorganization then underway (see §5.1.2.2). As part of this effort, the large historical region of Lancashire county was divided up into three administrative entities: Lancashire county (reduced in size), and two Metropolitan Counties (Greater Manchester and Mersyside). Under the new jurisdictions, Greater Manchester would include the cities of Manchester and
Salford, the towns (formerly county boroughs) of Bury, Bolton, Oldham, Stockport, Rochdale and Wigan, and the two new boroughs of Tameside and Trafford.\textsuperscript{102}

Figure 31: Local authority boundaries (RTP, 1986: fig. 4.1)

As stated in §5.1.3, the Thatcher Administration abolished the Metropolitan Counties in 1986, which granted local authority independence to the districts in the conurbation. Although there is some discussion about the establishment of regional authorities in England, the administrative situation surrounding the Trafford Centre controversy has not changed since 1986.

Economically, Manchester owes its fame to having been one of the largest and most prosperous industrial cities in Europe. In the mid-nineteenth century the city had already acquired 200,000 residents, and this number soared to over 700,000 by the 1920s. During the Second World War, Manchester was bombed heavily, and much of its center and industry lay in shambles. Reconstruction was accompanied by suburbanization, and the city’s population declined to around 540,000 by the early 1970s. This was aggravated further by the oil crisis, which affected North England acutely, particularly Manchester where domination by a few large industrial firms had made the city’s economy especially vulnerable to economic restructuring. Between 1975 and 1985 Manchester had not only lost a significant portion of its population, it had lost even more jobs. At times, unemployment rates have been as high as 20\% for males in Manchester. The jobs that have been created since the oil crisis have been of a different sort: instead of full-time male/industrial they are more of the part-time

\textsuperscript{102} Trafford is not a historical place name. It is purely the product of the abovementioned reorganization in which ten local towns were amalgamated. Trafford is a heavily industrialized part of the metropolitan area, and was incorporated as a borough into the GMC until its abolition. Before this time, Manchester and some of its neighbors were within the county of Lancashire (Manchester2002, 2002).
female/service variety (Giordano and Twomey, 2002; Ward, 2002). In this sense, Manchester’s economy resembles that of the Ruhrgebiet.

Figure 32: Unemployment in Manchester (Giordano and Twomey, 2002: 57)

Regarding the retail sector in particular, it has been said that “the conurbation is characterized by a densely developed hierarchy of shopping centers” (RTP, 1986: 1). Although the municipality of Manchester has approximately 425,000 people and the city center only a small fraction of that, the catchment area of its center is much larger: approximately three million people live within a 30-minute travel time. To serve this public, Manchester had 2.2 million m² of retail space within the city limits, 725,000m² of which was located in the center (Kolen and Bell, 2000b: 5, using 1997 data). Since this retail space far surpasses the population, it should be clear that the city center is dependent on patrons from outside for its viability. The uneasy transition of Manchester from an industrial to a service-oriented city heightened the importance of maintaining this function.

In the early 1980s and even without the threat of out-of-town shopping malls, there were calls to strengthen the retail in the city center. This was a response to two approvals by the Minister for out-of-town projects in Bolton and Stockport, overriding the objections of Manchester city council. Councillor Ken Franklin complained that, “we [Manchester] have conformed with the requirements of the GMC’s strict shopping policy. But other councils have bent the rules” (MEN 11 Nov, 1981: 11). According to Jones (1969: 12), the first movement to a “genuine” out-of-town location was by the department store Finnegan’s from Manchester to the affluent Wilmslow, about 18km to the south. However, by today’s standards this can hardly be called out-of-town because it relocated to the suburban town center, and not a greenfield site. The first attempt to build a regional center at a true out-of-town location was in 1964 at Haydock Park between Manchester and Liverpool.

5.2.2 Haydock Park controversy
Before launching into the history of the Trafford Centre development, it is useful to consider, by way of contrast, a previous application for an out-of-town shopping center in the region that failed. The following section will discuss the well-documented Haydock Park case, and draw some lessons for the Trafford Centre. An examination of the Haydock conflict as a historical antecedent reveals much about the pre-Thatcher planning context, and raises some interesting issues regarding the measurement of retail impacts (Interview Bridges, 2002).
In June 1963, an application was submitted to the Lancashire County Council\textsuperscript{103} to build a shopping center at Haydock Park, a site situated on the junction of the East Lancashire Road and the M6 motorway. The size was noteworthy: the proposal called for over 100,000\,m\textsuperscript{2} of retail space and therefore was significant in comparison to the retail already on offer in the city centers of Manchester and Liverpool. If built, it would have been the first out-of-town mall in the United Kingdom.

The application was initially rejected by the county, and an appeal was made to the Minister of Housing and Local Government. In the subsequent planning inquiry, two major impact studies were carried out by the University of Manchester’s planning department. The first study, published in August 1964, drew up two alternate scenarios (one with the mall, and one without) and measured the impact as a difference between the two (University of Manchester, 1966). The methodology used Central Place Theory to define the future regional market by matching catchment areas to measured spending levels and demographics; the forecasted sales for Haddock were then removed from each of these market areas. Two maps taken from the study, one displaying Grade I and II centers, and the second smaller Grade III centers, are depicted below.

Figure 33: University of Manchester (1964)

The study found that the impact of Haddock Park would be dispersed and, over time, absorbed. Not satisfied with these results, another study was commissioned. This was performed by the same university department and used largely the same data. This research, however, used gravity modeling rather than Central Place Theory as its point of departure. As discussed in Chapter 2, this latter method is not based on provision but on competition: it assumes that consumers, being increasingly mobile, can choose among competing centers, and are not bound to shop within a single catchment area. Although the data entered into this model was mostly the same, this study came to the opposite conclusion, namely, that a large

\textsuperscript{103} At that time Manchester, Trafford and several other municipalities in the region belonged to Lancashire County. This would change in 1974 (with the creation of the Metropolitan Counties) and again in 1986 (with their abolition).
impact could be anticipated from the proposed development on the existing retail hierarchy. It was suggested that the larger cities of Manchester and Liverpool could expect up to a 12% drop in retail sales, while smaller communities could experience impacts as high as 34% (St. Helens), 41% (Wigan) and 46% (Warrington) (University of Manchester, 1966; Gayler, 1983: 23). The application was subsequently denied on these grounds (Guy, 1994a: 171; Interview Bridges, 2002).

5.2.3 New institutional conditions

By the time that the application for the Trafford Centre was submitted in 1986, much had changed since the Haydock Park decision. Since that time, there had been two major jurisdictional reappointments. In 1974, the Lancashire County (responsible for the Haddock decision and covered a wide area) was divided up into three smaller counties, two of them being the metropolitan counties of Merseyside and Manchester. In theory, if submitted a decade later, the Haydock Park developers may have attempted to play the Manchester and Merseyside metropolitan counties off against each other. However in practice, this administrative change did not significantly alter the playing field for out-of-town retail development. Metropolitan bodies in the UK took a firm policy stance against out-of-town development and unequivocally promoted the maintenance of the existing retail hierarchy.

For example, the Greater Manchester Structure Plan, adopted in 1981 by the Greater Manchester Council as the strategic planning authority, sought to deal with suburbanization by redirecting development towards the core of the conurbation, in order to bolster Manchester’s role as a regional center. In addition, the plan supported the regeneration of the inner areas of Manchester and Salford, and the maintenance of the vitality of other town centers in the conurbation (RTP, 1986: 33; Stocks, 1989; Bristow, 1994). Obviously, the development of out-of-town shopping centers ran directly counter to the spirit of this plan. As far as the GMC was concerned, new retail projects were to be accommodated in the existing hierarchy, preferably in Manchester city center (see §5.1.3.1). It should be noted that Manchester was not alone in this, and “most of the structure plans of the 1980s and some later plans make preserving the retail hierarchy a central policy objective” (Schiller, 2001: 12).

In so far as the preservation of the retail hierarchy is concerned, the structure plan can be considered a success (RTP, 1986: 34). Areas in Manchester and Salford were cleared for redevelopment (halving the population there between 1951 and 1981), and those displaced were relocated to newly built council housing outside the city (Bristow, 1994: 117). It is also around this time that the controversial Arndale Centre was built in a piecemeal fashion. It soon became derided as being an eyesore, poorly integrated in the urban fabric, and disrupting city center trade. In addition to this obsession with the retail hierarchy, through its twelve years in existence, the GMC believed the region to be “overshopped,” namely, that excessive retail space existed and that all new retail proposals ought to be viewed with

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104 The Arndale Centre in Manchester, like other Arndale Centres in England, was the product of an entrepreneur who bought up shop space on high streets and (secretly) the land behind the shops. Once a critical mass was achieved, he would apply to the city for planning permission to demolish the buildings and insert a single integrated shopping mall. In the case of Manchester, the developer was even able to obtain the remaining property from the city via eminent domain.

105 The purported “Arndale effect” on the inner city of Manchester was to produce a stagnation of retail rent levels for almost a decade (RTP, 1986: 1). On the other hand, this project did foment the creation of the Royal Exchange Centre, a specialty center containing 41 units on three levels due to its proximity, and the fact that a tenant of the Royal Exchange Building had moved to the Arndale Centre (Dawson, 1983: 69).
suspicion (Stocks, 1989). The view that this position was based more on ideology than reality is supported by the fact that the market for comparison goods shopping was actually experiencing a boom in the early 1980s (Arrick, 1999: 1). In fact, retail spending increased by over 50% in real terms in the 1971-1990 period (RTP, 1999b).

As mentioned earlier, significant changes followed from the 1979 elections that curtailed the power of planners and local and metropolitan authorities. For example, two Enterprise Zones were established in inner city areas in Trafford and Salford that freed investors from planning rules and local taxation (Bristow, 1994: 118). More importantly, partly for political reasons, the Tory government abolished the metropolitan counties on 1 April 1986, criticizing them as “wasteful” and “unnecessary” (in Bontje, 2001: 215). With the removal of the Greater Manchester Metropolitan County, planning power fell to a number of self-governing unitary authorities, and new planning activities began at a decentralized level. Ironically, this was just at the time at which the metropolitan authorities were finally finding their role and internalizing a regional identity (Interview Bristow, 2002). A body was created in 1986 to coordinate planning in the region and absorb some of the loss of the GMC — the Association of Greater Manchester Authorities — had less cohesion than the metropolitan authority and only advisory powers. As part of the new Thatcherite institutional changes, pro-development and area-based Urban Development Corporations were set up to fill the vacuum. Not surprisingly, these organizations “are generally seen as more sympathetic to off-center [i.e. out-of-town] retail development than are conventional local authorities” (Guy, 1994a: 80). In the Manchester region, UDCs were set up for Manchester city center and Trafford Park to regenerate these areas. They competed for resources and were parochial rather than strategic in character.

Having lost the first two battles against out-of-town development, planners feared the worst with the coming of the third wave — shopping malls — within this new political climate. The legacy of Haydock Park had demonstrated that commercial interest in a large-scale shopping mall in the North West existed, and the fact that this (potentially) could have significant impacts on the retail structure. Indeed, these institutional changes had significant implications for the prospects for out-of-town shopping center development in the North West. One author who participated in the Trafford Centre inquiry observed that: “as the County Council was disbanding, applications for major shopping schemes began to slop over the unmanned dam” (Stocks, 1989: 59). The political ramifications of this was to become the first real test of the AGMA as a guardian of the structure plan, and will be discussed in more detail in the next section.

5.2.4 A storm of applications

In the same year that the GMC was being disbanded, local authorities in the Manchester area were receiving a deluge of applications for shopping centers: within a span of 10-months, over 650,000m$^2$ of retail space was proposed, mostly at peripheral locations. Specifically, ten out-of-town schemes were being drawn up, partly in response to growing consumer expenditure in durable goods (Arrick, 1999: 1), but also at a time when development schemes were already being prepared or under construction in seven of the eight suburban town centers (RTP, 1986: 1). It was obvious that not all applications could be honored without causing severe harm to the existing retail structure, and any issued permits would affect the feasibility of the remaining proposals. To make matters worse, these proposals all tended to

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106 As stated before, this was being replicated in the rest of the country. In 1987 there were proposals for approximately fifty out-of-town shopping malls across the nation (Davies and Howard, 1988: 13).
be located adjacent to the boundaries of another authority rather than being located squarely within one district (RTP, 1986: 86). Two of the largest proposals were in Salford and Trafford. Since both districts bordered Manchester city and each other, it was felt that if both were given planning permission, the impacts on town centers could be severe. Fear of their neighbor’s project was at least as strong a drive as the potential benefits the center would have (Stocks, 1989: 62). A political climate of mutual mistrust rapidly developed in the region. To strengthen their position (and proposal), the competing districts commissioned an impact study on the shopping center proposals in their districts: Salford hired Hillier Parker in January 1986, and Trafford Bernard Thorpe and Partners in May 1986.

This municipal deadlock prompted the Association of Greater Manchester Authorities in September 1986 to ask the consultancy firm Roger Tym and Partners to evaluate the 10 out-of-town shopping center applications in the metropolitan area. Given the political tension involved, the AGMA gave the consultants a relatively short (six-month) deadline to produce their results. In turn, Salford and Trafford agreed to defer making planning decisions until the publication of the RTP report (however both districts had already received the results of the studies they had commissioned and were making appropriate preparations).

5.2.5 The 1986 Greater Manchester Shopping Study
The results of the RTP report were, given the technical complexity of evaluating ten proposals simultaneously, also complex. There have also been criticisms of the methodology used, especially in comparison to the more thorough Haddock investigation (Interview Bridges, 2002). The tone of the report reflected the interests of the AGMA, being generally more concerned with the effects of retail centers on the existing hierarchy than of their potential profitability or benefit to consumers. The report warned that:
In the short term (up to 1991) much of the retail demand generated by the residents of the conurbation will be preempted by the town center developments which are proposed. Implementation of out-of-town schemes within this timescale could prejudice the investment which has gone into the town centers (RTP, 1986: III).

However, regarding the period after 1991, it felt that some schemes may be accommodated without damaging the existing structure. For this, the consultants proposed five alternative scenarios ranging from retention of current (restrictive) policies to a more market-led approach. Although Manchester city center, by virtue of its size, could absorb more trade deflection than smaller centers, the consultants did warn that this center “has only recently emerged from a period of relative instability and rental levels are just beginning to rise to a level which is more appropriate to its size and importance” (RTP, 1986).

The finding that (after 1991) to honor all applications would be unacceptable, but that sufficient need may exist to justify some applications placed the AGMA in a difficult position of choosing one project over the other — something they were not authorized to do anyway. The political situation was sufficiently volatile that any recommendation (for advise is all that the AGMA could do) for one above the other would certainly be contested by rival parties, and thus undermine the institutional legitimacy of the AGMA as a coordinative body. Nonetheless, the consultants did point out that “the three largest schemes — Dumplington, Barton Lock and Kingsway would cause relatively severe adverse impacts” while the impacts for the smaller proposals would be more benign (RTP, 1986: 77). This of course says rather little, but does tend to reveal the conservatism the AGMA had inherited from the GMC.

In an attempt to “play it safe,” the AGMA urged the districts — and particularly Salford and Trafford — to “resist the current proposals for major out-of-town shopping and to pursue a policy of enhancement of town centers” (in Stocks, 1989: 64). However, the temptation of gain and mistrust of the other districts proved too strong for three of the ten member districts: Trafford and Salford rejected this recommendation, and Stockport took a neutral stance. With these decisions, the battle lines had been drawn for a prolonged war of attrition. The institutional frailty of the regional body made it incapable of overcoming the collective action problem at this level of scale. Like many other out-of-town shopping center controversies in Britain, this had to be resolved at the national level.

### 5.3 Local context

Until now, attention has been concentrated at the national or regional level. At this point, it is time to narrow the focus once again to the level of the site that was finally to emerge victorious — the Dumplington proposal in Trafford Park.

The current location of the Trafford Centre is several kilometers to the West of Manchester at a site called Dumplington within the vast industrial estate Trafford Park. In the nineteenth century, Trafford Park was still open parkland and owned by the wealthy De Trafford family. The opening of the Manchester Ship Canal in 1894 gave this location a new significance for shipping. Urbanization progressed rapidly around the canal, allowing Trafford Park to grow into the world’s first and largest industrial estate (with 55,000 workers, it still remains one of the largest) (TC 1 Dec, 2001). In 1922, the Manchester Ship Canal Company bought about 1,000ha of the family’s estate, and redeveloped most of it for industry. The Dumplington site remained agricultural into the 1980s however. By that time, heavy industry was declining to such a degree that other uses were already being deemed more appropriate and profitable.\(^{107}\)

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\(^{107}\) Later, in 1987, the central government designated the area as an Urban Development Area whose regeneration was a matter of national priority (Trafford Centre Insight, 1997: 2).
Two factors converged to make Dumplington an ideal location for a major shopping center development: accessibility and catchment population. Regarding the former, the site is served by two junctions of the M63 motorway, and good connections with the rest of the highway network. Regarding the potential customer base: approximately 5.35 million people live within 45 minutes driving time, making it an ideal location for a major shopping center development (UK Construction magazine, 1997).

Figure 35: Location of Dumplington/Trafford Centre (Trafford Centre website)

5.3.1 The Dumplington application and first inquiry (1986-1990)

In 1986, the Manchester Ship Canal Co. Ltd. (MSC), submitted development proposals for a regional center at Dumplington to the Trafford district council. Actually, three different development applications were submitted: two for the construction of a shopping mall on approximately 61 ha of land, and a third for the construction of a similar shopping mall plus a regional sports complex, occupying approximately 120 ha of land (Court of Appeal, 1994: 2). The reader is here reminded of the strategy of British developers submitting multiple applications for the same site in order to enhance the probability of success or success on appeal. The scheme itself conformed to the classic North American shopping mall variety (see Chapter 1, §1.5). For the purposes here, a brief description of the location and size of the proposed development will suffice. Further details of the design will be treated in depth in §5.4.1.
Actors and interests

There were many opponents to the Trafford Centre. The most prominent was Manchester City Council. This led a Consortium of opposing municipalities which included all other local authorities in the conurbation except Trafford, Salford and Stockport (which would join the Consortium later). The MSC would play a key role in the process as a proponent for the Trafford Centre until being taken over by Peel Holdings in 1991. Formally, this actor started the conflict with the submission of the application in 1986 to Trafford Borough Council, who immediately lent full support (TCIP, 1999: 37). Shortly after this, the area was designated an Urban Development Corporation Area (via the Town and Country Planning Trafford Park Development Area Special Development Order SI No. 187) which made its development a matter of national priority, and the option of a major retail facility as a motor for regeneration more credible (Taylor, 1998).

At this early stage, central government opinion was divided: the idea of a shopping mall in the region was originally supported by the Department of Transport and Opposed by the Ministry of Agriculture. The Department of Environment, which has a stronger voice in such matters, had yet to take a stance. However, it was obvious from the beginning that this would be a long arduous struggle involving many countervailing parties and interests. The planning inquiry that was to follow employed three inspectors, 27 barristers and 90 consultants and other expert witnesses and drag on for many years (Stocks, 1989: 57).

The escalating conflict between Trafford Council and the other municipalities prompted then Secretary of State Nicholas Ridley to call in the eight applications submitted in Trafford and Salford and subject them to a public inquiry (MEN 9 Sept, 1998: 5). Three of the eight applications concerned regional centers (Trafford Centre, Carrington and Barton Lock) and the total floorspace proposed, when combined with existing planning commitments, was considerable, amounting to 39% of the conurbation’s aggregate town-center stock (Arrick, 1999: 2).

The inquiry was led by planning inspector Brundell between 22 September 1987 and 26 February 1988 and was divided into sessions regarding individual locations and proposals and a general plenary session. Although not a formal material consideration under the new central government policy, much of the argumentation in the first planning inquiry still centered around economic impact. During this period, conflicting empirical evidence was submitted by MSC and the Consortium as to the capacity of retail expenditure in the conurbation. Academic witnesses on the dangers of out-of-town malls were flown in from the United States by the Consortium, and the Bishop of Manchester testified on behalf of the opponents as well (Stocks, 1989: 68). The developers estimated a surplus or retail need of £316 million, while the Consortium predicted a deficit of £184 million (both in 1984 prices). This disparity arose from different methods of calculation of future per capita expenditures, growth needs of existing retailers and the amount of floorspace already given planning permission in the region (Arrick, 1999: 2).

108 The Trafford Park Urban Development Area, established in 1987 and which covered the Dumplington site, worked to encourage investment in the area, especially industry. To expedite investment, it constructed infrastructure such as roads and bridges, and landfill and reclamation. It also actively lobbied for central government funds. During its life-span of over a decade, it attracted over £1.75 billion in investment to the area. By far, the most significant project within the UDA was the Trafford Centre. Although the application had been submitted one year before the UDA was designated, the UDC followed the subsequent process as a concerned party, and worked with the developer to ensure quality.
Even when a total sales estimate was agreed upon by all parties (£ 121.4 million, or £ 178 in 1999 prices), the distribution of impact was calculated differently. Obviously, the developers wished to argue that larger centers would experience more trade diversion than smaller centers, because this could be more easily absorbed. The table below provides a selection of some of the predictions of affected local authorities by the opposing parties.

<table>
<thead>
<tr>
<th>Selected local authority</th>
<th>Prediction by Consortium</th>
<th>Prediction by developer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manchester</td>
<td>29.8</td>
<td>39.0</td>
</tr>
<tr>
<td>Bolton</td>
<td>12.0</td>
<td>10.3</td>
</tr>
<tr>
<td>Stockport</td>
<td>11.0</td>
<td>9.3</td>
</tr>
<tr>
<td>Wigan</td>
<td>2.7</td>
<td>4.0</td>
</tr>
<tr>
<td>Altrincham</td>
<td>7.3</td>
<td>4.0</td>
</tr>
<tr>
<td>Salford</td>
<td>3.4</td>
<td>1.0</td>
</tr>
<tr>
<td>Stretford</td>
<td>2.4</td>
<td>1.5</td>
</tr>
<tr>
<td>Total</td>
<td>121.4</td>
<td>121.4</td>
</tr>
</tbody>
</table>

Source: Arrick, 1999: 3.

It should be added that it was only retail space that was counted for the inquiry, rather than total consumer-oriented commercial space such as night clubs, cinemas and restaurants. Since these facilities can and do have impacts on the existing hierarchical structure, it further calls into question the validity of public inquires and impact reports used in decision-making on large-scale retail projects. In addition, the emphasis on the minutiae of floorspace figures and procedural rectitude was criticized by Stocks (1989: 68-69) as being pointless given the wide margins of error and disparity between studies. Ultimately, it is up to the inspector to decide which figures are more reliable or realistic. In making this decision, the figures supplied by the Consortium particularly failed to impress Brundell. He argued that their methodology:

Recorded the cumulative impact of the proposed development on existing traders rather than on the existing centers as a whole … this is sufficient reason in itself to conclude that it does not meet the requirement of the Secretary of the State for the Environment that the effect the developments would have must be judged in relation to the vitality and viability of each town center as a whole (Salford City Council et al, 1988: 2).

Thus, following the submissions and testimony, the inspector finally recommended that outline planning permission be granted for all three variants of the MSC application for the shopping center and regional sports center and recommended that the other five competing ones be refused. Regarding the economic impact argument, it was believed that allowing one project to be built (i.e. Dumplington) would not seriously undermine the vitality and viability of existing centers, but more of the same might: “I do not believe that centers such as Bolton and Altrincham, which are closer to other proposals, have anything to fear on the basis of the evidence placed before me” (Salford City Council et al, 1988: 2). The Secretary of State accepted most of the inspector’s recommendations, primarily the argument that the Trafford Centre should be preferred over the other proposals. However, in light of recent comments supplied by the Department of Transport regarding problems with safe traffic access to the M63, the Sectary of State decided not to immediately grant the permit. Further investigation was deemed necessary into the traffic situation, thus opening a second round of submissions and inquiries on this specific issue (Court of Appeal, 1994: 4; House of Lords, 1995: 3). At the same time, the Secretary of State granted permission to two of the three sub-regional retail proposals: Handforth, which was developed as a Tesco/M&S combination retail park,

109 This is a very conservative estimate of potential sales at an out-of-town center, and an estimate made in 1999 was £450 million.
and Cheadle Royal, which was developed as a John Lewis/Sainsbury combination retail park (Arrick, 1999: 2).

5.3.2 Second inquiry and appeals (1990-1993)
As preparation for the next inquiry on the Trafford Centre, the Secretary of State wrote a letter on 4 November 1991 that set out the issues to be addressed. These were: (a) whether roadwork was needed to allow access from the M63 to the Trafford Centre, (b) the timing and extent of this, (c) whether the advantages of the proposal are sufficient for unconditional permission or whether (d) permission should be granted on the condition that certain improvements are carried out (in Trafford Metropolitan Borough Council, 1992: 3).

Therefore, at this stage, the fate of the Trafford Centre no longer rested on considerations of economic impact — surely the main reason for its opposition by neighboring municipalities — but merely on considerations of traffic and infrastructure capacity. Opponents were therefore obliged to argue that the shopping center would generate unacceptable levels of vehicular traffic.

Sudden wavering by the Department of Transport once again cast doubt on the project’s future. The decision by the Department of Transport that an extra motorway lane alongside the Trafford Centre would be necessary resulted in another year of consultation and submissions. After this, in late 1991, the new Secretary of State, Michael Heseltine, reopened the Trafford Centre inquiry, but just as this was about to commence, the Department of Transport changed its demand for a motorway lane to a series of measures regarding general access, further prolonging the timeframe for submissions (Taylor, 1998: 11).

The second inquiry was formally reopened on 9 June 1992 and was also led by Inspector Brundell. Like the first, it pitted the arguments of MSC, the Trafford Park UDC and Trafford against those of a Consortium of eight of the ten metropolitan districts against a regional center and some private businesses, Salford (who argued for a shopping center, but in its jurisdiction), and technical objections by the Department of Transport. In addition, the Secretary of State for the Department of Environment had just published his Strategic Guidance for Greater Manchester (RPG4) that accepted that a new sub-regional center could be accommodated in the western part of the conurbation (Trafford Metropolitan Borough Council, 1992: 19). Furthermore, Trafford council had in the meantime granted an application for an ASDA store directly opposite to the application site for the Trafford Centre (Trafford Metropolitan Borough Council, 1992: 77). This application was also contested and called in by the Secretary of State.

Several requests to widen the inquiry beyond matters of traffic were denied in the Spring of 1992 (Greater Manchester Consortium, 1992: 89). Thus, the Consortium had no other recourse but attempt to demonstrate that extensive road improvements would be required if the Trafford Centre were to be approved. In this, they based their claims on traffic models that attempted to simulate levels in 1997 using 1991 data. They had also attempted to show that unacceptable levels of traffic were generated at other regional centers. Without going into the particularities of the argument, it is sufficient to say that it failed to sway Brundell, who rejected their methodology as patently unsound such that “no reliance should be placed on the figures used by the Consortium” (Trafford Metropolitan Borough Council, 1992: 11).

Meanwhile, the Department of Transport argued that the necessary roadway improvements may not be implemented within the foreseen timeframe, and wished to impose the condition that the Trafford Centre not open until they had been completed. Brundell argued that, even
by their own admission the fourth lane would only take 12-18 months to complete and the Trafford Centre 24 months, giving a comfortable safety margin (Trafford Metropolitan Borough Council, 1992: 18). In addition, the inspector criticized the Department of Transport’s vacillation on the subject of an extra lane: “the fact that this [demand for an extra lane] had not been raised earlier suggested that it was an attempt to bolster a case which was being lost on the traffic figures” (Trafford Metropolitan Borough Council, 1992: 14).

Salford argued that the Trafford Centre would seriously compromise its own plans for a shopping mall at Barton Locks. It also argued that the fact that this site had already been zoned in its local plan should be taken as a material consideration, due to the increased weight recently to a plan-led system in the amended Town and Country Planning Act. The inspector found it odd that Salford was using its UDP as an argument against a proposal that was not in Salford. Furthermore, he pointed out that the Department of Transport had objected to the Barton Locks proposal anyway, and that this was “unlikely to be overcome. This meant that the weight to be attached to the Salford UDP in this respect must be very limited” (Trafford Metropolitan Borough Council, 1992: 16).

At the conclusion of the inquiry in July 1992, Brundell recommended that permission for the Trafford Centre be granted, stating that although the planning advantages “have reduced in importance they still remain valid for the most part” but that they must be accompanied by improvements to Junction 3 of the M63, otherwise the costs in traffic would not outweigh the benefits (Trafford Metropolitan Borough Council, 1992: 77).

For opponents, this decision was highly disappointing. It was all the more frustrating because the entire inquiry had been framed by the 4 November 1991 letter by the Secretary of State focusing exclusively on traffic issues. Therefore, the Consortium submitted a post-inquiry document in November 1992 appealing to the Secretary of State to take other matters into consideration. Specifically, they argued that, as local authorities pursuing policies designed to protect and enhance their town centers:

\[\ldots\] they believe that the development of a sub-regional shopping center in the western sector of the conurbation would undermine their objectives in this respect… [and] register their strongest objection to the grant of planning permission for the proposals at Dumplington or Barton Locks (Greater Manchester Consortium, 1992: 2).

The Consortium pointed out that the original application had been submitted six years before, and argued that significant changes had taken place since the original inquiry, “such that he [the Secretary of State] cannot rely on a number of the key conclusions reached by his inspector at the inquiry” (Greater Manchester Consortium, 1992: 5). These changes included central government policy statements such as the white paper *This Common Inheritance* and changes to relevant PPGs (e.g. PP1 on general policy and principles, PPG12 on development plans and regional guidance, and PPG6 on retail development). The Consortium also referred to changes in local government plans and policy such as the Strategic Guidance for Greater Manchester, the content of emerging UDPs, recent evidence of other out-of-town shopping centers (e.g. Meadowhall and Merry Hill), and up-to-date figures (e.g. retail expenditure, employment, public transport) and other material considerations (Greater Manchester Consortium, 1992: 5-6).

The Consortium pointed out that all these policy changes reflected the new direction of government thinking over planning and the environment, one which was much less amenable with out-of-town retail developments like the Trafford Centre proposal (see §5.1.3.4 and §5.1.3.5). They also argued that it would be premature to decide on Dumplington until a
decision had been made on the UDPs being prepared in Salford and Trafford (Greater Manchester Consortium, 1992: 87-89). Moreover, the Consortium contended that the proposal ran counter to most of the local plans being prepared in the conurbation — save that of Trafford and Salford, of course, which the Consortium opined contained “no attempt to justify the allocation of large areas for out-of-town shopping … [and were] devoid of any strategic justification and without any reference to wider environmental issues” (Greater Manchester Consortium, 1992: 31, 34). A “better fit,” they argued, would be to put the site to industrial use (Greater Manchester Consortium, 1992: 102). Finally, they argued that the original inquiry “was conducted against the background of a consumer boom (largely credit-driven) which was almost unprecedented and unlikely to be repeated” (Greater Manchester Consortium, 1992: 98). Despite all these arguments, the Dumplington application was given the green light by Minister of Environment Michael Howard on 4 March, 1993. In the decision letter, written by B.C. Isherwood on his behalf, he states that, “with regard to the likely effects of the Trafford Centre on urban generation, it is considered that this issue was fully debated at the 1988 inquiry [and that] … the additional representations do not provide any reasons to doubt that the Inspector’s conclusions on this issue remain valid” (Department of Environment, 1993: 5).

This decision was immediately taken to the High Court by the Consortium, thus exchanging the quasi-legal setting of planning inquiries for the full legal setting of the courtroom. The Consortium felt that insufficient heed was taken by the Secretary of State of their recent submissions. The substantive grounds of appeal rested on three main issues: (1) the likely increase in traffic volume on the M63 after the opening of the Trafford Centre, (2) the effect of the center on urban regeneration efforts in the conurbation and ability of shops to remain in business, and (3) the desirability of the site for high-technology industry. In the appeal, the Consortium reiterated the issues submitted to the Secretary of State in November 1992. The presiding judge Schiemann ruled in favor of the MSC on 15 October 1993 which once again gave the official green light to the Dumplington proposal (Court of Appeal, 1994: 11; MEN 9 Sept, 1998: 5).

The Dumplington proposal, now gaining attention in the local media under the appellation “shopper city,” was receiving heavy criticism from local business via the Chamber of Commerce. Manchester Chamber of Commerce president David Brown, for example, warned that “there will be no net gain of new jobs” and pointed to Meadowhall and Merry Hill whose neighboring city centers have been turned into “ghost towns” (MEN 11 March, 1993: 11). This argumentation was supported by the publication of studies by the Department of Environment into the effects of these centers (see §5.1.3.5). On the other hand, proponents of the Trafford Centre pointed out that the uncertainty over Dumplington by the ongoing inquiries and litigation threatened the planned extension of a light-rail line (Metrolink) to Trafford Park (PW 14 July, 1994: 6). They also complained that the interests of consumers were being neglected in the political controversy.\(^{10}\)

\(^{10}\) At the time of the inquiry, the issues regarding the light rail connection were also being resolved. Metrolink gained right-of-access to Trafford Park, and soon also the Dumplington extension would receive Royal Approval. The MSC agreed to make a financial contribution, but refused to quantify this until its roadway contributions were known (Trafford Metropolitan Borough Council, 1992: 7). It was also felt that, “without the Trafford Centre there would be no prospect of this extension” (Trafford Metropolitan Borough Council, 1992: 15). Another £ 2.5 million was pledged by the Greater Manchester Passenger Transport Authority for the Metrolink line to Salford Quays and eventually to Eccles (PW 19 May, 1994: 5). Another event is that the developer, MSC, was taken over by Peel Holdings in 1991 after a long and bitter legal battle. Peel Holdings carried out the subsequent litigation regarding the Trafford Centre, and, after its success, the management thereof.
5.3.3 Final appeals and judgment (1994-1996)
The High Court ruling was subsequently taken to the Court of Appeal by the Consortium. At this stage, the judges could no longer review the content of the case, but were requested to determine solely whether Michael Howard had acted unreasonably in approving the project. Specifically, it was incumbent upon the appellants to prove that the Secretary of State’s decision was not taken within the powers of the Town and Country Planning Act or “that the interests of the applicant have been substantially prejudiced by failure to comply with any of the relevant requirements relating to the decision” (Court of Appeal, 1994: 7). Because of this limitation, the new and more restrictive government policy still could not be directly taken into account, but instead it had to be argued that Howard’s 1993 decision had shown a lack of regard for material considerations, including government policy. Not dissuaded, senior planning officers at Manchester City Council felt that a case could still be made that the new policy against out-of-town retail development represented a continuum rather than an about face and thus ought to have been considered by Howard (PW 19 May, 1994: 5).

In this, he was correct. In the unanimous judgment, Justice Glidewell explained that in light of the further submissions on the part of the Consortium in November 1992 and the subsequent decision by Michael Howard:

…either the Secretary of State did not reach his decision within the powers of the Act, or that the interests of the member authorities of the Consortium have been substantially prejudiced by his failure to give proper and adequate reasons (Court of Appeal, 1994: 56).

With these words, the outline planning permission for the Trafford Centre was quashed by the Court of Appeal. In the trade journal Planning Week, Manchester senior planning officer David Kaiserman described himself as “over the moon” upon hearing the news, adding that, “either the planning system stops something which is clearly anachronistic or it fails. Obviously, this was a very, very important decision which has introduced some commonsense into what was becoming a Mickey Mouse situation” (PW 14 July, 1994: 6). This situation was not to last, however, and full Disneyesque proportions would be attained the following year. The last recourse of the developer (MSC/Peel Holdings) was to appeal this Court of Appeal decision to the House of Lords, the ultimate arbiter of legal cases in the UK, which it immediately did (MEN 9 Sept, 1998: 5).

By the time the case had reached the House of Lords, almost nine years had elapsed since the original Dumplington application had been approved by Trafford district council. The justices were thus confronted with the issue of whether the Secretary of State was indeed remiss in his concentration on transport issues in the second inquiry, rather than more substantive matters like changed government policy on out-of-town retail development. Perhaps because of this, Lord Lloyd of Berwick was more sympathetic to the situation in which the Secretary of State had found himself than Justice Glidewell.

When circumstances are changing all the time, and new material is placed before the Secretary of State in a never-ending stream (a representation on which the appellants rely strongly was dated 22 February 1993, only ten days before the date of the decision letter), there is, as Schiemmann J. rightly pointed out, a tension between the proper examination of all relevant material, and the need to come to some decision, sooner rather than later. The Secretary of State might be forgiven for thinking that in this case he has been shooting at a moving target (House of Lords, 1995: 2, emphasis in original).

The House of Lords therefore unanimously decided to overturn the ruling by the Court of Appeal, and restore that made by the High Court, thus concluding one of the most expensive, painstakingly exhaustive and lengthy shopping center approval procedures in British history.
Adjacent retail park
By the time of the final judgment, Peel Holdings already had well-defined plans for extensions to the retail provision in Trafford Park, specifically regarding merchandise the Trafford Centre lacked such as groceries. In order to prepare for the upcoming battle, the developer proposed to build 75,000m$^2$ of offices, homes and a marina on brownfields next to the Trafford Centre. This proposal took place at the same time as the debate over whether out-of-town shopping malls could be considered town centers in their own right (see §5.1.3.5).

The developers were confident that the government would concede to these demands. To facilitate the decision on the retail warehousing schemes (with a combined retail space of about 38,000m$^2$), Peel Holdings had offered to contribute £16 million to help fund a £60 million supertram extension from Piccadilly Station, and the Trafford Park Development Corporation pledged another £6 million (MEN 9 Sept, 1998: 12). This would make use of an existing but defunct industrial line from Trafford Park to the city (which still required a 20-meter bridge over the Bridgewater Canal). In 1997, the developer offered £4 million towards the costs of the Metrolink line and space for a station at Trafford Park (RW 1 Aug, 1997 in ATCM, 1997). According to property consultant Jeremy Hinds:

Trafford Council is taking a private-sector-led approach. Given the high level of animosity between it and Manchester Council, there is no guarantee the strategy will come off, but if it does it will be difficult for the council to reject any extension of retail (in RW 13 Aug, 1999: 24).

However, such strategic maneuverings at the local level soon became a moot point as these applications too were called in and subjected to a planning inquiry. After the inquiry, Labour Party Secretary of State John Prescott decided to turn down both superstore proposals. This decision was appealed, and a second inquiry ensued. The next Secretary of State, Stephen Byers, then reversed Prescott’s decision (RICS, 2002). After a five-year legal wrangle, reminiscent no doubt of the Trafford Centre controversy, Peel Holdings finally was granted permission for a 18,850m$^2$ retail park at Giants Field for bulky goods and a 10,500m$^2$ B&Q warehouse at the power station site. Both are in Trafford Park near the Trafford Centre, but the developer has stressed that these facilities are not intended to create a second Trafford Centre, but complement it with merchandise not offered at the mall (TC 1 Dec, 2001; RW 11 Jan 2002). With planning permission in hand, there was no longer a need to offer any concessions. For example, in 2001, it was expected that Peel Holdings would contribute approximately £16 of the £60 million Metrolink line (MEN 21 Dec, 2001). However, with the latest publication of the Metrolink budget and list of priorities, the Trafford Centre line has disappeared altogether, making it highly doubtful that any progress will be made in the near future (Interview Bristow, 2002).

5.4 Trafford Centre
As the name suggests, the Trafford Centre is situated within the municipality of Trafford, although it is less than 10 km from Manchester’s city center. Despite being an archtypical out-of-town shopping mall, its location is still only about four kilometers from the edge of Manchester city and it is firmly nestled within the urban fabric that comprises this densely populated English conurbation.

Although the Trafford Centre was the brainchild of the mid-1980s, it only really began to take shape in the 1990s with the attraction of architects, builders and tenants. Regarding the general design, Peel Holdings described the basic layout as “a powerful shopping machine”
5.4.1 Design
Although like most malls in essence, the Trafford Centre sets itself apart in its magnitude of execution. The total retail offer is over 100,000m² and restaurant and entertainment add another 32,000m² to this total. No costs were spared in building the Trafford Centre. The project cost a reported £ 600 million upon opening, used over 2 million bricks, provides over 10,000 parking spaces, and involved the placement of 300 closed circuit television security cameras (MEN 9 Sept, 1998: 3). Almost one thousand semi-mature trees were planted in total on the grounds (Trafford Centre Insight, 1997: 2). Granite and marble, mined at Montignosa and Querleta in Italy cost Peel Holdings £ 5.8 million alone.

The style on the exterior has a neoclassical theme, and the central dome (adorning Selfridges) is larger than St. Paul’s Cathedral (Lowe, 2000: 26). Palm trees and exotic plants were shipped in from the United States, and trees were planted alongside the road circumnavigating the site to shield the Trafford Centre from the M63, and give the complex a “self contained atmosphere” (MEN 9 Sept, 1998: 6). The costs of maintenance are also high; allegedly, three miles of brass handrails are polished every evening (TCIP, 1999: 26). On the outside:

Massive murals, friezes, portraits depicting bare-breasted youths at play and numerous statues all contributing to the sense of having walked into the Roman forum. This retro-
classicism is topped off by 22, twice life-size statues placed around the 50-ft colonnade which dominates the main entrance of the center (MEN 9 Sept, 1998: 8).

On the inside, the neoclassicism becomes interspersed with other styles, according to the particular theme of the area. Regent Crescent, for example, has a slightly more upscale design to reflect the retailers trading there while Peel Avenue attempts to recreate a more high-street atmosphere. The various themes collide in entertainment complex The Orient where Arabic motifs (ironically occupied by McDonald’s) give way to that of a Parisian boulevard and Ancient Egypt (Pizza Hut). Housing six themed restaurants and providing 1,600 seats to visitors, the Orient is the largest foodcourt in Europe. Nearby is an 18-lane bowling alley, and a 20-screen multiplex cinema, the largest in the UK (MEN 10 Sept, 1998: 2-3; BBC 10 Sept, 1998; RTP, 1999: 3).

While praised by the developers, the design was derided by opponents in the media. Writing at its opening, Bury (1998) complained that the mall “has no sense of place … there is nothing of Manchester here – not even a themed area based on the city … instead tourists will visit cardboard cutouts of Venice, Egypt and New Orleans.” Architects were also unimpressed: “the construction photographs show cut-and-paste architecture at its most flimsy and facile” (Walker, 1996). Although not mentioned by name, the Trafford Centre would be an example par excellence of what Koolhaas has called “junkspace” (Chung et al, 2001). On the other hand, as we shall see in §5.4.6, the attitudes of the public were quite different than those of architects — revealing a huge chasm of opinion between those who make the buildings and those for whom they are made.
5.4.2 Security and service

The Trafford Centre is renowned for its level of security. The interior of the Trafford Centre may seem to resemble open public spaces reminiscent of parks or town squares, but in reality, the level of control at the mall rivals that of a prison. Outside, the entire perimeter is fenced and illuminated after dark, and inside virtually every space is subject to a strict surveillance regime. The 101 security guards employed by the center, along with a team of six plainclothes personnel (doubled in 2001) form one contingent of the Trafford Centre’s “united front against criminal activity” (TCIP, 2001: 22-23). No other mall in the UK has plainclothes officers.

Anyone committing an offence in the mall is banned from the Trafford Centre in the future, and the mall boasts a state-of-the-art comprehensive networking infrastructure to enforce this claim. A battery of over 300 cameras provides a vital early-warning subsystem to alert security and retailers of the presence of past shoplifters via a real-time CCTV system. In the main control room, officers can track visitors with moving cameras and 12 separate screens (see below). The installed network also includes a pedestrian flow monitoring subsystem, controls the mall’s lighting and fire alarms, and, most importantly, regulates security transmissions (Taylor, 1998: 63; PINACL, 1999). The parking garages are patrolled regularly and are also monitored by camera. All people and vehicles are registered and counted, and any incidents logged. Even the bathrooms are claimed to have been designed “to avoid opportunities for drug dealing” (TCIP, 2001: 22). Other deployments of the formidable arsenal of security forces included a truancy sweep (together with uniformed Greater Manchester Police officers) in November 2000 that caught 100 children and youth skipping school (TC 11 Dec, 2000). In 2001, security was tightened further with the introduction of “Operation Red Robin” which doubled the team of plainclothes security officers and mounted

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111 It should also be added that shopping centers in the United States, already known for their far-reaching security regimes (Judd, 1995), felt the need to boost security further in the 1990s (Christian Science Monitor 4 Dec, 1997).
police patrolling the perimeter (MEN 22 Oct, 2001). This was accompanied by an Orwellian fingerprinting campaign using invisible ink in an effort to crack down on credit card fraudsters. The Trafford Centre was also the first mall in the world to instigate a “civil recovery” policy that requires shoplifters to “pay for the value of goods stolen, the cost of their detention, investigation into the offence as well as a proportion of the cost of security and surveillance” (TC Feb, 2000).

As an alleged result of these measures, the center has one of the lowest crime levels for a mall of its kind, and only 20% of that originally predicted. For offenders, the feelings of exclusion and loneliness of banned teenagers is such that over 75% have written letters begging to have the ban lifted (TC 20 June, 2000). Other benefits have been more mundane:

The Centre’s CCTV system has [also] proved itself a very useful management aid — e.g.: managers have filmed retailers depositing rubbish in service corridors and where necessary have imposed punitive sanctions to prevent reoccurrence (PINACL, 1999: 22).

In March 1999, the Trafford Centre was the largest development in the UK to receive the “secure by design” award (NSG Security Consultants, 2002). It should be added that a growing number of British city centers are adopting similar surveillance techniques, and many town center management initiatives in the North West include such measures (see §5.6.2) (NRC 5 May, 1999: 18).

Besides providing a safe environment, additional services for visitors include a crèche for ages 2 to 8 — sponsored by Nestle (!) — strollers and ID tags for small children, unisex parent-and-child restrooms, baby changing and breastfeeding facilities, and baby bottle warming services (TCIP, 2001: 19). Finally, because of its out-of-town location, free parking
is provided for up to 10,000 cars, along with a vehicle management system to guide motorists to available spaces.

The Trafford Centre also provides services to its occupants. These include guaranteeing an optimal tenant mix, maintaining the grounds and marketing. Marketing activities have concentrated on building the Trafford Centre as a brand via special events, advertisements and a sophisticated website. The management has also entered into co-promotion activities with tourist agencies, Manchester United, the Lowry and Golden Tulip Hotel to achieve branding synergy. This strategy has apparently paid off: a recent survey found that 99% of people living in the North West were aware of the Trafford Centre’s existence (TCIP, 1999: 29).

5.4.3 Tenants
Ultimately, customers do not come to a shopping center for the benches, parking facilities, security or childcare, but to shop and enjoy the entertainment facilities. It is therefore imperative for developers to attract the best tenants they can to the center. Once suitable anchors are found (for upscale malls like the Trafford Centre invariably a department store) the developers can pick and choose retailers to generate an optimal mix (i.e. one that is complete and complementary). In the Trafford Centre one can find conventional high street fashion retailers such as Next, Dorothy Perkins, Principles and the Gap as well as more upscale designer shops such as Tommy Hilfiger, Mango and Ralph Lauren. The completed center had 263 shops and five anchors: Selfridges, Debenhams, C&A, BhS and Boots (Arrick, 1999: 3). Regarding this, the Trafford Centre had scored an early victory with the attraction of the prestigious Selfridges department store as an anchor. The retailer has been described as “one of the greatest show sights of London, like Westminster Abbey” (in Lowe and Wrigley, 2000: 647). This is the retailer’s first outlet outside of London, and it was given a prominent space near the foodcourt/leisure center. The most obvious omission, however, is Marks and Spencer’s.

In the UK, M&S is the most sought-after anchor tenant. For the Trafford Centre, this proved not to be as straightforward as Peel Holdings had hoped. M&S already had a large city center location and an edge-of-town outlet in Salford, and decided against the Trafford Centre.

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112 This decision to stay in the city center was tied to the bombing of the city center in 1996. Because the M&S store was destroyed in the blast, the company decided to make a symbolic statement by replacing its outlet with an even larger store (Interview Bennison, 2002; Interview Bristow, 2002). Once the other tenants had been selected, the prospect of an anchor tenant like M&S showing interest in the mall at a later date would shake up the Trafford Centre. The idea of potentially using the Festival Village area for a M&S location would disappoint the retailers who had relocated there from the devastated city center.
When questioned about this decision, Roger Aldridge, M&S Director of Estates and Store Development indicated that: “we would only establish in the Trafford Centre if it is clear the region could support another store since we do not consider the Trafford Centre a viable alternative to the city center” (in Thomas, 1999: 35). This did not stop M&S, however, from reversing this decision and opening a store in the Trafford Centre a few years later when C&A closed. Although it kept its flagshipstore in Manchester, the move was accompanied by the closure of its other location in Salford (MEN 21 Feb, 2002).

This raises the issue of relocation from traditional centers to out-of-town shopping malls. In a small survey of retailers moving to the Trafford Centre, nine of the ten respondents indicated that it was not company policy to automatically (re)locate in a regional center — only C&A argued that it would be “commercial suicide” not to do this (Taylor, 1998: 73). It should be added that this is the same retailer that had vacated the city center of Oberhausen for CentrO. Although Boots was more guarded in their response, “it would not be commercial suicide, simply the non-participation in a major retailing destination” the statement is still noteworthy given Boots’ proclaimed attachment to town centers, and their general policy not to locate out-of-town (Taylor, 1998: 73). In all, none of the ten retailers responding to the survey, including the five opening branches in the Trafford Centre, admitted any intention of closing their city center outlets (Taylor, 1998: 47). In fact, five of the ten retailers encouraged the support given to town centers by PPG6, and stated that this conformed to their own company policy, four of whom intended to open branches in the Trafford Centre (Taylor, 1998: 52). Despite this positive rhetoric, a few years later, the prestigious ladieswear outfits Laura Ashley and Morgan did close their city center shops, leaving only their Trafford Centre locations behind (MEN 7 Aug, 2001).

5.4.4 Jobs and traffic
Whether the Trafford Centre will result in a net gain of jobs, and how much, was the subject of much speculation. It was widely reported in the media that 7,000 jobs would be created by the Trafford Centre (although how much of this was the result of displacement is unclear). The Recruitment and Training Foundation, set up in September 1997, offers training programs to the unemployed and those wanting to switch jobs, and includes “philosophy of customer service.” The first trainees were drawn from the immediate 6-mile area to ensure that local jobs would go to local people. Recruitment was then extended to Greater Manchester (MEN 9 Sept, 1998: 14). After hiring, employees can participate in a “comprehensive training program” in subjects such as Welcome Host, Blind Awareness, Sign Language, First Aid, Customer Service, Fire Marshaling, Trading Standards and Health & Safety. Additional courses are available in areas such as typing and foreign languages (TCIP, 1999: 17). The mall boasted that in its first year, 542 employees had completed their basic training package on consumer law, and 182 managers had completed the advanced course. The management estimated that the level of employees with training in this area will rise to one thousand by late 2000 (TCIP, 1999: 21). Whether such skills are readily translatable to other sectors is subject to debate however.

At the inquiries, the most contested aspect of the mall was not jobs but its perceived impacts on the nearby M63 motorway. To reduce congestion, the most advanced traffic management system in Europe was installed using state-of-the-art computer equipment designed in conjunction with the Highways Agency, and includes road-use sensors that automatically direct motorists along the least congested route to the center (MEN 9 Sept, 1998: 6). Electronic signs also alter speed limits according to capacity levels, measured by the sensors (Taylor, 1998: 68; TCIP, 2001: 20).
The mall is extremely car-oriented despite the fact that car ownership levels in the immediate area are well below the British average — the ATCM estimated that 57% of Manchester households do not own a car (Taylor, 1998: 12). Public transport to the mall is substandard — patrons must either take a long bus ride from the city center, or transfer from the Metrolink rail to a shuttle bus. Throughout the planning and development, there has been much talk of a direct Metrolink line to the Trafford Centre, but this is unlikely to materialize in the near future. This makes the stated goal of 25% of journeys to the Trafford Centre being taken with public transit (MEN 9 Sept, 1998: 12) highly unlikely.

5.4.5 Construction

Bulldozers moved onto the site in May 1996, and kept a tight building schedule, allowing the building frame to be completed by Spring 1997. The numbers of workers increased as work began on the units. Peel decided to enlist the same team for the Trafford Centre that had built Meadowhall, namely Bovis (management contractor), Chapman Taylor Partners (concept architect), Bingham Cotterell (civil and structural engineer), Deacon and Jones (quality surveyor). Bovis in particular has built the majority of large-scale retail schemes in the UK in recent years, including Bluewater Park (Kent), Cribbs Causeway (Bristol), Brahead and Buchannan Centre (Glasgow) and the Oracle (Reading) (Cook, 1996). The most important reasons for the selection of developers and contractors was value-for-money, but also a guaranteed opening date (UK Construction Magazine, 1997). In all, construction took about two years, which is only about a fifth of the time it took to carry out the inquiry and appeals process.

5.4.6 Grand opening

The 10 September 1998 deadline required a last-minute Herculean effort, and just before opening, approximately 4,000 workers were busy around the clock cleaning and clearing the grounds of rubble (MEN 9 Sept, 1998: 15). On the eve of the opening, people had begun queuing outside the new center, some having arrived as early as 3 a.m. (MEN 10 Sept, 1998: 1). Because the weather was foul, even for a mid-September night in North West England, the management decided to let the visitors in early — the exuberance they felt and expressed to reporters as they entered the lavish entrée was certainly mixed with a touch of relief of being let in from the cold. Wilf Geldart, marketing manager for the sister-center Meadowhall, explained that “We love the rain and cold here because that is the attraction of shopping centers. It’s warm, it’s safe, it’s clean and everybody’s happy” (Telegraph 28 Dec, 1995).
A reported 130,000 people came to marvel the new Trafford Centre on its opening day (Taylor, 1998: 14). The first impressions of the customers was similar to that of Germans visiting CentrO for the first time: “I have been to Las Vegas and it has a similar feel” and “It feels like we are in Florida. It’s got the atmosphere of America on the main mall” (MEN 11 Sept, 1998: 3), “I’ve never seen so much marble and so many shops in all my life. This will really put Trafford on the map once and for all” (MEN 10 Sept, 1998: 1). In a reappraisal shortly before opening, the value of the mall had risen by £ 150 million (from £ 200m to £ 350m), and the management announced that it expected 30 million visitors annually (MEN 9 Sept, 1998: 10). Obviously, the Trafford Centre would pose a significant threat to the established centers, particularly Manchester city center whose shops competed for the same catchment population, and which sold similar merchandise to that offered in the new mall. It is to this center that we shall now turn.

### 5.5 Manchester City Centre

During the nine-year conflict over the Trafford Centre, the situation of the region’s primary retail center had changed. Suburbanization continued on into the 1980s, further eroding the base of support for the city’s higher order-retail destinations. In the 1990s, however, Manchester city center slowly began to regain its population, and prepare a Unitary Development Plan. This plan was completed in 1995, and embodied many of the same principles of the Greater Manchester Structure Plan ten years before. Among its goals was “the maintenance of Manchester’s regional center role in retailing and commerce, and the viability of other major town centers” (in Thomas, 1999: 22). However, since the abolition of the GMC in 1986, the plan was no longer valid at the conurbation level, and there was little it could do to influence areas outside the city limits. This lack of authority on the outside did not prevent Manchester from reacting to the threat by controlling what it could on the inside:
“It is nevertheless clear that the traditional town center is unlikely to become a passive victim of the process of retail decentralization” (Bromley and Thomas, 1993: 146).

5.5.1 City center regeneration
Indeed, Manchester city center did not stand still. Established by central government, the Central Manchester Development Corporation (1988-1996), for example, was given both the mandate to bring about the physical regeneration of 187 ha of derelict land at the edge of the city center, and the legal and financial means to carry it out. During its eight-year lifespan, the CMDC attracted £ 421 million of investment. It is interesting to note that this would be operating in competition for resources with the Trafford UDC established a year before the CMDC (Vigar et al, 2000: 129). Following the first public inquiry, the CMDC formally registered its objection to the Trafford Centre development (Greater Manchester Consortium, 1992: 46).

The 2000 Olympic bid introduced Manchester city council to the entrepreneurial planning that was to characterize it during the 1990s. Ironically, this bid was cosponsored by MSC, the Trafford Centre applicants, further complicating matters surrounding the Dumplington controversy (Trafford Metropolitan Borough Council, 1992: 53). The Olympic bid introduced a new governance structure in Manchester that was “both populist and popular” and centered around a small elite of business interests (Cochrane et al, 1996: 1324). Although Manchester lost the bid in 1993, it had acted as a catalyst for mobilizing private sector interest in the city, enabling other initiatives like “City Pride” to emerge. It also:

Won Manchester many friends and substantial support from the Government. Manchester has now acquired, or is in the process of acquiring many of the features of a regional capital of European significance — Bridgewater Hall, Metrolink, the Lowry Centre, Imperial War Museum, and so on (Arrick, 1999: 6).

More concretely, it enabled Manchester to capture £ 70 million of central government funds for infrastructure, even before the fate of the Olympic bid was known (Bristow, 1994: 120). The successful recruitment of the private sector and higher echelons of government to support the city in the Olympic bid was duplicated in other initiatives including city center revitalization. A Manchester city council councilor explained that:

What we have found in Manchester is a way of coexisting with the private sector, where we use the many strengths of the public sector and the private sector, not in competition, but by setting up bodies where we can use [those] strengths… rather than in a sense of confronting each other or separate from each other all the time (in Cochrane et al, 1996: 1330).

One of the faces of this new development-oriented model is that of Howard Bernstein, hired as the Manchester City Council’s deputy chief executive in 1990. He was “a favorite of then council leader Graham Stringer, who valued his capacity to cut through council bureaucracy and win results” (Thame, 1999: 74). Although he effectively acted as chief executive, this did not become formalized until 1998. His rise to prominence in city politics is primarily the result of an unforeseen and abrupt occurrence that would change the face of Manchester irrevocably.

5.5.2 Bombing and rebuilding of Manchester city center
At 11:00 a.m. on Saturday the fifteenth of June 1996, a 1½ ton IRA bomb which had been placed on a truck parked between M&S and the Arndale Centre was detonated in the heart of Manchester’s shopping area. The explosion wrecked 100,000m² of retail and office floorspace and flattened or severely damaged many of the surrounding buildings. The devastation was concentrated mainly in the area surrounding Corporation Street and St.
Mary’s Gate and included prominent retail hubs as Marks & Spencer’s, part of the Arndale Centre and the monumental Corn Exchange building at Exchange Square (Thomas, 1999). Some 650 businesses were displaced and, the costs of the damage were estimated to be as high as £ 700 million (PW 29 Jan, 1996; Parker, 2000).

The blast also made the provisions of the recently published Manchester Unitary Development Plan (UDP) immediately obsolete: “the explosion”, explained the then city center group leader Peter Babb, “not only blew a hole in the center of Manchester, it blew one in the UDP as well” (PW 29 Jan, 1996: 16). Although this event dealt a severe blow to the North West’s main retail center, it also offered the opportunity for the city to reinvent itself in the wake of the Trafford Centre threat. Indeed, Joe Malvisi, managing director of Frogmore Estates remarked that “Manchester City Council was already very clear about where the city had gone wrong in the 1960s. Within days of the bomb, they knew what they needed” (Parker, 2000).

What Manchester needed was money and a plan to develop a modern retail core. And Manchester’s city planners were quick in their response to the crisis. Within days, they were surveying the damage and streamlining planning procedures in order to support a rapid recovery. A task force comprised of city officials, architects, town planners, jurists and local representatives was set up and held emergency meetings with landowners to assess the situation. Within three weeks Manchester Millennium Ltd. (MML) was established to oversee the reconstruction process, which included representatives from English Partnerships, Manchester City Council, the Bank of England, and the Government Office for the North West Region (i.e. the central government branch office). An international competition was held to attract private sector firms to draw up a masterplan. Rather than following the usual planning procedure required to create a new UDP, a facilitating Supplementary Planning Guidance (SPG) was drawn up to support the legal status of this masterplan. Concessions were made in a behind-the-scenes fashion to expedite the planning process, and negotiations were given an eight-week deadline (PW 29 Jan, 1996). Soon, the central government pledged £ 43 million towards the rebuilding of the city center, and an additional £ 20 million was promised by the European Union. The money was badly needed as the retail regeneration scheme alone cost approximately £ 100 million.113 The total public sector investment was estimated by the MML to be £ 83 million, achieving a private-sector leverage of £ 350 million (MML, 1998 in Thomas, 1999: 29). Other estimates of total investment have gone as high as £ 1 billion (Guardian 22 November, 1999). The haste to rebuild was not only motivated by a desire to triumph over the terrorist devastation: “this blow to the heart of the city came at a critical time with the Trafford Centre — over 1.2 million square feet of out-of-town shopping and leisure facilities — is due to open” (MML, 1997: 2 in Thomas, 1999: 30). In fact, the MML stated plainly that the competitive threat the Trafford Centre posed was one of the main reasons for the tight rebuilding schedule.

Four months after the blast, in November 1996, the members of the Edaw team were declared winners of the masterplan competition. The winning bid went far beyond a mere rebuild (Holden, 2002; Williams, G., 2002). The design, although protecting and enhancing historical landmarks, made radical changes to street patterns and the built environment and extended far outside of the affected area. The plan sought, in addition to repairing the bomb damage, to undo some of the harm caused to the city center by, among other things, the Arndale Centre and other postwar architectural impositions. The oppressive monolithic structure of the

113 Still, this seems rather modest when compared to the estimated £ 600 million spent on the Trafford Centre.
Arndale Centre was severed by a public pedestrian walkway and then expanded to accommodate 120,000m² of retail and 185 shops (PW 8 Dec, 2000: 28). Complemented by a new Exchange Square that possessed a more high-street atmosphere (PW 1 Dec, 2000: 1), the Arndale Centre was finally sold to Prudential for £320 million (Thame, 2000: 29). In retrospect, city officials could thank the IRA for its deed as this extension, renovation and reintegration of the Arndale Centre into the urban fabric would not have occurred without the terrorist attack (Interview Hallsworth, 2002; Interview Robson, 2002). Once all scheduled building activities are complete, the city center will contain more retail space than it did before the bombing.

As construction activities on the Trafford Centre accelerated, the masterplan was carried forward into the first implementation plan by the MML, and signs of change were already becoming noticeable. The urban entertainment center The Printworks — whose multiplex

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114 City center regeneration efforts seem to have been fruitful for housing as well as commercial development. There was additional support for city center retail in the form of new residents. Only about 1,000 people lived in Manchester city center in the early 1990s, but by the end of the millennium this number had risen to 7,500 (MEN 5 May, 2001). Most of these new households were small, childless and professional” and thus of interest for exclusive retailers (DETR, 2000b: 27-28). Rents and housing prices have increased in the city center. In the Summer of 2001, over 5,000 flats were under construction or awaiting planning permission (much of this concerned the conversion of warehouses or car parks to residential use).
cinema is intended to vie with that in the Trafford Centre — was pushed through the planning process in a matter of weeks. Shambles Square, once “a haven for pigeons and bag ladies” was slated to become a boulevard linking St. Ann’s Church and the new Millennium Quarter around the cathedral while New Cathedral Street was to acquire a 14,000m² Harvey Nichols department store, one of the few locations of this retailer outside of London (Thame, 1999: 73-74; Interview Robson, 2002). Another asset was the rebuilding and relaunch of the 40-unit three-story Corn Exchange as the Triangle fashion and lifestyle center, bolstered by the addition of new tenants like Ocean, Rodier Toni & Guy Essentials and Herbal Inn (RW 2 Feb, 2001: 22). Many of these retailers had moved from Manchester’s King Street, lured by 50% lower rent levels (RW 2 Feb, 2001: 26). Another attraction was the construction of the Urbis exhibition/visitor center, which opened in June 2002. However, the flagship of Manchester’s new city center would be the world’s largest Marks & Spencer’s at Shambles Square opposite the Arndale Centre (PW 3 Dec, 1999: 7).\(^{115}\) Its previous outlet had been completely destroyed by the bomb, only shortly after M&S had renovated it (Interview Bennison, 2002). All in all, at the end of the decade, a business trade journal wrote: “Manchester’s retail market is in a state of suspended animation, poised between the unwholesome effects of the rival Trafford Centre, and the completion of the rebuilding works which have disfigured the city center for three years” (North West Business Insider, 1999: 20). The projects are summarized in the table below.

<table>
<thead>
<tr>
<th>Project</th>
<th>Characteristics</th>
<th>Financing</th>
<th>Phasing</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Cathedral Street</td>
<td>Pedestrian street between St. Ann’s Square and the historical quarter</td>
<td>Manchester City Council</td>
<td>1997-1999</td>
</tr>
<tr>
<td>New Marks &amp; Spencer’s</td>
<td>Largest M&amp;S in the world at 45,000m²</td>
<td>Marks &amp; Spencer’s, Manchester City Council</td>
<td>1998-1999</td>
</tr>
<tr>
<td>Shambles West</td>
<td>Multi-use complex: leisure, culture, housing and offices</td>
<td>Prudential Portfolio, Manchester City Council</td>
<td>1997-2001</td>
</tr>
<tr>
<td>Arndale Centre</td>
<td>Architectural rehabilitation</td>
<td>Prudential Portfolio</td>
<td>1997-2001</td>
</tr>
<tr>
<td>Corn Exchange (i.e. Triangle)</td>
<td>Interior renovation, strives to become high-quality leisure and trade complex</td>
<td>Frogmore Estates</td>
<td>1997-2000</td>
</tr>
<tr>
<td>Royal Exchange</td>
<td>Renovation of theater</td>
<td>Prudential Portfolio, Arts Council Lottery</td>
<td>1998</td>
</tr>
<tr>
<td>The Printworks</td>
<td>Redevelopment as multiplex cinema (24 screens) and bars and restaurants</td>
<td>Richardson Developments Ltd.</td>
<td>1998-2000</td>
</tr>
<tr>
<td>Millennium Quarter</td>
<td>Event center, and city park</td>
<td>Manchester City Council</td>
<td>1999-2001</td>
</tr>
<tr>
<td>Exchange Square</td>
<td>Heart of commercial center</td>
<td>Manchester City Council</td>
<td>1999</td>
</tr>
<tr>
<td>Shambles Pub</td>
<td>Listed historical pub</td>
<td>National Heritage</td>
<td>1999</td>
</tr>
<tr>
<td>Transport projects</td>
<td>New transport stations and Metrolink rapid transit</td>
<td>Greater Manchester Passenger Transport Authority</td>
<td>1999-2001</td>
</tr>
</tbody>
</table>

Source: Commerce and the city, 2000.

Despite the many accomplishments of the city center regeneration program, the city continued to be steadfastly opposed to the Trafford Centre. However, because it now lay outside of its sphere of control, not much hope existed in blocking the project and the focus lay on meeting the challenge. The verdict of the extent to which the city center successfully

\(^{115}\) With this flagship store, M&S seemed to have overextended itself. One third of the space was subsequently sold to Selfridges for their second outlet in the North West (Interview Bristow, 2002).
weathered the Trafford Centre storm will be returned to when discussing the impacts of the Trafford Centre in §5.6).

Other Manchester locations

Between the Trafford Centre and Manchester city center lay another bold urban project: the Salford Quays. This waterfront area was redeveloped in the late 1990s into a multifunctional destination, and included a Metrolink line for fast access from and to the city center. Attractions in the area include The Lowry cultural center, the Manchester United Museum, the Imperial War Museum North and even a designer factory outlet center. Less than a year before opening, the manager at the Manchester Outlet Mall at Salford Quays decided to adapt the plans to allow much more food and leisure. The developers claimed that this was done in response to the success of the adjacent Lowry arts center, which drew double the expected number of visitors (RW 16 Feb, 2001). It may also be another response to the popularity of the Trafford Centre’s foodcourt/entertainment area.

Manchester’s troubled east side did not initially profit from the renewal activities in the center. Between 1975 and 1985 Manchester lost 60% of its jobs, and the ones that have returned are of a different sort: instead of full-time male/industrial they are part-time female/service. This hit East Manchester the worst, the locale where laborers lived. Now the 1,100 ha of land directly east of the center is about 30% vacant, and about 10% of homes are empty (Ward, 2002). With the resurrection of the city center, the next project for Peter Babb was the transformation of East Manchester. In this, the same strategy was adopted: the establishment of a New East Manchester urban regeneration company, similar to the successful MML (PW 8 Dec, 2000: 28). The “Sportscity” scheme for East Manchester, for example, revolves around the new stadium for the 2002 Commonwealth Games, combined with retail, residential and hotel functions, and is intended to attract additional investment,
create over 3,600 jobs and bring new (desired) people to the area (PW 11 Sept, 1998). The stadium will also include an indoor tennis center and sports academy. Interestingly, the motor for regeneration is a 17,000m² ASDA superstore, which under other conditions would not receive planning permission under the PPG6 regime (Interview Hallsworth, 2002; Wrigley et al, 2002).

5.5.3 New developments at the Trafford Centre

As the regeneration efforts in Manchester city center gained momentum, the Trafford Centre did not stand still either. It had already gained approval for two retail parks, allowing it to enjoy the synergy between the two destinations (see §5.3.3). As the Trafford Regional Sports Complex and miniature golf center were nearing completion, Peel Holdings announced its intention of building a £ 5 million Hotel directly across the Trafford Centre (MEN 9 Jan, 2001). New developments may be imminent. Peel Holdings now owns much of the land in the immediate vicinity of the Trafford Centre and is planning to “promote massive regeneration all along the Corridor, replicating the prestigious developments already visible at Salford Quays and Castlefield” (UK Construction Magazine, 1997: 7).

While no physical expansion was undergone on the mall itself, several new attractions and services were added and several units changed hands. In 2001, for example, the Trafford Centre acquired travel agent Holiday Hypermarket’s flagship, and The Bear Factory (where products are custom-made on the premises), the foodcourt also gained a themed Thai/Indonesian fast-food restaurant and an “authentic” Spanish restaurant-bar (TC 30 Aug, 2001). The center also attracted attention by featuring the inclusion of a gallery displaying works of local artists (TC May, 2001). However, as stated earlier, the most noteworthy acquisition was that of M&S, who agreed to open a £ 6 million store to replace C&A. In the same year, 100 tons of steelwork was inserted into the main dome to support the Disney-style theme park ride “Magical Journey”; this is the first attraction of its kind in a UK shopping mall (TC 25 Sept, 2001). Director of Operations at the Trafford Centre explained that the ride: “will prove to be a major attraction particularly for families. Its prime location next to the UK’s busiest cinema will provide an immediate captive audience” (TC 8 Aug, 2001). The ride contains an interactive component where passengers shoot creatures and other moving objects en route with an infrared laser device. Naturally, products of all the characters featured in the ride may be purchased at an accompanying themed gift store (TC 8 Aug, 2001).

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116 The police are now making a big presence to “rehabilitate” local population to make it “safe” for colonization by businesses and wealthier newcomers. Residents even asked to make a “black list” of troublemakers in their neighborhood (Ward, 2002).

117 This was done as part of the Dutch retailer’s full-scale withdrawal from the UK (MEN 3 July, 2001). C&A had been derided by the British public with the unflattering appellation “Cheap & Awful” (Parool, 16 July, 2000: 9). As regards the new tenant, M&S Store manager Jonathan Bradburn admitted that the size (at only about 3,500m²) was not ideal, but that “after listening to our customers they have told us that now is the right time to move in [to the Trafford Centre]” (MEN 3 July, 2001).
Like many malls in North America, the Trafford Centre organized social events. Senior citizens and pensioners were invited to participate in the Trafford Centre’s weekly “tea dance” in the early evening (TC June, 2001). In a more bizarre campaign, the Trafford Centre hosted the only singles’ night to be held in a shopping mall in the UK (it had already been tested in supermarkets). For this, participants must be over 18, and are given a badge identifying themselves as single (with the text “I’m single, let’s mingle”); Polaroid photos were displayed on a board with contact information for fellow visitors (MEN 20 July, 2001). The Trafford Centre also experimented with offering a drive-in movie theater experience with a screen near the Festival Village car park (MEN 20 Sept, 2001). Finally, the Trafford Centre opened up a “virtual mall” in 2001, allowing their tenants to trade online (RW 12 Jan, 2001: 28). This is part of the effort to help those in the center lagging behind in terms of sales (not surprisingly given the profit-dependent leases).

All in all, it is clear that the Trafford Centre and Manchester city center were competing fiercely for a similar customer base. Not only families, but also the youth and the elderly were targeted by the new mall. The next section will examine in more detail the outcome of this competition.

5.6 Evaluation of impacts
Prior to opening, there was wide speculation in the local media about the effects the Trafford Centre would have on local businesses, especially in Manchester. Much of this publicity was negative. Horror stories of traffic grinding to a halt on the M63 and mass store closures were reported in the media, heightened by the legal battles and controversy enshrouding the project. The *Estates Gazette* warned that the new mall “will have a massive negative impact on Manchester’s retail core — look at the Meadowhall effect in Sheffield” and “It’s a crazy scheme. It will impact on city center retail, it’s a nonsense and shouldn’t be happening” (in Taylor, 1999: 37). In a local publication, Bury (1998) grumbled that:
Who knows, with this level of investment [in the Trafford Centre] Manchester could have had a replacement for the much criticized Arndale Centre! Instead of which the populace is now burdened with two such leviathans each vying for the same customer base.

In a television interview on the cusp of opening, a Manchester city councilor did nothing to hide his contempt for the Trafford Centre: “the naked commercial greed the Trafford Centre people have exhibited has resulted in the worst environmental disaster in the UK” (in Taylor, 1998: 14). Shops, however, were not the only businesses in peril. The Trafford Centre’s foodcourt and entertainment area The Orient was expected to “tear away some of Manchester’s burgeoning night life” due to the scores of restaurants, bars and entertainment venues being built there, including the UK’s largest UCI cinema, with 21 screens and seating for 3,500 people (MMN, 23 Feb, 1998: 21).

Thus, it was very unclear at the time of the opening what the influence of the new shopping mall would actually be. Even experts and stakeholders were divided on the issue. This is evident from the results of a University of Manchester Master’s thesis which had surveyed retailers, consultants and town center managers about their views of the Trafford Centre and their opinions on the effectiveness of PPG6 (Taylor, 1998).

<table>
<thead>
<tr>
<th>Predicted impact of Trafford Centre on North West town centers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considerable loss</td>
</tr>
<tr>
<td>1-5 months</td>
</tr>
<tr>
<td>6-12 months</td>
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<tr>
<td>1st-3rd year</td>
</tr>
<tr>
<td>4th-6th year</td>
</tr>
<tr>
<td>After 6th year</td>
</tr>
</tbody>
</table>


As can be read from the above table, the stakeholders expected trade diversion to be greatest at the time of the Trafford Centre’s opening, and then taper off over time. For the first year, none of the respondents expected any growth in sales in neighboring centers due to the mall’s influence. Interestingly, by the fourth year (2002) all respondents predicted that trading levels would have returned to normal, or even be improved. All this indecision and division amongst the most involved and vocal actors raises the question of what the effects of the Trafford Centre were in reality. This is the subject of the following two sections. These will provide an overview of the figures and events that have emerged in the years since the opening of the mall in 1998.

5.6.1 Quantitative impacts of Trafford Centre

The consultants Rodger Tym and Partners criticized the methodology of subject interviews (e.g. shop managers and shopper surveys like the ones discussed above with respect to the University of Manchester MA thesis) as “inherently unreliable” (RTP, 1999a: 2). However,

In specific, the goal was to survey stakeholder attitudes about the positive influence (if any) which PPG6 had had in the wake of the Trafford Centre competition. Respondents included town center managers, retailers and consultants. One interesting finding was that less than half of the respondents (and even half than the town center managers among them) had felt that town centers had suffered from past retail policies, and only one specifically gave mention of “vitality and viability” (Taylor, 1998: 47). Specifically, 54% of the town center managers, 30% of the retailers and 25% of the consultants responding to the survey felt that town centers had not suffered (Taylor, 1998: 48).

It should be pointed out however that town center managers were largely responsible for these more positive views. Retailers and consultants were less sanguine.
by the same token, impact studies are equally notorious for the inconsistent results they produce. Statistics on impacts are also often sporadic, and reflect a narrow sectoral focus (e.g. the effect on men’s shoe shops). The Distributive Trades EDC remarked:

The scope for accumulation of errors in the analysis raises major doubts about the accuracy of (impact) studies, to the extent that they are not currently a foundation on which important decisions about investment in the non food retail trades should be executed (in Stocks, 1989: 71).

Moreover, impact studies often are politically motivated and usually reflect the wishes of the party that commissioned the research. Hallsworth seriously questions the validity of such expert reports:

Broadly based property agencies/consultancies such as Hillier Parker and Healey and Baker are frequently called upon to provide expert opinion to ‘inform’ outcomes, and may be found on either side of the ‘adversarial’ British planning appeals system. As in any form of legal or quasi-legal system the more heavy-weight the expert testimony on one’s behalf, the more likely is success (Hallsworth, 1995b: 255).

Besides, even impartial studies can diverge according to the methodology employed (Haydock) or goal (impact versus need). Therefore, bearing these points in mind, an attempt will be made to sketch out the regional economic situation following the opening of the Trafford Centre, and any trade diversion that may have occurred.

This section will first consider the figures reported by trade publications and then those produced by specific impact studies performed either before and after the opening. Some general comments will also be made on the methodology employed. The next section (§5.6.2) will look at some other (qualitative) effects the Trafford Centre has had on shopping centers and in the behavior of actors in the region.

5.6.1.1 Performance indicators
As stated, it is difficult to effectively gauge the effect that a particular development has had on the retail structure. Measurements taken directly after opening often overestimate the level of trade deflection (the novelty of the concept often wears off within a few months, and other centers may develop new strategies or rival projects to compete).

In theory, prime areas in big cities are generally less affected than smaller centers due to their lack of critical mass and prestige (Thomas and Bromley, 1993: 127). Bearing this in mind, the emphasis on the Manchester/Trafford Centre nexus which had been the cause of so much concern prior to the opening may be misplaced — especially in light of the level of activity in the city center to rebuild and improve the retail core. Indeed, rather than divestment, money flooded into Manchester city center after the Trafford Centre’s opening. The largest Boots and M&S in Europe opened in 1999, and prime retail A1 rents around the pedestrianized Market street and Arndale Centre rose to £ 2150/m² (Manchester 2002, 2002). Although rent levels had increased substantially in prime Zone A locations in Manchester city center (from about £ 1800 to £ 2700 per m²) as a whole, this was much less in most of the surrounding towns, except Stockport where rents actually fell (GMR, 1999: 7). In March 1999, the business journal North West Business Insider issued a property special that benchmarked Manchester’s retail performance. It mentioned that the damage of the Trafford Centre appeared limited, with sales down by “only” 15% in the Christmas period and that town center management in suburban centers has also mitigated the effects of the mall. Other

120 This price level is second only to London’s Oxford street (but at £ 5575 in London, a far second). The rents in the Trafford Centre upon opening were also quite high, being in the £ 1800-2500 m² range (Taylor, 1998: 67).
centers also experienced a downturn in retail yields in their prime shopping areas (GMR, 1999: 9).

As regards the Trafford Centre, initially it (rather ironically) suffered from the newfound strength of its urban competitor. The lack of M&S was also felt the first year. Soon after opening, two-thirds of retailers in the Trafford Centre found their stores trading “worse” or “much worse” than expectations (RTP, 1999a). A number of new initiatives were launched to counteract these effects (see §5.5.3). The Trafford Centre also took the opportunity to unveil its plans for future — such as the possibility of M&S taking the space vacated by C&A (MEN 7 Sept, 2000: 21). In addition, the policy of remaining open on Sundays and evenings helped the Trafford Centre immensely, as city center shops are usually closed at these times — the Trafford Centre attracts approximately 3,000 more people per hour on Sunday than on Saturday (Guardian 30 July, 2000). The Leisure Dome stays open particularly late: until midnight on weeknights and 3 a.m. on weekends (MEN 9 Sept, 1998: 12). It is therefore not surprising that the Trafford Centre management joined other regional centers in lobbying the government for extra Sunday trading hours.\footnote{Evening use of the center seems to be gaining in popularity, with an estimated 40\% of customers arriving after 6 p.m. (TC June, 2001). In a survey at the center, 72\% of respondents claiming to frequently patronize the shops after 5 p.m. (TC 30 Aug, 2001).}

By 2000, the mall’s efforts seemed to have been taking hold. There was a 6\% rise in footfall over the year (TC 28 Dec, 1999). The center also reported that average turnover was up 31\% in the last quarter of 1999 as compared to a year before (TC 9 Feb, 2000). Rent levels also seemed to be increasing (but this is only visible when units change hands or in the case of Next and Etam, with expansion) (TC 29 Aug, 2000; RW 8 June, 2001: 26). As may be expected, a preponderance of superlatives accompanied the coverage of the second-year anniversary of the Trafford Centre, as was certainly the case a year before. This date was telling because Manchester city center was finally taking its true competitive shape. Approximately 15 million visitors visited Trafford Centre in 2000, which is 9\% more than the previous year, but still far from the initially announced 30 million at its opening in 1998 (MEN 7 Sept, 2000). Approximately 30-40\% of visitors come during evening hours (6-9), and average family spend per trip is £ 81. In all, since the time of the RTP study in 1999, the Trafford Centre showed a strong growth in sales, gaining it the status of “the UK’s most improved” shopping destination (RW 20 July, 2001: 26).

In 2001, at an annual retail spend of £ 1.5 billion, the Trafford Centre ranked 21st in Great Britain for planned retail centers, which is about average for the country (RW 27 April 2001: 39). Still, the difficulties of the Trafford Centre may not yet be over. The new millennium has brought with it a renewed interest in city center shopping (due in part to a PPG6-influenced reinvestment in city centers), and a related decline in out-of-town malls. In 2001, the Retail Prospects Index ranked Manchester’s Market Street as the 10th most popular shopping destination (up from 13th) whereas the Trafford Centre dropped from the 62nd to the 90th place (MEN 20 July, 2001). Other malls were similarly affected: Meadowhall fell 26 places to 69, and Bluewater Park 64 places to 102.

5.6.1.2 Impact reports
In addition to such indicators of economic health, systematic impact studies were also commissioned to measure retail drain from existing centers. One of the first was the “Project Sunrise” report by ATCM (1997) called the \textit{North West Towns Initiative}. Like others of its
kind in the UK, this ex ante study was also faced with the problem of finding consistent and reliable data. Figures were supplied by various high street retailers, local authority departments and town center managers (some retailers had independently contracted similar impact studies of the Trafford Centre on their businesses, but refused to share this information). The results of the study were unsurprising. It found that the level of trade deflection would depend on the size of the rival town center, its distance from the Trafford Centre, its vitality, and the presence and nature of intervening centers. A summary of their overall findings for all centers in the region is depicted below (ATCM, 1997: 5).

<table>
<thead>
<tr>
<th>Town/city</th>
<th>Travel time (min)</th>
<th>Comparison %</th>
<th>Initial trade deflection %</th>
<th>Deflection after three years %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Altrincham</td>
<td>13</td>
<td>85</td>
<td>27</td>
<td>7</td>
</tr>
<tr>
<td>Stockport</td>
<td>14</td>
<td>86</td>
<td>27</td>
<td>6</td>
</tr>
<tr>
<td>Warrington</td>
<td>20</td>
<td>85</td>
<td>24</td>
<td>6</td>
</tr>
<tr>
<td>Wigan</td>
<td>27</td>
<td>81</td>
<td>21</td>
<td>7</td>
</tr>
<tr>
<td>Ashton</td>
<td>24</td>
<td>73</td>
<td>19</td>
<td>4</td>
</tr>
<tr>
<td>Oldham</td>
<td>25</td>
<td>75</td>
<td>19</td>
<td>5</td>
</tr>
<tr>
<td>Rochdale</td>
<td>23</td>
<td>88</td>
<td>19</td>
<td>5</td>
</tr>
<tr>
<td>Macclesfield</td>
<td>24</td>
<td>78</td>
<td>18</td>
<td>5</td>
</tr>
<tr>
<td>Blackburn</td>
<td>41</td>
<td>94</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td>Bolton</td>
<td>17</td>
<td>95</td>
<td>15</td>
<td>2</td>
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<tr>
<td>Salford</td>
<td>8</td>
<td>50</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>Eccles</td>
<td>5</td>
<td>57</td>
<td>12</td>
<td>4</td>
</tr>
<tr>
<td>Leigh</td>
<td>17</td>
<td>55</td>
<td>12</td>
<td>3</td>
</tr>
<tr>
<td>Chester</td>
<td>45</td>
<td>-</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
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<td>57</td>
<td>95</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>Birkenhead</td>
<td>57</td>
<td>-</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>Preston</td>
<td>38</td>
<td>85</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>Lancaster</td>
<td>59</td>
<td>83</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>Liverpool</td>
<td>39</td>
<td>92</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>Crewe</td>
<td>47</td>
<td>44</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Manchester</td>
<td>12</td>
<td>89</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Southport</td>
<td>52</td>
<td>82</td>
<td>5</td>
<td>-</td>
</tr>
</tbody>
</table>

Admittedly, these figures were extremely rough, being based on the distance of the various centers from the Trafford Centre and floorspace levels. An elaboration was then performed that attempted to take qualitative aspects into account, such as the quality of the “shopping experience” and similarity of goods offered. Liverpool, Stockport and Manchester, for example, would be direct competitors of the Trafford Centre and can be expected to suffer more than centers that subsist primarily on grocery shopping. The location and accessibility was also taken into account. Similarly, since studies on Meadowhall showed that impacts diminish strongly after a half-hour drive time, these findings were taken into account in the subsequent model. The consultants also considered the absence of M&S at the new center. Other considerations were intervening centers and catchment area characteristics (affluence and mobility).

\[\text{122} \] The Trafford Centre has the largest car-borne catchment area in the UK at 3 million, but the anticipated congestion would dampen enthusiasm of motorists, especially when the novelty of the mall wears off.
According to these figures, it was mainly intermediate centers that would experience the
greatest loss in trade (this is also consistent with the literature on shopping centers). Altrincham would be most affected for a number of reasons: it is relatively close to the Trafford Centre, has an affluent and mobile population (similar to Trafford Centre patron profiles), and has a town center that offers similar merchandise, but with a combined floorspace of only one half the Trafford Centre (ATCM, 1997: 30-38).

In 1998, Lambert Smith Hampton and Roger Tym & Partners — the same consultants hired for the Greater Manchester Shopping Study over a decade earlier — also produced an ex ante report. In this, it was predicted that Manchester would face serious difficulties in the short term (late 1998 and early 1999), due to the myriad construction activities disfiguring the city center and the “novelty effect” of the Trafford Centre (RTP, 1998). The study estimated that trade in the city center would fall by approximately 11%, or about twice that estimated by ATCM report. This would be ameliorated with the opening of M&S and Harvey Nichols, and the coming of facilities like the Imperial War Museum and the Lowry Centre. Finally, the preparations for the 2002 Commonwealth Games was expected to give an additional impulse.

In 1999, the same authors produced a more significant follow-up report that used statistics produced during the first year of trading of the Trafford Centre. According to this report, retail trade declined in real terms by 15% in November 1998 in Manchester city center as compared to the same time in the previous year. Moreover, 85% of outlets participating in the survey reported a drop in sales since November 1997 (RTP, 1999a: 3). Most shopkeepers (75%) blamed the Trafford Centre for this, and this sentiment was confirmed by the consultants who wrote that “the opening of the Trafford Centre would appear to be the major causal factor which explains the decline in city center sales. Still, most shopkeepers indicated their faith in potential of Manchester to recover over time.

Manchester city center was not the only location experiencing a loss in sales. The other two centers investigated by RTP (Bolton and Stockport) reported a real decline in trade (14% and 9% respectively). It is interesting that these two centers were selected for the study, given the fact that the most affected centers according to the ATCM report included Altrincham and Warrington as well as Stockport, while Bolton and Manchester city center were considered “medium impact” locations. Perhaps even more interesting is the fact that Bolton fared much worse than Stockport in the ex post analysis (this can be explained in part by the opening of the Middlebrook Retail Park in the same year).

Soon after opening, two-thirds of retailers in Trafford Centre found their stores trading “worse” or “much worse” than expectations, one-third “broadly in line with expectations”; none of the respondents reported that sales exceeded expectations (RTP, 1999a: 5). This is surprising given expectations of a “novelty effect” that would produce artificially high levels.
of trading. However, as these opinions were not backed by actual data, they may point either to a general disappointment with the center on the part of the mall’s retailers, unrealistically high expectations, or to the effectiveness of campaigns by other centers in the conurbation to meet the Trafford Centre threat. It may be a reflection of the relatively high rents charged at the Trafford Centre as well.

Despite a general feeling of gloom in the conurbation regarding loss of sales, the final conclusion of the report was cautiously positive:

Ultimately, the region could end up with the best of both worlds; the successful out-of-center shopping scheme in the north of England at the Trafford Centre, and the city center reinforcing its position as the most ‘in demand’ retail location outside of the West of London … Unfortunately, there have to be losers somewhere along the line. The success of Manchester city center and the Trafford Centre bodes more ominously for many of the lower order centers caught within the crossfire of the ‘big guns’ (RTP, 1999a: 5).

The following section will discuss some of the less quantifiable changes that occurred since the opening of the Trafford Centre, and shed more light on whether the arrival of the mall could indeed help bring about the best of both worlds.

5.6.2 Qualitative impacts of Trafford Centre

Assorted business statistics and scientific trade deflection models do not tell the whole story of what kind of impact the building of the Trafford Centre has had on the North West. More than simply draining trade away, it has changed the way that retailers and governments view the conurbation, and has brought about new forms of cooperation and competition. It may be argued that it was not so much the building of the mall per se, but the symbolic meaning it was given during the planning controversy that changed hearts and minds and mobilized the competition to change their behavior.

Due to the long gestation period of the Trafford Centre resulting from the nine-year controversy, Manchester city center and others in the conurbation were given ample time to prepare for the competition. By the opening of the Trafford Centre in 1998, possible responses to this threat were already being or had been implemented. The desire to face the Trafford Centre challenge was most evident in Manchester. Especially after the 1996 IRA attack on the city center, the resolve of Manchester to reinvent itself reached a fever peak. The details of the rebuilding activities and supplementary projects have already been discussed extensively in §5.5.2, and will not be elaborated here.

As small towns were expected to bear the brunt of trade deflection, they began to “identify their own assets and capitalize on them” (MEN 10 Sept, 1998: 8). Altrincham introduced free parking in its city center, and approved a multiplex cinema project (MEN 28 Aug, 2000). Ironically, Peel Holdings also decided to invest in Altrincham by helping to build a 4,000m² health and fitness complex (although this function does not compete with its Trafford Centre) (TC 7 May, 2000). Meanwhile, Stockport initiated its “jewel in the crown” campaign specifically to ward off the anticipated Trafford Centre effect. This community also lobbied strongly for a £ 30 million Ikea store in their jurisdiction. At the same time, Trafford and Macclesfield councils, fearing lost sales, attempted to persuade the Government Office for the North West that this outlet conflicted with national policies on out-of-town development (MEN 1 Aug, 2001). In the end, Ikea was refused permission by the Secretary of State in 2002 (Interview Bristow, 2002). Bolton and other towns like it pedestrianized their main
CHAPTER 5: CASE STUDY MANCHESTER

shopping streets and introduced strict parking regimes. In addition, shortly before the opening of the center, an advertisement appeared in Planning Week for a “town center liaison officer” in the conurbation to “maintain the vitality of our town centers and ensure that they can meet the challenge of the Trafford Centre” (PW 31 July, 1998: 38 in Taylor, 1998: 9). Finally, 28 other towns united in a Consortium and hired a PR company to perform Trafford Centre damage control (BBC 10 Sept, 1998).

Physical additions to the retail structure soon became visible in the conurbation. During the period of the Trafford Centre controversy, the following projects were carried out, many specifically designed for meeting the anticipated competition.

<table>
<thead>
<tr>
<th>Town</th>
<th>Project</th>
<th>Size in m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wigan</td>
<td>Galleries</td>
<td>28,000</td>
</tr>
<tr>
<td>Leigh</td>
<td>Spinning Gate</td>
<td>11,300</td>
</tr>
<tr>
<td>Bolton</td>
<td>Market Place</td>
<td>23,500</td>
</tr>
<tr>
<td>Bury</td>
<td>Millgate Centre</td>
<td>Refurbishment</td>
</tr>
<tr>
<td>Rochdale</td>
<td>Weatsheaf Centre</td>
<td>16,600</td>
</tr>
<tr>
<td>Oldham</td>
<td>Spindles</td>
<td>28,800</td>
</tr>
</tbody>
</table>

Source: Arrick, 1999: 5

During the early 1990s, Warrington had embarked on a regeneration program led by its development corporation, resulting in the production of numerous office and industrial schemes (Thame, 2000). In addition to this, Warrington announced in 2000 that it had hired property consultants to ascertain how best to retain its shoppers, and Burnley initiated a £ 50 million scheme to counter the Trafford Centre effect. Regarding the latter, town center manager Carl Speight stated that, “we are striving to take back market share from out-of-town shopping centers, not just to protect what we’ve got” (in Thame, 2000: 42). One advantage of the smaller centers is that their rent levels are more affordable. While Manchester city center and Trafford Centre command rents as high as £ 2000-3000/m², other centers are only about half as much (Thame, 2000: 48).

5.6.2.1 Organizational responses

In the early 1990s, Manchester embarked on a mission to revitalize its economic base and reinvent itself. For example, with its “Attraction Packed Manchester” package-tour, the city is profiling itself as a tourist destination. This campaign attracted visitors from as far as South Africa and North America (MEN 19 Aug, 2000). Like Amsterdam, a catalyst for this was the Olympic bid (Cochrane et al, 1996). Looking back, Steve Potter of the MML explained that,

I think that there are different ways of looking at it [the Trafford Centre], you can look at it as a threat or competition to Manchester, or you can look at it as something which sharpened Manchester City Centre’s resolve to perform better, to offer better things, and so [the Trafford Centre] acted as a stimulus to Manchester to improve and not sit back on its heels and take things for granted (in Thomas, 1999: 33).

In addition to the many activities surrounding the rebuilding of the bombed city center explained in detail in §5.5.2, part of this “resolve to perform better” had manifested itself in the establishment of a town center management intended to duplicate the advantages enjoyed

123 This was not always necessarily seen as an improvement (Telegraph 18 June, 1996), and in some cases proved detrimental (PW 11 Dec, 1998: 15). Manchester city center had also introduced a strict anti-car regime as part of its regeneration scheme including controversial measures such as increased parking fees, reduction in high-rise garages in the center and the possibility of a £5 entrance toll, which has been heavily criticized by some (Telegraph 18 June, 1996; Interview Bridges, 2002).
by out-of-town shopping malls. Specifically, this entailed improving traffic access, the quality of the urban environment, security and marketing. In Manchester center, for example, town center management is financed 50/50 public/private, and M&S is a major contributor (Commerce and the city, 2000). However, the question remains open whether the funding is sufficient. Usually TCM initiatives have many ideas but little means to implement them. In Rotherham, for example, the total budget made available to the town center manager was less than just the budget for Christmas decorations in the nearby Meadowhall (Taylor, 1998: 71)!

The table below lists the kind of TCM schemes being implemented in the conurbation as a response to the Trafford Centre by the number of times it was mentioned by queried stakeholders.

<table>
<thead>
<tr>
<th>Town center management schemes instigated in response to the Trafford Centre</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotion of the town center via advertising, events, etc.</td>
<td>6</td>
</tr>
<tr>
<td>Town center loyalty card</td>
<td>6</td>
</tr>
<tr>
<td>Extended opening hours</td>
<td>5</td>
</tr>
<tr>
<td>Liaison with other town centers (e.g. shared computer databases of stock availability)</td>
<td>5</td>
</tr>
<tr>
<td>Increased pedestrianization</td>
<td>3</td>
</tr>
<tr>
<td>Park &amp; Ride schemes</td>
<td>3</td>
</tr>
<tr>
<td>Free car parking</td>
<td>2</td>
</tr>
<tr>
<td>Improvement of the physical environment</td>
<td>2</td>
</tr>
</tbody>
</table>


All this would seem to indicate that the Trafford Centre had a significant impact, not necessarily in terms of trade deflection, but as a catalyst for a new development-oriented way of thinking. Indeed, in a paper given on 16 November 1999, Andy Arrick, of Rodger Tym and Partners stated that:

I conclude that the Trafford Centre may well have acted as a spur to development activity in the conurbation’s sub-regional centers; the local authorities appear to have taken advantage of the planning delay and the national wave of new retail investment activity to get their houses in order … I have no doubt that the Trafford Centre would have had a more harmful impact if it had been developed according to the aspirations of the promoter — that is, by the late 1980s (Arrick, 1999: 1, 7).

In conclusion, it would appear that, real or imagined, the fears associated with the arrival of the Trafford Centre helped to mobilize the cities in the conurbation to strengthen their own centers. The lengthy planning procedures and waves of litigation provided sufficient time to implement countermeasures and carry forward general town-center improvement schemes. In addition, the effects of PPG6 were also becoming manifest as investment was redirected towards town centers.

5.7 Conclusions
From the account presented in this chapter, it should be clear that the tale of the Trafford Centre is one of uncompromising strife. Even more than Oberhausen, where some compromises to the mall design were made to make the development more politically acceptable, the parties in the Manchester conurbation had become polarized into two diametrically opposed factions intent on fighting an all-or-nothing battle on this issue. The final result, that one party “won” the verdict, meant that it could proceed with an unadapted scheme, while the losing parties had no recourse but to brace themselves for the competition.

124 There is also the free-rider problem, which is absent in planned shopping centers (Medway et al, 1999; Medway et al, 2000).
CHAPTER 5: CASE STUDY MANCHESTER

This section will attempt to pull together the various factors that framed the way in which the Trafford Centre controversy unfolded. As was done for the Oberhausen case study, the conceptual framework presented in Chapter 3 will be deployed to provide a systematic way to organize the information contained in the analysis. Afterwards, as was done in Chapter 4, a few general observations and conclusions will be offered about the British case.

5.7.1 Application of conceptual framework
The intent of this section is to reflect on how the Trafford Centre can be understood as the result of an interplay of actors operating within a specific institutional context. Much of this has already been explained in narrative form earlier in the chapter, but this section will draw this information together in a more formalized manner using the conceptual framework.
Explaining the development of the Trafford Centre

Relatively Stable Parameters

**Economic**: Concentration of retail in city centers, economic crisis in Northwest England

**Administrative**: Unitary centralized system, functional rather than spatial, call-ins and inquiries, spoils system

**Spatial**: polycentric conurbation, suburbanization and city center desertion

Contingencies and Events

**Economic**: Rise in demand for peripheral stifled by planning rules

**Administrative**: metropolitan authority abolished

**Spatial**: pro-market central government and decreased aversion to out-of-town development, 10 proposals in conurbation

Retail Development Arena

- **Courts**
- **Department of Environment**
- **Department of Transport**
- **Proponents (Developer)**
- **Opponents (Consortium)**
- **AGMA**
- **MSC**
- **Trafford**
- **Salford / Stockport**
- **MCC**
- **Other Districts**
- **Consultants**

Strategic action

Central government initiates inquiry. Parties commission reports and argue their position.

Outcomes

Secretary of state rules in favor of Trafford Centre

Series of appeals until House of Lords

(Trafford Centre)
Economic structure
As can be read from the preceding figure, various economic factors contributed to the conflictual nature of the Trafford Centre development. Like the Ruhrgebiet, North West England also struggled with an ongoing economic restructuring process that left many of its inhabitants unemployed or underemployed in low-paying part-time jobs. The situation had become so dire at the end of the 1970s that even planning figureheads such as Peter Hall were advocating a relaxation of controls to stimulate economic development (Thornley, 1991). Soon thereafter, the Thatcher government introduced measures designed to welcome any kind of development that would benefit the consumer, and of course, create jobs.

Trafford was particularly affected by economic restructuring processes because it was primarily an industrial (rather than residential) area. The largest landowner in the area (MSC) had a stake in halting the downward spiral. Conversion of industrial land into a regional shopping center seemed like an attractive option to spur urban regeneration, given the popularity of out-of-town formats elsewhere, and the expanding retail market in the mid-1980s. As discussed at length in §5.2.4, Trafford was not alone in this regard.

Administrative structure
Administrative factors played a key part in defining the roles of the actors involved. The adversarial nature of the British political system is present in the planning system as well, especially in the way that out-of-town shopping centers have been dealt with. Like in electoral politics, the Trafford Centre controversy was a winner-takes-all situation: parties took sides and fought to the bitter end. As Hallsworth aptly put it: “in a winner-takes-all situation, coming second is expensive” (1995a: 14). Public inquiries (already adversarial) were later replaced for a series of legal appeals (clearly adversarial). There was no arbitration, moderation or compromise of any consequence throughout the Trafford Centre controversy.

Another key administrative factor regards changes in the jurisdiction of public sector authorities. As explained in §5.1.2.2, there are no constitutional guarantees in Britain protecting the borders of local government. This is significant for retail development because governmental boundaries can have a great influence in determining whether a given public body looks upon a development proposal with glee, indifference or hostility (see §2.3.2). In the 1960s the entire region was under the authority of Lancashire County, which chose to reject the Haydock Park proposal due to its probable impact on the retail hierarchy. The GMC took a similar stance on out-of-town retail. In 1986, when the Trafford Centre proposal was submitted, this authority had just been abolished, leaving a power vacuum at the metropolitan level. The establishment of UDCs at approximately the same time helped to further engender a spirit of competition rather than cooperation.

Spatial structure
Finally, there were specific spatial aspects that heightened the conflict and helped to precipitate the 1986 deluge of applications in the conurbation. As explained in §5.2.3, the GMC had conducted a retail containment policy, favoring Manchester city center above peripheral or suburban locations, despite the fact that few people actually lived in Manchester’s center anymore. The GMC also believed that the conurbation was “overshopped” (i.e. that already too much retail floorspace existed) and thus took a very conservative stance regarding any new retail development proposal. The planning system proved to be effective in its aim to channel much large-scale retail into town and district
centers, the insertion of the gigantic Arndale Centre being a case in point. With the ongoing suburbanization, this restrictive policy was creating a pressure cooker for out-of-town development. A public servant reflected on the explosive nature of this policy:

> To preside, as we have in Greater Manchester and I suspect in other conurbations, over a substantial long term outward shift of population, the development of houses in suburb and greenfields, the construction of an outer ring road which makes it easier to drive a car round the edge of the conurbation than to the center, but to expect not to plan for a corresponding shift in shops, seems at best naïve… if I am right our strategic planning policy has led us into a mess in Greater Manchester, and, since similar evidence appears to apply to some other conurbations, probably elsewhere ( Stocks, 1989: 74).

One reason why the “mess” — which came in 1986 — occurred, is because the restrictive policy was abandoned rather abruptly. By the abolition of the metropolitan counties, central government had disabled the means by which to coordinate retail development. Moreover, it had adopted an overtly pro-development stance. This created a strong incentive for district authorities to attract development before their neighbors did (see §5.2.4).

**Actor interaction**

From the above, it is clear that the institutional conditions existing in 1986 in North West England were not favorable to support an amicable resolution to the question of new shopping center location. The faltering economy, winner-takes-all political climate and, above all, the abolition of the GMC discouraged cooperation at the metropolitan level. The mistrust of local authorities of others in the conurbation quickly began to resemble that of the Ruhrgebiet, and the AGMA proved as powerless as the other coordinative bodies in the Ruhrgebiet to steer retail development. However it was even more acute in the UK considering the presence of: “deeply embedded institutional constraints against collaboration, such as the hypercentralization of the British state which limits local collaborative potential, or the dominant organization of government into functional departments, which impedes spatial coordination” (Healey, 1997: 34).

As regards the “actor constellation” in the conurbation, the submission of the ten out-of-town shopping center proposals polarized the ten district councils into two opposing camps: pro-development (those councils with proposals within their borders) and those arguing for a continuation of the restrictive policy conducted by the GMC. On the other hand, at the level of the AGMA, all districts attempted to argue for strategic planning and coordination, revealing a dual reality of congenial rhetoric at the collective level, and self-seeking behavior at the individual level.

With regard to the actions taken by the actors (the “mode of interaction”), several points can be made. As noted, the unofficial stances of local authorities were either for or against the development of an out-of-town center. As it became clear that either Trafford or Salford would emerge victorious, the other pro-development councils quickly joined the opposition (Consortium). During the first inquiry, Trafford and Salford were caught in a dilemma: they were both in favor of an out-of-town shopping center, provided it be built within their

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125 According to Cliff Guy, “Britain is probably though the international leader in shopping mall development within existing town and city centers. British town centers appear to have been physically redeveloped for shopping centers much more than has been the case in France, Germany or the Netherlands, for example. Here, town centers have usually retained their physical form over the centuries without the wholesale redesign common in Britain” (Guy, 1994: 198-199).

126 Stockport had remained neutral during the first inquiry, but moved to the anti-development camp for the second.
jurisdiction: “Salford and Trafford kept their options open as long as possible (each meantime urging the other to do the decent thing) … [and] were caught in something approaching the classic prisoners’ dilemma” (Stocks, 1989: 62). Both councils had decided to commission impact studies of their own, while the AGMA commissioned its Greater Manchester Shopping Study. Not astonishingly, all the findings of the reports corresponded with the desires of those who had commissioned them.

This dynamic continued on after the Secretary of State called in the applications and subjected them to the first planning inquiry, the only difference being that the Department of Transport became involved as another skeptical party, but for completely different reasons (it was reluctant to build extra infrastructure). The inquiry was also framed in a win/lose fashion, and the “victory” of the developer and Trafford over the Consortium (at the second inquiry) was followed by an immediate appeal, ushering in an even less stable phase of the Trafford Centre’s history. As British politics seems to swing from one extreme to the other, so too did the fate of the Trafford Centre — given the green light by the Secretary of State, quashed by the High Court, overruled by the Court of Appeal, and finally granted by the House of Lords. Meanwhile, the strategies of Manchester and other towns shifted to strengthening the competitive capacity of their shopping areas in the event that the Trafford Centre be approved.

Outcomes
The definitive end of the Trafford Centre controversy came in 1995 with the judgment by the House of Lords. Unlike CentrO, no design concessions were demanded of the developer, and the mall could be built as envisioned: as an out-of-town shopping mall in its most pristine form (high street shops, foodcourt and entertainment, car-oriented, etc.): a machine for processing shoppers. The themed centers of Bourbon Street, Chinatown or Paris ring hollow and sometimes border on absurd (e.g. McDonald’s with an Arabic motif, or the Ancient
Egyptian Pizza hut). The ephemeral character this evokes makes the Trafford Centre truly a “building for consumption” in both senses of the word. The Orwellian level of control should moreover dispel any fantasy that the mall offers any degree of public space, other than in a purely cosmetic sense.

The complete control over design may be interpreted as a total victory on the part of MSC/Trafford. However, for the duration of the process, the continual uncertainty also meant a great risk for the mall’s proponents. Moreover, as the fight lasted so long, the “losers” had been given ample time to adopt countermeasures. Many redeveloped their main shopping areas and adopted some form of town center management. There have been a number of ex post impact reports on the trade deflection caused by the Trafford Centre, and most seem to indicate only modest losses from established centers, especially Manchester city center. In fact, retailers operating from the Trafford Centre were initially disappointed with their first year of trading. More recent evidence seems to suggest that the final result has favored large centers vis-à-vis smaller ones.

The Trafford Centre controversy also had less tangible impacts, such as accelerating the already existent tendency towards entrepreneurial forms of planning and city marketing. The success of the Trafford Centre, on the other hand, is unlikely to stimulate similar proposals in the near future however because the current planning system has shown itself to be openly hostile to this kind of out-of-town development. If the Dumplington application were submitted today, it would surely be struck down under the provisions of PPG6.

5.7.2 Some final thoughts on the Trafford Centre

Although Britain may have the most and largest out-of-town shopping malls in Northwest Europe, some have observed that this number is still rather modest, especially when compared to North America. As mentioned, it was impossible to obtain planning permission for an out-of-town regional center before the 1980s due to severe government opposition at both the local and central level. Although the reforms of the Thatcher Administration in the mid-1980s provided an opportunity to realize such centers, of the over 40 out-of-town shopping center proposals that were submitted in the late 1980s, “only a handful of these proposals proceeded beyond the speculative or planning stage, largely due to the changing government policy on retail developments in the 1990s summarized in PPG6” (Lowe, 2000: 263). Of the ones that were successful in gaining planning permission, this did not happen without a great deal of effort, as the Trafford Centre case so clearly demonstrates. What follows are a few final thoughts on the UK case study.

Planning is politics

The Trafford Centre proposal was extremely politically charged. Both the substance of the case (an out-of-town shopping center) and the procedures followed (planning inquiry followed by court appeals) reflect the “spoils system” and adversarial nature of British politics.127 There are few mechanisms built in the system to encourage compromise, and parties were induced to battle for a total victory. One of the main weapons used in the struggle are impact assessments, and it is remarkable that although almost £ 10 million was spent on consultancy reports (Interview Bridges, 2002), the House of Lords did not take them into consideration. Opponents to the Trafford Centre must also have known that if they

127 This concern was also voiced by Lord Rogers in 1999: “We must move towards a non-confrontational and participatory planning approach which avoids the ‘us and them’ ethos where a client is engaged in battle with a planning authority” (Urban Task Force, 1999: 191).
managed to stall a final decision on the proposal long enough, a change of policy on out-of-town retail at the central government level would eventually assist their cause, especially with an electoral defeat of the Conservative party. For this reason, planning consultant Lambert Smith Hampton was skeptical about the potential of government policy to protect town centers as long as central government “see-saws from one extreme to the other” (in Taylor, 1998: 53). With regard to retail planning, these extremes seem to regard economic liberalization versus market interventionalism.

**Absence of metropolitan/strategic planning**

This point, related to the first, regards the swift transition from a strong metropolitan body to a very weak one. The official policy drafted by the GMC and implemented in the structure plan took the view that sufficient or too much retail capacity already existed. This viewpoint, coupled with a stated preference for central locations, and the desire to protect Manchester City Centre as the main retail core allowed the pressure for out-of-town development to mount. The GMC’s abolition in 1986 created a power vacuum at this level, providing a window of opportunity for developers to attempt gaining permits for out-of-town centers.

**Entrepreneurial planning**

In the period under investigation, Manchester city shifted from an old style of regulation (via GMC and blocking Trafford Centre) to a new developmental-style planning. The Olympic bid had given the Labour-dominated city its first taste of the fruits of public-private cooperation. The experience gained was swiftly put to use during the IRA bomb aftermath: the city council enlisted private parties to help rebuild the city center in a way that would enable it to compete with the Trafford Centre. Thus, in sum, the fragmented nature of the public sector at the local level, and politicized nature of it at the national level shifted much of the decision-making issues from spatial development/urbanization to politics.
CHAPTER 6: CASE STUDY AMSTERDAM

6.0 Introduction
Many authors have noted that there is no real out-of-town shopping mall in the Netherlands comparable to those investigated in the previous two chapters (VGM Sept, 1997: 55; Borking, 1998; McKinsey Group, 1997; Guy 1998a; EIM, 1999; Kooijman, 1999a; Ministry EZ, 2000). The closest approximation is a hybrid form of edge-of-town urban entertainment center-cum-retail park built in the mid to late 1990s. The largest of these (depending on how one calculates size) is the ArenA Boulevard in Amsterdam’s southeast district Zuidoost. With a certain leap of imagination, the design of the ArenA Boulevard could be considered to reside in the same category of an out-of-town shopping mall. It was built in an outlying district of Amsterdam, completely surrounded by suburban municipalities, is large and new, well-connected to highway infrastructure, and offers ample parking. Like a mall, the ArenA Boulevard has an oblong shape, with two anchors at either end (the Amsterdamse Poort and Villa ArenA) and ancillary facilities in between such as food and entertainment. This is where the similarity ends. Whereas the Trafford Centre and CentrO were developed by the private sector according to the well-established North American model-for-success, the ArenA Boulevard is the product of a convergence of many different countervailing interests. Instead of a building application being submitted to the municipality, for example, the municipal planning department actually commissioned the master plan. Thus, more than the Trafford Centre and CentrO, the history of the ArenA Boulevard is one of direct public-sector intervention and participation, and thus intimately linked to the history of the city itself.

While the developer’s primary motive was the realization of a commercially viable scheme, the municipality saw the ArenA Boulevard as serving a collection of purposes. First, it was intended to channel private-sector investment to a problematic area of Amsterdam, and bridge the employment gap between the two halves of its Zuidoost district. Secondly, the design strived to provide a physical and mental link to the Bijlmer housing estates, a longtime goal of the municipality and district authority. Third, the retail component was intended to provide room for new large-scale retail formats and help Amsterdam compete with suburban centers, without causing undue damage to the adjacent Amsterdamse Poort district center or the historic city center. And finally, the project was obliged to adhere to the rigors of Dutch national retail planning policy. All this was to occur under the direction of the public sector, but without the aid of a formal public-private-partnership arrangement.

Obviously, the decision-making and development process that produced the ArenA Boulevard is quite different than that of CentrO and the Trafford Centre. Its history is intertwined with that of Dutch retail planning policy, administrative and political circumstances in the area, and the unique economic and physical conditions present. It is the purpose of this chapter to investigate how these institutional factors framed the actions of the most important actors in the process, and how this in turn produced what is now the ArenA Boulevard. Afterwards, as with the previous two cases, an application of the conceptual framework will be performed as an analytical reflection.
Chapter 6: Case Study Amsterdam

6.1 National context
Before delving into the institutional analysis of the ArenA Boulevard development, it is necessary to first gain a solid understanding of the Dutch context. The formal organization of the state, the nature and scope of its laws and certain cultural traits have all left a discernable imprint on the rules of the development game. These rules are often translated into specific policy measures aimed at controlling urbanization and the spread of shops. So it is here amongst matters of public administration that our institutional investigation begins.

6.1.1 Retail planning in the Netherlands
This section will sketch out the national context in which retail planning in the Netherlands takes place by breaking down the country into its political, administrative, (retail) spatial, and policy components. The next section will deal with the policy history of retail planning.

6.1.1.1 The political structure
The Netherlands is a parliamentary democracy with a division between the government and its ministers and a parliament composed of a First and Second Chamber. With regard to the latter, the Netherlands has a system of proportional representation, meaning that the number of votes cast for each party directly determines the number of seats that the party controls in the Second Chamber. In addition, there are no electoral districts. A consequence of these two factors is that the threshold for small parties to enter the political arena is remarkably low, and that voters have little to gain by voting strategically (i.e. voting for possible winning parties rather than voting according to preference). Thus, elections have traditionally revolved around the ideological stance of the parties, rather than the opinions of specific candidates (although there does seem to be a notable trend in recent years towards party consolidation and an increasing importance of individual charisma).
After a parliamentary election, the largest party can attempt to form a government which, given the proportional representation factor, invariably requires finding a coalition partner or partners. This process involves sizing up and negotiating with other party leaders in order to arrive at a mutually acceptable government program. The compromise this necessarily entails contrasts sharply with the British spoils system in which the winning party gains complete control over the entire governmental apparatus. This politics of consensus-building has a long tradition in the Netherlands, and is often cited amongst egalitarianism and tolerance as a key characteristic of Dutch society (Lijphart, 1968; Hampden-Turner and Trompenaars, 1994). Although there seems to be a gradual movement towards adversarialism, this is rather modest when compared to Germany and especially the UK (Lijphart, 1989).

### 6.1.1.2 Administrative structure

The Netherlands has three distinct government tiers: national, provincial and local, each of which have their own responsibilities and authority stipulated in the constitution. As the structure of the Dutch Constitution is over a century old, the position of the governmental tiers is “strongly institutionalized” (Salet, 2003: 180). The emphasis in the Netherlands has been placed on interdependence rather than independence (such is the case in Germany). The multileveled structure of co-governance and give-and-take relations between these tiers has caused the Netherlands to be described as a “decentralized unitary state” (Toonen, 1987; 1998). Although relatively stable as compared to the UK, an unresolved issue in Dutch administrative politics regards the desirability and feasibility of a governmental tier at the metropolitan level. In the 1990s, a law was enacted enabling the creation of metropolitan authorities, including the Amsterdam Regional Platform (ROA). These authorities had few formal powers, but were expected to be given the status of provinces by mid-decade. The “city province” idea failed to capture the hearts and minds of the Dutch public, however, and were overwhelmingly voted down in a series of local referendums (Bovenberg et al, 1994; Barlow, 1998).

With regard to public finance, since 1929, taxes have been collected by the central government and then dispersed back to municipalities as grants, generally on the basis of population or housing units. In 1995, for example, about 89% of Amsterdam’s income was derived from the central government (Van der Veer, 1997: 56). This system, intended to eradicate tax-based competition has also caused a de facto top-down power structure to come into being where local governments are highly dependent on the central government for financial support (Levine and Weesep, 1988; Terhorst and Van de Ven, 1995). In this way, if it so desires, central government can “buy” consensus or compliance for its policies from local authorities (Wissink, 1993). It can also give increased latitude and discretion to local authorities by using block grants or restrict them by using special grants earmarked for a specific purpose (Toonen, 1987). Since 1990, there seems to be a gradual trend towards fiscal decentralization (WRR, 1990). Translated into retail development terms, this would suggest that the onus to attract a particular scheme such as an out-of-town shopping mall or hypermarket would be less in the Netherlands than in less fiscally centralized countries, but on the rise since the 1990s. This will be discussed further in later sections.

### 6.1.1.3 The planning system

The adage “the Lord created the world, but the Dutch the Netherlands” is often invoked when introducing the Dutch approach to planning. Indeed, the very geography of the country exemplifies the triumph of human will over nature. The complex system of waterways that keep most of the land dry gives the landscape a regimented and planned appearance, something which reinforces the admiration of foreigners for Dutch planning prowess. It is
tempting to attribute the highly organized physical structure of the country to an innate cultural ability and propensity to plan. However, more mundane institutional criteria may offer more insight into this issue (Needham, 1989; Kreukels, 1992; Evers et al, 2000). For example, in addition to the fiscal equalization of the country discussed above, the Netherlands has traditionally tolerated and accepted greater levels of public intervention in the land market than countries such as Belgium and the UK. This has created less resistance to the kinds of interventions that spatial planning activity often entails.

The wish for a pleasant, well-organized, predictable physical environment has led to public bodies taking a very active part in creating, maintaining and changing that environment. There is little political disagreement about this (Needham and Van de Ven, 1995: 50).

Although some form of urban planning was applied to create the famous canal rings of Amsterdam in the Dutch “golden age”, the “golden age of planning” was primarily a postwar phenomenon. Directly following the Second World War the first order of business was to rebuild physical structures in order to alleviate the acute housing shortage and ravished industry. The coordination necessary to achieve this was translated into ambitious spatial planning efforts directed by the central government (Faludi and Van der Valk, 1994).

The 1962 Physical Planning Act (WRO) forms the legal basis on which Dutch spatial planning rests to this day (Klaassen, 1998). Unlike Germany, the WRO does not address substantive issues but instead establishes the framework within which policy can be formulated, thereby giving more latitude to public officials in adapting policy to changing circumstances. The WRO established a decentralized three-tier planning system comprised of a national, provincial, and municipal planning level which complemented the overall administrative structure of the state. Although the system has a clear hierarchy, with each planning level being monitored for consistency with higher level goals, only the local plan is legally binding. Therefore, in terms of legislation, it would be inappropriate to classify the system as being either top-down/centralized or bottom-up/decentralized since it embodies elements of both. This dynamic in the statutory planning system is fully within the spirit of the decentralized unitary state mentioned earlier.

National policy is indicative of this. There is, for example, no national plan as such, but instead a national planning policy document published periodically as white papers or reports. Four “National Reports on Spatial Planning” have been published to date. Current national planning policy is still based on the Fourth Report (1988) and an addendum called VINEX (a Dutch abbreviation for Fourth Report Extra) in 1991. A Fifth Report had been prepared in the course of the 1990s, but never ratified due to a political crisis in May 2002. There is a wealth of information on national level planning available in the English language (including summaries of the reports themselves), so they will not be further elaborated here.

At the provincial level, regional plans are drawn up that implement goals articulated in the national reports, and which coordinate the various local plans within the province. The

128 Until the 1990s, most municipalities actively participated in the land market by purchasing land before development, preparing it for building, and selling it to developers. Massive subsidies from the central government and the right to expropriate land zoned for development in a local plan had kept land prices artificially low and relatively equalized throughout the country. Some municipalities, Amsterdam included, even went so far as not to sell the land at all, but issue it as long-term leases. The profits made were then used to finance public facilities. Public authorities had the benefit of control over the urbanization process and low levels of speculation while developers benefited from a stable land market and an assured profit (Zundert van, 1990; Masser, 1993).
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process in which local plans are evaluated is a flexible one, involving two-way communication. However, the most important planning level is that of the municipality. Local plans indicate where building should occur and what uses are permitted. If a building application conforms to the requirements of a local plan, a permit must be issued by the municipality. Although this system of zoning may appear quite rigid, flexibility has been built into the system by an exemption procedure (article 19 of the WRO) which allows local authorities to depart from the provisions of an existing local plan. Frequent use of this led Thomas et al (1983) to conclude that the Netherlands and United Kingdom were both similar in the degree of latitude municipalities had in the development process (i.e. British consideration of material considerations versus Dutch freedom to depart from zoning ordinances).

Dutch society in general and Dutch planning in particular can be typified as incorporating and nonconfictual: “consensus-building, rather than the issuing of directives, was (and indeed still is) the dominant mode of Dutch planning” (Van der Wusten and Faludi, 1992: 26). Ideally, all stakeholders are incorporated into the planning process and given a say in the content of the plan. This is intended to enhance political acceptance and support, while the legally binding status of the local plan provides a level of certainty to development interests and promote market stability (Needham and Van de Ven, 1995: 54; Booth, 1996). This “way of doing things” in planning ran parallel with another postwar innovation: the creation of the Dutch “polder model” of labor relations. Here, wage moderation was exchanged for generous welfare programs and assurances that prices of consumer items and rents would remain under control (Terhorst and Van de Ven, 1997: 293). As will be argued later, the Dutch planning system has had a significant impact on the physical structure of the country, particularly with regard to the location and spread of shops.

6.1.1.4 The Dutch retail structure

The Netherlands sets itself apart from other countries by its hierarchical retail structure and small shop size relative to other countries in Northwest Europe (IMK, 1993; Borchert, 1998; EIM, 1999). There is little peripheral development — no out-of-town shopping mall for example — and the 40 or so hypermarkets in the country at the beginning of the 1990s accounted for only 2% of total grocery sales (European Commission, 1993: 171). By mid-decade this had risen to 5%, but compared to Germany (23%) and the UK (41%) it can still be described as modest (Guy, 1998a). The Dutch retail sector has been described by outsiders as a mature and highly structured market characterized by its relative prosperity and stability (Corporate Intelligence, 1995: 3). In most parts of the country, shops for daily goods are within walking or cycling distance, and comparison shopping items are concentrated in designated shopping areas. Anyone familiar with the urban structure of the Netherlands should recognize that the density of shops depicted in the map below is virtually indistinguishable from one displaying urban densities.
Despite this predominantly hierarchical composition, the Dutch retail structure has also evolved over time in ways that reflect the international trend towards consolidation (see §2.1). The table below of developments in shop size, floorspace and productivity illustrates some long-term structural changes in the Dutch retail sector, especially evident in the food branch.

<table>
<thead>
<tr>
<th>Year</th>
<th>Food (million m²)</th>
<th>Non-food</th>
<th>Total</th>
<th>Sales /m²</th>
<th>Shop size m²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>1.6</td>
<td>4.90</td>
<td>6.5</td>
<td>9.631</td>
<td>50</td>
</tr>
<tr>
<td>1970</td>
<td>2.0</td>
<td>6.50</td>
<td>8.5</td>
<td>11.590</td>
<td>65</td>
</tr>
<tr>
<td>1980</td>
<td>3.4</td>
<td>11.7</td>
<td>15.1</td>
<td>7.709</td>
<td>100</td>
</tr>
<tr>
<td>1990</td>
<td>—</td>
<td>—</td>
<td>15.4</td>
<td>7.247</td>
<td>137</td>
</tr>
<tr>
<td>1995</td>
<td>3.5</td>
<td>12.5</td>
<td>16.0</td>
<td>7.310</td>
<td>189 (1999)</td>
</tr>
</tbody>
</table>

From the table one can see that retail space expanded almost three-fold while at the same time sales per square meter actually decreased, after an initial rise in 1970. With less productivity per square meter, retailers were compelled to expand shop size just to maintain the same volume of sales (the growth in retail space can be explained in part by the economic conditions of the time at which it took place).\textsuperscript{129} As a result, the Netherlands has followed the general trend in Europe and elsewhere towards consolidation in the retail sector. The phenomenon of \textit{spatial consolidation} is evident from an increase in total floorspace and a corresponding decrease in the number of outlets over the years (Davies, 1995; Centraal Planbureau, 1999). This can also be read from the last column which presents the growth in average shop size for the second half of the century.

Not only did the number of outlets diminish, so too did the total number of retailers (IMK, 1993; NRC 10 Feb 1998; EIM, 1999), pointing to \textbf{corporate consolidation}. During the period under investigation, Dutch retailers increasingly sought mergers within the country and internationally, the most spectacular of which was the acquisition of KBB by Vendex in 1998, placing all Dutch department stores under the control of a single owner. So strong is this influence of multiples vis-à-vis SMEs that the two largest Dutch retailers — Ahold and Vendex — reportedly meet four times a year with leading retail developers — MAB and Multivastgoed — to divide up space in planned centers (NRC 13 Sept, 2000). Ahold has taken this a step further by extending its activities into the development sphere (VGM v26 Aug 1996: 43; VGM v23 May, 1999: 55). Thus, like elsewhere, we can see that spatial consolidation has been accompanied by corporate consolidation.

A concurrent trend, identified in Chapter 2 and linked to corporate consolidation, is the gradual shift from independent retailers to multiples and the homogenization of shopping areas. The Netherlands is the most intensively “chained” country in Europe (VGM v23 May, 1996: 41; Centraal Planbureau, 1999: 182). At century’s end, one third of all points-of-sale in the Netherlands was a multiple (D&P, 1999: 69). Only about 20 of the 170 shops in Amsterdam’s famous Kalverstraat, for example, were not chains (NRC 12 Sept, 1998). The transformation from independent retailers into multiple formulas is a phenomenon so familiar that the process has acquired its own term in Dutch: \textit{filialisering} (chain store-ization). This subject has been given lavish attention in the Dutch retail literature, both as to its causes as well as the question of whether filialisering is harmful to the retail structure, consumer experience or the livability of urban areas.\textsuperscript{130}

\textsuperscript{129} The table above reveals, for instance, that there was a rapid expansion of floorspace in the 1960s and 1970s in both food and non-food branches, which roughly corresponds to the rapid demographic and urban expansion patterns in these years. By the end of this period, growth in food began to slow as the market had reached its limits (Borchert, 1995a). Interestingly enough, the sales per square meter had reached a peak at the onset of the 1970s as modern logistical techniques were introduced and store formats were rationalized. However, by the 1980s, this advantage leveled off; and begun to decrease as size began to outstrip sales. The relative slump in construction during the 1980s is also visible, as is the renewed building activity in the 1990s (by 1995, already three times the amount of floorspace had been built as the decade that preceded it). Much of this development occurred at edge-of-town/out-of-town sites with the continuing construction of furniture and DIY superstores. Still, a considerable amount involved (vertical) extensions in city centers, whose total retail space rose by about 10% during the decade (Van der Wiel, 1996d: 77).

\textsuperscript{130} Many Dutch authors lament the ongoing homogenization of shopping areas, arguing that the urban environment has become increasingly bland and predictable. On the other hand, a recent study by the HBD suggested that since most consumers lack the national perspective that retail experts have, they are less aware of the extent to which shopping centers have become homogenized (Teeseling, 1998: 60). Therefore, whether blandness outweighs the reliability and trust consumers appear to appreciate — the existential relief of always knowing what they can expect to find at shops like HEMA or Blokker — has been the subject of a long and unresolved debate in the Netherlands. The consequences of this debate go beyond that of mere economics (the
In summary, one can describe the Dutch retail structure as hierarchical in terms of location in the sense that shops are concentrated in urban areas in various centers and sub-centers. The country has also followed the international trend towards spatial and corporate consolidation. A result is that Dutch city centers are thriving but generally dominated by large multiples operating small shops.

6.1.2 Retail policy and development

It goes without saying that such processes should not be treated in isolation as autonomous developments, as they are heavily dependent on various spatial, administrative and economic forces. Government policy in particular has had a great deal of influence on the Dutch retail structure, both in the way in which it has attempted to regulate the retail market, and more importantly, in the way in which planning policy has directed the location decisions of retail developers. The following section will recount the various retail planning policies that have been put into place over the years, and the various effects these policies have had.

6.1.2.1 Early Dutch retail planning 1950-1970

The enterprise of planning for retail establishments is a rather recent novelty (or some would argue, aberration) of the latter half of the twentieth century (Van der Wiel, 1996a; Borcher, 1995a). In this sense, the Second World War can be regarded as a milestone, marking a transition from a sector dominated by independent grocers (usually owning the premises), a handful of department stores in the larger cities, and piecemeal development along transport axes to the development of a rationalized latticework of planned shopping centers in an urban hierarchy. It is also at this time that new ideas began to take hold about the design, location, and control of these spaces.

The most effective control on retail development in the Netherlands originated from the statutory planning system which zoned locations for commercial use. Strictly speaking, the policy line followed by the Dutch government from the early postwar era until about 2000 has been that retail development must conform to a functional hierarchy (see §2.1 and §2.2) consistent with the precepts of Christaller’s Central Place Theory. Christaller’s depiction of a natural order of distribution was very appealing to Dutch planners. It provided a useful rule of thumb for commercial facility siting in urban extensions and new towns, and could be readily translated into concrete planning requirements. The hierarchy principle had far-reaching consequences for Dutch town planning. Retail facilities in both the postwar urban extensions around Amsterdam (e.g. Osdorp, Buitenveldert) and growth centers (e.g. Purmerend, Almere) were concentrated into planned district areas, while lower-order items were located in smaller neighborhood centers according to ex-ante calculations of retail need. The zoning of such functions in urban renewal areas followed a similar logic.
When calculating the retail need for a given area using the hierarchy principle in the Netherlands, a guiding concept was that of complementarity. This rule stated that every new shopping center had to be considered as complementing, and not excessively competing with existing centers (Vereniging van Nederlandse Gemeenten, 1989). The desired effect of this policy was to prevent “American conditions” of excessive price competition, bankruptcies and vacancies from arising (Buit, 1988: 77). These rules were especially welcomed by smaller shopkeepers who, more than abroad, were able to establish a prominent presence in the new shopping centers (Indemans, 1975). More importantly, it created a situation where Dutch retailers were assured that, once established in a particular center, they would be free of any additional competition — at least in terms of location. Another result of this policy is that it united commercial real estate and vested retail interests with those of city planners (Evers, 2000).

Figure 41: Superstores in Northwest Europe (Schat and Groenedijk, 1982)

One of the consequences of the faithful application of the hierarchy doctrine and an economic policy of wage moderation and restraint is that the Netherlands’ retail structure in the early 1970s had, in relation to its neighbors, no out-of-town shopping centers, few superstores or hypermarkets (see figure below). Instead, attention and investment was focused on city center projects like the acclaimed Lijnbaan in Rotterdam, whose formula of open-air pedestrian
walkways and clustered shops with easy-access for supply vehicles was copied in city and town centers throughout the country. As we shall see, another consequence of the hierarchy doctrine is that it led cities like Amsterdam in the 1980s to almost blindly react to economic and demographic decline by concentrating shops into designated areas.

While spatial planning provided an important control on retail development on the supply side and wage moderation affected the buying habits of consumers, some additional rules structuring retail development in the Netherlands should be mentioned as well. For example, the Trading Hours Act, which set limits on shop opening hours and prohibited trade on Sundays and holidays, has also played a part in shaping the Dutch retail structure. On the one hand, it may have dampened interest somewhat in out-of-town hypermarket formats, as these generally prefer to remain open later and strengthened the position of independents vis-à-vis multiple retailers. Conceivably, it might have also helped to inhibit the popularity of shopping as a leisure activity in the Netherlands. On the other hand, selective liberalization of this restriction (in certain city centers) in the 1990s has clearly added to the popularity of these areas.

Another basic rule of Dutch retailing was the Business Establishment Act of 1953, which required permits to open a business, ostensibly to improve the quality of retail establishments and protect the public interest (Veurtsjes, 1985). Because the certificates required for these permits sometimes entailed intensive training, the effect of this law was to raise the threshold for opening new businesses. This reduced the growth in the number of shops in the country and helped maintain the status quo (Borchert, 1995a). Moreover, the specificity of the licenses protected the country’s differentiated retail structure: it was unlikely that a butcher, for example, would take the trouble to apply for a permission to sell dairy items. The effect of this law inhibited “Hotellingesque” spatial competition (see §2.2.2), and further facilitated the production of a hierarchical system of provision. With the coming of modern forms of retailing, typified by growing economies of scale and diversified product ranges, this law became increasingly regarded as anachronistic and after several amendments, is finally being repealed.\footnote{Supermarkets, for example, were required under the law to obtain a corresponding array of permissions for selling meat, dairy, vegetables, etc. The Act was amended in 1972 to allow licenses for multiple product ranges, and to allow licenses to be passed on automatically to subsidiaries, thus encouraging business consolidation. After several years in force, the Act was again relaxed in 1980, and should be phased out entirely by the early 2000s (Kamerkrant Amsterdam23(7), 1999).}

Like resale price maintenance in the UK, Dutch retailers have also not been completely free to set their own prices. In order to protect small businesses from unfair competition, a minimum price law set levels at which certain goods like bread or milk could be sold. This law is also in the process of being phased out and applies now mainly to books. On the other hand, a similar restriction can be seen originating in the private sector, namely the practice of manufacturers demanding minimum prices for their goods. This was considered by some companies as essential for product branding.

Finally, it must be mentioned that the Netherlands, like most other developed countries has anti-monopoly laws in place. Although countries like the United States are relatively active in antitrust enforcement, the Netherlands and Great Britain are generally more forgiving to large companies wishing to expand their market share (Hallsworth and Evers, 2002). The Dutch competition authority, for example, did not find it necessary to block the merger of
KBB and Vendex in 1998 to prevent all department stores being owned by the same company (however the EU antitrust authority almost felt otherwise). In addition, partly because Dutch corporate law protects the secrecy of companies, many international companies have chosen this country as their headquarters (Corporate Intelligence, 1995: 3).

6.1.2.2 Restrictive retail planning 1970-1990

The interests of consumers were assumed to be served by such planning principles and economic policy. By the late 1960s, however, a breakdown of the functional hierarchy seemed inevitable as explosive growth in radii of activity, enabled by rapid and flexible transport modes, rendered the axiomatic principle of distance seemingly obsolete. Wage moderation had become increasingly untenable, and household incomes rose suddenly. Retailers responded to this newfound affluence with expanded product ranges; the additional stock required more space, either in the form of physical extensions to existing shops or new locations. The hypermarket format, swiftly gaining popularity in Germany and France, combined this desire for large shop size (units often as large as 10,000 m²) with the increased (car) mobility of consumers. It seemed just a matter of time until this would reach the Netherlands, as smaller-sized superstores around 2,500 m² were already starting to dot the Dutch countryside.

By 1970, the mass-consumer market had made its entrée into Dutch society, and large format stores were expected to follow soon. The Dutch national government commissioned a task force to look into the matter, and report back on the effects this may have on the existing retail structure (TK 1972-1973, 12321). The market proved to be faster than the task force, however, and a hypermarket proposal at a site on the outskirts of Muiden, approximately 15 km to the East of Amsterdam sparked off a controversy which would leave a visible imprint on Dutch retail planning policy until the present day. Given the significance of the Muiden case and its utility for gaining insight into the Dutch planning system, it will be discussed in more detail below.

Muiden: a test case

On June 6, 1972, the city of Muiden received a request from the eminent retail group Koninklijke Bijenkorf Beheer (KBB) to assist in the realization of a superstore within its jurisdiction (Schat and Groenedijk, 1982: 42). This letter was, in effect, a statement of intent to apply for a building permit for a 10,000 m² “Maxis” hypermarket at a peripheral site zoned in the local plan as “trade and industry.” Within weeks of this disclosure, the local shopkeepers’ union and various members of the city council were already drawing battle lines. Other actors (mayor, chamber of commerce, media and neighboring communities) also began to position and brace themselves for the impending political fray.

Without descending too much into detail into the legalistic minutiae of the case, a few points should be mentioned which illustrate how very muddled and politically sensitive the decision to approve a building permit — officially a technical-bureaucratic matter — can become. It must be remembered that according to the letter of the law as established in the WRO, all applications found to be in compliance with a valid local plan must be granted (see §6.1.1.3). However, this seemingly unambiguous rule was anything but clear-cut in Muiden. First, the plan governing the site had been adopted in 1969 but still hung in a juridical limbo, being approved by both the city council and province, but suspended by an appeal to the Raad van State (administrative court of appeals) by a resident’s objection. Second, there was a lack of clarity about the zoning itself: “industry and trade” was obviously intended to allow wholesale and not retail trade, but this was not articulated as such in the plan’s notes. The
confusion called for careful study of the rather scant and short line of jurisprudence of similar cases, which was continually changing as similar cases began to emerge.

Muiden decided to try to wait until legal and policy changes would shed new light on the matter. This perceived foot-dragging by the municipality provoked, KBB to threaten Muiden with a lawsuit of NLG 10 million (€4.5 million), raising the stakes to a level far beyond what a small community like Muiden (then approx. 6,000 residents) could afford. As this presaged an unequivocal statement or policy by the central government (although this matter was being researched by an interdepartmental task force concurrent to the application procedure, and policy recommendations were considered imminent) there was a chance that planning permission issued on the grounds of local plan compliance would be overturned by a higher authority on the grounds of conflict with national spatial planning policy objectives were they to emerge in the interim. This latter point had far-reaching consequences for potential liability claims. The above construction would indemnify Muiden against claims from KBB, shifting the burden to the agency overruling the local decision. This route was seen as the safest, and permission was finally granted by Muiden on June 4, 1973 on the grounds of recent jurisprudence and the impending lawsuit by KBB. Therefore, not spatial planning or economic considerations, but the possibility of paying ruinous damage claims was in the end determinative for this retail development (Schat and Groenedijk, 1982: 81).

Once the matter had been settled within the confines of local politics, actors from outside became involved, which elevated the Maxis/Muiden controversy to a higher level of scale. The neighboring municipality of Diemen submitted a request to the national government to quash the decision on the grounds of conflict with the public interest. Amsterdam offered a more straightforward objection, namely that Maxis would undermine its efforts for establishing a retail center in the new Bijlmermeer estate. Nevertheless, neither of these arguments proved sufficiently persuasive at higher tiers of government to have Muiden’s decision overturned. The project was given a green light, and on September 11, 1974 the hypermarket opened to the public (De Hen, 1986: 284). Like most schemes of its type, Maxis Muiden has substandard public transport accessibility, the only bus stop being a ten-minute walk from the main entrance (see photo), and not integrated at all into the urban fabric (the site is surrounded by open countryside and a highway).

The Muiden case raises a few interesting factors in planning conflicts. First, there was a clear disparity in the power base of the two sides: a national retailer was able to overpower local resistance mainly because of the legal damages this could entail. KBB was unsuccessful when it made a similar attempt in a larger community (Nijmegen). Secondly, a simple building permit decision can quickly escalate into political controversy and impasse, in which
economic and spatial planning considerations become subordinate to issues of liability and political pressure. At such a point, the result is usually third party mediation or arbitration, or in this case capitulation of one of the parties. Another interesting insight regards the level of scale. Before the decision was reached to issue the permit, the game was largely played at the local level. Afterwards, the decision-making arena was raised to that of the national government (interestingly enough, passing over the provincial level). For the Dutch government, the Muiden example illustrated the difficulty of controlling retail development in the absence of strong measures at higher levels of scale. Because Muiden was only about 15km from Amsterdam, and the catchment area of the hypermarket was estimated to be much larger, it seemed rather illogical that the judgment of whether or not to issue the permit would fall solely on decision-makers of a small town. This case signaled the need for regional or national level actors to become involved in the planning of large-scale retail developments. Otherwise, cities would be encouraged to permit large centers to be built within their jurisdiction that would attract business (and money) from neighboring municipalities — and to do it first (see §2.3).

A strong national response
Soon after the Maxis permit was issued, the task force study commissioned to investigate hypermarket development in Europe published its results (TK 1972-1973, 12321). The task force found that such developments could have a considerable impact on the retail structure, and recommended discouraging out-of-town retail developments. This came concurrent with similar advice from the national advisory council for spatial planning (RARO). Furthermore, in the eyes of the national government, the Muiden controversy was also exemplary for the failure of local and provincial governments to adequately deal with the spatial impacts of new forms of retail development.

In 1973, the national government decided to impose a “very restrictive” retail policy (Vereniging van Nederlandse Gemeenten, 1989). The new rules introduced a new concept to the traditional retail planning hierarchy of centers: peripheral retail outlets, or PDV (perifere detailhandelsvestiging). The term “peripheral” here refers to areas outside of established shopping centers within the built-up area, especially industrial sites at the edges of urban areas (i.e. brownfields) — greenfield sites were ruled out entirely. Under the new regime, applications for retail activity in peripheral locations should only be granted permission if they were seen as being complementary to city center functions (TK 1984-1985, 18786: 3). In addition, only hazardous or explosive goods and bulky items like automobiles, boats, and caravans could be sold at PDV sites. Moreover, businesses were only allowed to locate at PDV sites after having passed a “three-step model” procedure — similar to the “sequential test” now in force in the UK — which would demonstrate that no suitable site was available in or at the edge of an existing center (Hoofdbedrijfschap Detailhandel, 1996). After adopting the PDV policy at the national level, municipalities were urged to amend their local plans accordingly. Because of the number of hypermarket requests was mounting, time was of the essence. Provinces were called upon to take stock of the municipalities in their jurisdiction with local plans still containing the problematic “industry and trade” zone and close this loophole. The PDV policy also mandated that any additional retail development proposals at either the local or provincial plan level be accompanied by a retail need and effects study.

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132 One can argue that the major policy shifts in the 1990s may be producing a similar situation of uncertainty. This subject will be returned to later at the end of the chapter.
No major changes were made to this policy in the 1980s. Regulation of retail spread largely continued along the lines of the hierarchy principle established and enforced in local plans, except in those cases sanctioned by the PDV policy. Despite the relative stability, this decade also saw the first signs of the liberalization and deregulation of retail planning policy that was to continue on and accelerate into the 1990s. The rationale lay in the need for economic stimulation in the face of unemployment and urban decline. In 1980, the Business Establishment Act was relaxed (Linssen, 1999), because one outcome of this law was to block or impede entry into the sector. It is also in this period that the first murmurs of liberalizing shop hours were heard. Another liberalization came about in 1985 which formally repealed the obligation to conduct a retail need study when preparing a new local plan due to the high costs involved (TK, 1984-1985: 18 786: 1), although many municipalities continued to do so (Van der Wiel, 1996b: 23).

Trading Hours Act relaxed

Until the 1990s, shops in the Netherlands were among the most strictly regulated in Europe in terms of when they were allowed to be open for business. The 1976 Trading Hours Act set the maximum hours a shop could be open per week, and specified times and dates when trading was prohibited. Besides promoting fair-trading practices and establishing clarity for consumers, this law protected the position of SMEs. Over the years, however, social, demographic and labor market trends would conspire to make the maintenance of this system increasingly precarious. When the law was enacted, most households consisted of single-breadwinner families, allowing one partner (usually female) to do grocery shopping during the daytime. Even at the time of the law’s adoption, the number of households conforming to this norm was declining, decreasing further into the 1980s and 1990s. By 1995, the share of single household and dual-income households — both of which generally have more difficulty finding time to shop during regular business hours — had risen considerably (Ministry EZ, 1999: 2-3).

In 1995, after many years of pressure by consumer groups and retail giants, the Act was relaxed to allow three more hours of trade per week (52 to 55) and the maximum closing time was lengthened thirty minutes to 6:30 p.m. on weekdays and 7:00 p.m. on Saturday. This remained unsatisfying to consumers, however, and the law was changed less than a half year later to allow shops to remain open as late as 10:00 p.m. on workdays. Exceptions from opening-hours restrictions altogether were made for pharmacies, hospitals, public transit and gas stations, airports, roadside restaurant shops, and the like (TK 1994-1995, 24 266: 5, 183). Under this regime, municipalities could impose stricter limits if they so desired, or permit trade on Sundays in tourist areas (the latter was also permitted under the 1976 version, but applied with renewed vigor under the new system). The city center of Amsterdam has made ample use of this clause, liberally designating large sections of the inner city as tourist areas, making Sunday one of its busiest days. Such practices are a source of concern among advocates of the Sunday-as-rest faction, who argue that by taking advantage of the Sunday exemption municipalities do not merely serve, but actually create tourist areas (TK 1998-1999, 28 9900).

Although it may have caused some initial confusion among consumers (Bak, 1997), reactions to the newly extended hours by the general populace have been overwhelmingly positive (Volkskrant 10 May, 1996; Telegraaf 24 June, 1998). The Ministry of Economic Affairs boasted that the extended opening hours had functioned as “a job machine” and had already become well embedded in the minds and habits of Dutch consumers. The Ministry further praised the fact that under the new system the retail sector had “rediscovered” opening times as a form of competitive advantage (Ministry EZ, 1999: 6-7). On the other hand, this form of competition clearly favors multiple and chain store formats at the expense of the already precarious position of independents, and the 1990s reforms can be seen as a reflection of the erosion of this group’s influence on public policy.
Another policy change which affected retail development concerned the assortment allowed at PDV locations. As stated, under the PDV regime, only vendors of explosive materials or bulky items such as cars and boats were allowed outside established centers. However, out-of-town locations with good car accessibility were also seen as increasingly attractive for retailers trading in home improvement materials (DIY) and furniture. Political pressure from businesses trading in these ranges at a time when entrepreneurship was more welcomed than reviled, and various clandestine attempts by these retailers to establish themselves at PDV locations anyway on the pretense of selling “bulky” items (see Vereniging van Nederlandse Gemeenten, 1989 for a survey of relevant jurisprudence), induced the national government to review this aspect of the PDV policy. In 1984, after some debates in parliament, large-scale furniture and building materials were formally brought under the umbrella of PDV-admissible items (Hoofdbedrijfschap Detailhandel, 1996; TK, 1984-1985: 18786: 7-8). This enabled the advent of the Dutch *meubelboulevard*, or in more dispassionate English planning jargon, furniture retail park. Within years meubelboulevard had become a household term in the Netherlands, and most reasonably sized cities had at least one on its periphery.

### 6.1.2.3 Gradual liberalization 1990-1999

The last decade of the century was an eventful one both in terms of Dutch retail planning policy and retail development. The upswing in the economy, granting more latitude in consumer spending, injected a new confidence into the development market. The 1990s was also a time of increasing competition in the retail sector: there was a veritable explosion of retail floorspace at peripheral sites and, at the same time, sleek urban malls were becoming increasingly commonplace. Meanwhile, the trend in the Dutch retail market towards spatial and corporate consolidation continued. The 1990s was also a time of reevaluation and revision of Dutch retail and economic policy at the national level. This decade witnessed, after many years of controversy, the amendment of the 1976 Trading Hours Act (see box) as well as the most significant modification in retail planning policy since the introduction of the PDV concept in 1973.

### From PDV to GDV

A review of the PDV policy in 1990 was, like those performed in other decades, laudatory in tone (TK, 1991-1992, 18786: 3). According to the report, the restrictive policy had successfully prevented vendors of high-street merchandise or “center-relevant items” from establishing at peripheral sites (Hoofdbedrijfschap Detailhandel, 1996: 18). The 1990 policy review took the position that the 1985 relaxation had acted as a pressure valve in the retail commercial market, pointing to the fact that most other western European countries have much higher levels of peripheral developments, especially supermarkets (Centraal Planbureau, 1999: 181).

Paradoxically, the publication of this evaluation was immediately followed by another relaxation of the PDV policy. Some have questioned why, given the positive reviews of the restrictive policy, the government decided a few years later to amend it. There seemed to be little consensus on this point, but the argument made at the time centered around fears of stifling the dynamics of the retail market in the Netherlands in light of internationalization trends underway in western Europe — and these retail dynamics pointed to ever-increasing floorspace for shops. The popular furniture outlet Ikea posed a particular problem. This company is one of many internationally operating retailers whose corporate strategy involves
modifying the success formula as little as possible (Prime, 1999).\footnote{McDonalds and Toys R Us are two other examples. Wal-Mart is yet another example, and the fact that it has passed over the Netherlands on its road to European conquest may be an indication the inhospitable climate retail planning policy has created for big-box food retailers (FD 1 July, 1999; Hallsworth and Evers, 2002).} For Ikea, this includes a location along a highway, a catchment area of 60km, and excellent visibility of its blue-and-yellow logo (Kooijman, 1999a: 203). Although these demands were usually difficult for Dutch planners to swallow and generally flew in the face of the PDV policy, after waging uncompromising battles with municipalities, Ikea usually succeeded in establishing itself anyway. Partly in order to solve the Ikea dilemma, the list of PDV-items was expanded at the beginning of the decade to include “home furnishings” as an outgrowth of the category “furniture” as well as materials for the garden, kitchen and bathroom (TK, 1991-1992, 18786; Cerfontaine, 1995: 1).

The deregulation was supplemented with a decentralization of authority. Municipalities and provinces were charged with overseeing the implementation and specifying exactly which items fell under the PDV policy. Finally, the three-step model for determining PDV eligibility was also officially abandoned. Soon it appeared that Ikea was not the only company that had difficulties with the PDV policy. Other businesses, already having established themselves at PDV sites began to surreptitiously sell restricted items or announce dubious extravaganzas that took great liberties with official policy. Across the nation, local authorities proved either unwilling or unable to check such activity, and again, as in 1973, a response at a higher level of government was sought.

After some debate in parliament, the national government decided in 1993 to introduce a new policy for large-scale retail called GDV (geconcentreerde grootschalige detailhandelsvestiging). This policy would allow superstores to be built for which the product range limitations did not apply, essentially giving a green light for edge-of-town shopping malls. Rather than proclaim a full liberalization, however, the government decided that such developments be subject to certain extra planning conditions. The first was that GDVs would only be allowed in the thirteen “urban nodes” identified in the Fourth Report on Spatial Planning. Second, GDVs would have to be accompanied by a study of the regional distributional structure that demonstrated that sufficient economic capacity existed to accommodate such a development. Third, GDVs must be planned in consultation with the business community and the Inspectorate of Spatial Planning. Fourth, the site itself must be well-accessible by public transport (i.e. have official “B-location” status). Finally, the national government stressed that — in order to complement and not subvert the integrity of city center shops — only large-scale enterprises should be allowed at GDV sites, and a 1,500m\(^2\) as minimum space requirement was suggested for GDV outlets (Cerfontaine, 1995: 2; Ministry VROM, 1995; Van der Wiel, 1996b; Centraal Planbureau, 1999: 177-192; Ministry EZ, 2000; Evers, 2002).

### Market responses to the GDV policy

There were distinct reservations about the GDV policy reforms amongst commercial real estate investors and established retailers. These issues were discussed at a 1994 NVM (Dutch real estate agent association) conference entitled “Do big retailers really want to move to the urban fringe?” At this conference, it became clear that this was a very divisive issue within the business community in which some big retailers and investors were diametrically opposed to city center SME organizations and certain property developers (Vastgoed, 1994: 1). (For its part, the NVM attempted to take the middle ground in this debate with an endorsement of the new GDV policy, under certain fair-trade conditions.) As a whole, the union of Dutch
developers was opposed to the liberalization. The opportunities afforded by the liberalized PDV and new GDV policy received only a lukewarm response from the Dutch retail sector. SMEs complained that they were effectively excluded by the 1,500m² requirement. Other retailers, including prominent national chains, which had for the last few years invested heavily in core shopping areas, were afraid that a liberalized policy would allow others (especially foreign competitors) to undermine these efforts by starting price wars from inexpensive peripheral sites. At another conference held in 1994 on this subject (Stichting Forum voor Stedelijk Vernieuwing, Zeist 23-24 September, 1994), representatives from Ahold and Vendex complained that the “pressure from the market” signaled by the government to liberalize was being exaggerated:

…only a couple of companies are pushing for this, and we shouldn’t lose our heads over them … These bullies want to head for the periphery just because it’s fast and cheap. This has nothing to do with [retail] formulas (Rutten, 1994).

Such political opposition was found by the consultancy firm Kolpron to be the main obstacle for municipalities opting for GDV, and several eligible cities (e.g. Tilburg) initially decided against building a GDV altogether (KvK Amsterdam, 1995: 3). Nevertheless, within a couple years, three of the four largest cities — Amsterdam, Rotterdam and The Hague — were working towards developing a GDV. The next section will turn its attention to Amsterdam, where the largest GDV is being developed.

6.2 Regional context

The capital of the Netherlands, Amsterdam, is located in the northern part of the Randstad, a polycentric conurbation comprised of four major cities, and several smaller ones in a roughly horseshoe pattern on the western shore of the Netherlands. The size of the Randstad is comparable to the Ruhrgebiet, the Paris and London metropolitan areas, or North England. Whether the Randstad can be considered a single metropolitan area (albeit polycentric) has been the subject of a long and inconclusive debate (Hall, 1966; Van der Valk, 1991; Dieleman and Musterd, 1992; Masser, 1993; Faludi and Van der Valk, 1994; Shachar, 1994; De Boer, 1994; Van Rossem, 1995; Berg, 1996). Recently, the term Randstad has fallen into disfavor, being superceded by Deltametropolis which refers to roughly the same area. For practical purposes, this chapter will avoid such debate and limit talk of “the region” to the Amsterdam metropolitan area, rather than the entire Randstad. The “local” context will then focus on a particular city district within Amsterdam. Since shopping in the region has traditionally been dominated by the Dutch capital, it is to this that our attention now turns.

6.2.1 Amsterdam’s retail structure

A few centuries ago, Amsterdam’s retail structure was quite different from what it is now. Instead of supermarkets and grocers, ambulatory peddlers and producers’ markets supplied the needs of most of its citizens. The city center still possesses traces of these pre-modern retail spaces in the names of its streets and squares. Four hundred years ago, for example, one could walk from the market at the Dam (almost as old as the original settlement itself), through the Kalverstraat (calf street) and Turfmarkt (peat market) area over to the Kaasplein (cheese square, now Thorbeckeplein) which lay next to the Botermarkt (butter market, now Rembrandtplein). The shop in the modern sense (as the sale of goods by middlemen to consumers from fixed premises) began to develop in Amsterdam mainly in the seventeenth and eighteenth centuries as the city grew in wealth, size and specialization.
Before the far-reaching planning measures following the Second World War and the widespread introduction of the car into the urban landscape, shops in Amsterdam grew not according to a rationalized plan but organically from the main axis of Kalverstraat along main transport routes leading outwards such as the Utrechtsstraat, Haarlemmerdijk, Haarlemmerstraat and Leidsestraat (see figure above). By the nineteenth century, the Kalverstraat had begun to acquire a reputation as the most exclusive shopping street in the country, and hotels, restaurants and other consumptive services flourished at this portal to Dam square. By the early twentieth century, retail as an urban function had begun to leave an imprint on the city center, which has remained largely unchanged to the present day.\(^\text{134}\)

\begin{quote}
\textbf{Early retail formats}
In addition to the fixed-location specialty shop, two other important retail formats made their entrée in the Netherlands before the Second World War: the \textit{arcade} and the \textit{department store}. The first of these, comprised of a collection of shops within a semi-enclosed area — often inspired by the famous galleria in Milan — protected potential customers from traffic and the elements, and made comparison shopping more pleasant. The Haagse Passage is one of the purest examples of this form in the Netherlands, but there is nothing comparable to this in Amsterdam. The department store was the first example of an integrated and introverted structure devoted solely to retail. At the apex of the status scale in the Netherlands was the Bijenkorf in Amsterdam, built in 1914, followed two years later by Vroom & Dreesman (V&D). In 1926, the first HEMA opened and met with such success that another 25 followed within five years (Kooijman, 1999a: 62).
\end{quote}

\(^{134}\) The morphological features quintessential to Amsterdam were left relatively unscathed by nineteenth-century urban renewal like in Paris, Brussels or Antwerp which generally included the widening of roads, ordering of housing blocks, etc. (Wagenaar, 1993, 1999; Van de Wiel, 1996a: 8).
Outside the city center, however, the introduction of modern retail planning based on Central Place Theory resulted in the introduction of planned centers to serve the needs of local residents. For higher order goods, residents were obliged to travel to the city center.

6.2.2 A teetering giant
In the 1960s, the area within Amsterdam’s Singel canal was the unmistakable heart of a proud and growing city, and unchallenged in the region. Almost all commercial activity was focused on the center, with department stores situated near Dam square, and specialist shops lining the Leidsestraat and Kalverstraat. All the major Dutch banks had their headquarters in Amsterdam’s center, insurance companies owned entire rows of stately canal houses, while Nieuwezijds Voorburgwal was the national media center (Parool 24 Aug, 1982: 21; Jolles, 1995; VGM v23 Nov, 1996).

In the late 1960s, signs of danger for the economic well-being of the city were beginning to surface. The most palpable of these was a drop in population. At the beginning of the twentieth century, Amsterdam’s population had grown at an unprecedented rate, peaking at almost 850,000 in 1960 (Engelsdorp-Gastelaars van and Ostendorf, 1994). Thereafter it tapered off, beginning a steady decline which would last three decades. Meanwhile, the metropolitan area was growing robustly. Every year people were abandoning the city for its suburbs and planned growth centers, the void being only partially compensated by immigration from abroad. As the concentration of public housing was within Amsterdam and the concentration of owner-occupier housing outside, this created a social sorting as well (Terhorst and Van de Ven, 2003). The residential exodus was soon followed by jobs to towns like Hoofddorp (housing Schiphol airport). In the 1970-1996 period, the economic product of the inner city declined by over 20%, and the number of jobs was cut in half (Vegt and Manshanden, 1997: 7). Unemployment, falling in the Netherlands as a whole from 18.3% in 1983 to 14.1% in 1985, rose in Amsterdam from 22% to almost 24% in these same years (Faludi and Van der Valk, 1994: 186). More important for our purposes however, was the impact this had on retail trade: the decline in Amsterdam’s population meant a decline in the immediate customer base for its retailers. This problem was especially acute for shops in the inner city catering to the affluent and middle-class groups, because these were the most likely to have deserted the city. This, coupled with the residual effects of the oil crisis set the stage for the crisis years of the 1980s, from which Amsterdam has adapted and persevered, but never completely recovered.

6.2.3 Crisis in the 1980s
The fact that the urban retail structure manifests itself as a tirelessly churning mosaic of storefronts — constantly opening, closing, moving, renovating, expanding, specializing or diversifying in order to follow or anticipate consumer demands — can obscure the composite effects of all these changes. Even so, it became clear that the 1980s was a time of crisis for Amsterdam.136 A study carried out by the University of Amsterdam in 1985 frankly stated that:

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135 Unemployment in 1961 was virtually nonexistent, and the 10,424 vacancies far outnumbered the 4,294 job-seekers registered at the employment agency for Amsterdam and its contiguous suburbs. The main problems signaled during this time were the housing and personnel shortages, and businesses started actively recruiting from abroad (De Hen, 1986: 9).

136 Ironically enough, the urban crisis was fuelled by the success of the Dutch urbanization policy that encouraged middle-income households to relocate to designated growth centers. At first, the departure of these consumers had only a modest effect on the profitability of retail businesses in the center, as relatively few
Whoever would now dare to assert that Amsterdam’s city center is considered the most important shopping district of the Netherlands, can count on heavy criticism. Such an assertion would be rebuked, and not without cause, with the observation that this center has been eroding for decades” (Eiff et al, 1985: 1).

Amsterdam also suffered from negative publicity in the media, which had demonized the city center as synonymous with chaos, filth and crime (Gemeente Amsterdam, 1988: 45; Interview Van der Kolk, 1999). In the 1970s and 1980s there was an exodus of quality shops from the inner city to the PC Hoofdstraat and Van Baerlestraat (southern quarter), being replaced by mostly fast-food outlets, hash bars, discount clothing, and trinket shops geared towards budget tourists (Van der Tol and Snepvangers, 1993; Parool 24 Aug, 1982: 21). This transformation was coupled with a reduction in rents for commercial space, tumbling from five times that of the surrounding region, to a mere 1.2 times (Parool 24 Aug, 1982: 21). The local press often ran stories covering the woes of retailers in this period. The owner of Focke & Meltzer, for example, a prominent shopkeeper of exclusive crystal and porcelain, after announcing the closure of its Kalverstraat outlet, remarked that the street had once had allure, but had been deteriorating since the mid-1970s (Parool 24 Dec, 1986). Dutch real estate expert Van Hattum summarized the problem:

In the past, people would come from afar to Amsterdam to shop in the Kalverstraat, but they don’t do this anymore. First, because the Kalverstraat is filthy and secondly because they can buy everything that is offered in the Kalverstraat at home (in Kruithof, 1990).

However spectacular the Kalverstraat’s decline may have been to these particular shopkeepers and the media, it still remained relatively protected by both its reputation (Dreesman, 1986) as well as by municipal planning policy. Other shopping streets were less fortunate.

All this deeply concerned the business community. In 1982, a petition was sent to the city council, signed by prominent business groups such as the KvK and Vereniging Amsterdam City (VAC), which urged that swift business-friendly measures be taken to check the decline. Suggestions included increasing accessibility and fighting crime. These pleas fell on deaf ears. Instead, the city council responded to the downgrading of retail functions by intensifying its interventionist stance. First it attempted to slow the migration of shops from the center to the southern quarter by prohibiting residential units in the PC Hoofdstraat to be rezoned as retail. The city quickly ceased these practices once it became clear that this movement was a “second best” option to migration outside of the municipality entirely (Dijkink, 1990: 104-105). The city also used its political clout to slow or control developments outside its borders. This strategy had been employed in other major planning and administrative decisions, most notably the annexation of the Bijlmermeer (see §6.3.1) and demonstrates the municipality’s traditional preference of over ruling rather than cooperating with its neighbors in planning matters (Bovenberg et al, 1994; Van der Veer, 1997; De Hen, 1986). With regard to retail, one manifestation of this defensive strategy was to ensure that the province reject the proposed expansion of neighboring Amstelveen’s main shopping area (Parool 16 Sept., 1998). Another tactic regarded the possibility of an administrative integration with its suburbs into a

attractive shopping areas were built elsewhere, and consumers were induced — by superior supply and a lingering bond with the city — to return to the Kalverstraat and the Bijenkorf. However, as the growth centers began to mature, so too did the quality and diversity of the product range in their shopping districts, making a trip to “the big city” less necessary. Sometimes these suburban centers acquired such a degree of specialization that it posed a potential threat to the Amsterdam, such as arguably the “Zwarte Markt” in Beverwijk and Amstelveen center have done.

137 These were reminiscent of the language employed by the same actors in the late 1960s. The socialist-dominated city had chosen to ignore the demands, however, and instead impose even stricter controls on, for example, parking.
metropolitan body because such a reapportionment would be expected to smooth the developing inequalities within the region. This was attempted in the 1990s via the regional authority ROA which was intended to become a city province, but was voted down in a 1994 referendum.

In addition to such outward-looking measures, the city council also turned its attention inwards to examine the problems of the retail structure in the city center. Influential reports made by retail planning experts at the time concluded that the departure of residents had created an oversupply of retail space in the inner city. These studies estimated that 40-50% of the center’s retail floorspace had become superfluous, and that a fight for survival for a shrinking share of sales in the region would damage the city’s retail structure, not to mention the livelihood of shopkeepers (CIMK, 1981 in Jansen, 1990). The municipality and the KvK viewed the rather splintered pattern of small shops scattered throughout the inner city as an additional problem. Within the framework of the functional hierarchy, the solution to both problems was clear: shops must be consolidated into coherent city, district and neighborhood shopping centers according to the order of goods provided, and “anomalous” free-standing stores must be purged (Eiff et al, 1985; Jansen, 1990). Such goals were mainly to be achieved through urban renewal and by rezoning retail spaces as residential. As a result of these measures, the number of shops in the inner city decreased by about 11%, while the retail floorspace in select shopping streets increased (Gemeente Amsterdam, 1988: 15). This concentration of shops in selected major shopping streets was accompanied by a concentration of shops (usually owned by multiples) into planned shopping centers, increasingly enclosed, and increasingly under a central management. The restructuring of city center retail would continue onward into the following decade as would the competition from outside.

6.2.4 Metropolitan competition in the 1990s
As elsewhere in the Netherlands the 1990s was a time of heightened competition in urban development in the Amsterdam metropolitan region. Portentously, the decade opened with the publication of a report by the Dutch Scientific Council on Government Policy recommending fiscal decentralization (WRR, 1990). It was argued that municipalities, especially large cities, had become complacent and noncompetitive because most of their income derived from central government subsidies. Although this was not a policy document, but advisory in nature, it still sent out a clear signal to cities like Amsterdam who would stand to lose from such a measure. This served to intensify a pro-development mentality already emerging in Amsterdam. As will be discussed later, an Olympic bid had given the city its first taste of local boosterism and this was carried forward in the early 1990s with the waterfront project, the Zuidas project, and the ArenA Boulevard.

Retail growth
In terms of retail, the beginning of the 1990s began rather auspiciously for Amsterdam. After decades of reports of dilapidation and decline, there was a renewed interest of retail property investors in the city center. Part of this has to do with the burgeoning tourist trade, which called for more hotels, restaurants and souvenir shops. There was also a growth in integrated shopping centers in the city center. Multiple retailers used these high-traffic locations to function as “storefronts” for their outlets in the suburbs (Interview Van der Kolk, 1999). The real growth in retail space and sales was in the metropolitan area. This growth was not merely accommodating an increase in population as in the 1960s and 1970s; shop space per person also increased. While the national government had set explicit rules on retail developments outside of established town centers (PDV), control of expansions in the centers of suburbs is left up to the municipality in question. About mid-decade, this raised fears of saturation and oversupply in the regional retail market and whether Amsterdam, despite a renewed
confidence was adequately maintaining its position. In this view, building high-quality retail
space to service the affluent local population of a particular suburb will detract from the
vitality of the core city as shopping destination, and ultimately as a place to live as well. It
was also felt that major cities ought to offer urban amenities which are at a higher level of
that in the surrounding region (Boekema and Buursink, 1996: 3). This section will discuss the
various threats posed to Amsterdam’s retail hegemony, and some of the projects undertaken
inside the city to counteract it.

Suburban competition
The most obvious suburban competitor to Amsterdam is the affluent town on its southern
border Amstelveen. In 1998, it rebuilt its main shopping center. The design was inspired by
the North American mall format, with small shops in an enclosed area, flanked by two anchor
stores (Bijenkorf and V&D). There was overwhelming interest amongst retailers, and 663
inquiries were made for the 70 available units (Parool 16 Sept, 1998; Parool 5 May, 2001).
More impressively, the city succeeded in attracting the country’s most exclusive department
store — the Bijenkorf — to this suburban location. While many customers from
Amsterdam will continue to be drawn by the flagship at Dam square, patrons living to the
south are likely to avail themselves of the new outlet, especially those coming by car. After
its completion, the developer proudly exclaimed that Amstelveen city center “is among the
top three shopping centers in the country, with the potential to grow into the second, maybe
even number one.” Explaining this, he continued, “Many factors make a shopping center a
success, but the purchasing power of the residents is the most important” (in Parool 16 Sept,
1998). This is the Bijenkorf’s first move to a suburban location, and could be a signal of
things to come.

An unlikely but interesting competitor for the city center are the shops at the airport.
Schiphol Plaza was built in the mid-1990s and enjoyed immediate success. It is not only
patronized by personnel and travelers (as was the intention), but also draws steady customers,
especially from Amstelveen, Aalsmeer and Uithoorn. These customers value the convenient
rail link and parking at the terminal, and the generous opening hours. The supermarket is
especially busy on Sundays, especially with bad weather. About 40,000 people work at
Schiphol, but the airport’s management estimates that this is responsible for only 27% of the
sales. The “fun” element seems to play a bigger part in the sales at Schiphol Plaza: about a
quarter of the sales are recreational purchases. Although the retail space is only 4,000m² at
present, it has ambitious expansion plans (AS 4 Dec., 1996: 9). Behind the security gates,
Schiphol’s “See-Buy-Fly” shops were the best performing outlets in the Netherlands, with
sales rates of €45,000/m² (Metz, 2002: 123).

Another center is the Zwarte Markt/Beverwijkse Bazaar, growing since the early 1980s to
its current size of around 55,000m² (Kamerkrant 24, 2000: 7). This is a large-scale unplanned
retail development on the outskirts of the town of Beverwijk to the north of Amsterdam. It is
comprised of a series of sprawling warehouses containing various market stalls (tropical
foods, flea market, discount items, computers), many of which are operated by amateur
entrepreneurs. The Zwarte Markt complex is flanked by a meubelboulevard, and the owners
have bought the adjacent soccer field in order to build a mega-cinema complex. No free
parking is provided at the facility and even an admission fee is charged. Some facilities are

138 Originally, V&D had protested the coming of the Bijenkorf, but after Vendex (parent of V&D) took over
KBB (parent of the Bijnkorf) this became a moot point. The coming of the Bijenkorf also allowed the
developers to raise the maximum addition of retail space from 6,500m² to over 9,500m² (Parool 16 Sept, 1998).
provided for children, although these are also not free (AS 17 Jan, 1996: 13). Despite this, and the fact that many of the sub-areas resemble existing markets in Amsterdam, the Zwarte Markt is very busy, attracting visitors from the entire region. It is especially busy on weekends (since 1991, it remains open on Sunday), attracting about 80,000 visitors to its 3,000 stands and shops (Parool 18 Sept, 2000: 4). It has become so popular that this “unplanned” shopping destination has received its own exit on the A9 highway.

Yet another competitor of the Amsterdam inner city is Haarlem. This town also offers a similar composition of small shops in historic buildings, but is less “urban” than the nation’s capital. In addition, Alkmaar built an 40,000m$^2$ “extension” of its inner city on the other side of a canal, and joined it with a bridge. It is unlikely that this shopping center is merely intended to serve the local population, yet its location adjoining an existing center exempts it from PDV/GDV restrictions (KvK Amsterdam, 1995: 10). In addition, although more famous for its office parks, Hoofddorp is proving that retail often follows in its wake (Bedrijfshuisvesting v118, 1997: 21). It also plans to add 30,000m$^2$ of additional retail space to its shopping center, but claims that this is merely to accommodate the 60,000-70,000 expected new residents (Bedrijfshuisvesting v124, 1998: 45).

In addition to the developments occurring outside of Amsterdam’s jurisdiction, planned shopping centers were also being built, renovated and/or expanded in some of its outlying city districts, which were given increased independence in 1990. Worth mentioning in this regard is Gelderlandplein to the southwest close to Amstelveen, Osdorp center to the West, and Boven ’t IJ in the northern district. The largest, however, is the Amsterdamse Poort in the southeastern quarter Zuidoost (because this last center lies in the case study area, it will be discussed in more detail later).

City center initiatives
In addition to its attempts to block such projects, Amsterdam reacted to these threats to its retail sovereignty the same way many other municipalities in competitive contexts do: by enlisting developers to build more shop space within the city and modernizing the existing commercial stock (VGM v24 Dec, 1999: 5-7). Van der Wiel (1996d: 80) explained that such projects are an “important weapon” in improving the quality of the inner city vis-à-vis suburbs. The next section will examine a few major development projects taking place in the city of Amsterdam in the 1990s to counterbalance the suburban competition and their varying rates of success.

The decade opened with the conversion of the centrally located Magna Plaza at Dam square from a post office into a high-end shopping mall with approximately 5,700m$^2$ of shop space (Parool 16 March, 1991). Escalators and mezzanines were installed and gaudy Romanesque profiles were affixed to the inner facade. The scheme offers high-quality retail space with a cultural-historical allure to allow formats like Virgin Megastores and America Today to profile themselves to the Dutch market.\(^\text{139}\)

To most people, Amsterdam shopping is synonymous with the Kalverstraat. In 1990, shopkeepers in the Kalverstraat, determined to turn back the tide of dilapidation, and compete with the proposed 30,000m$^2$ mall at Central Station (see next section), united themselves in a town center management association (Wigman and De Soet, 1996: 117). Since 1995, the

\(^{139}\) The Virgin outlet was later bought out by the Dutch giant Free Record Shop, and promptly shut down (Parool 3 July, 2000:9).
Kalverstraat has profited from its designation by the city as a tourist area, allowing shops to remain open on Sundays. The volume of pedestrian traffic and sales on this street are so significant, that in the late 1990s, rents in the Kalverstraat were among the highest in the world (Volkskrant 14 December, 1998), a development which has effectively banished all independents to side streets, other districts or towns, or propelled them into bankruptcy (NRC 12 Sept, 1998: 12). In physical terms, one of its strengths — the intimacy of the street — is also one of its drawbacks, in that this structure is rather inflexible for accommodating new (and hence usually large) retail formats. However, the demolition of the former bathhouse on the Kalverstraat offered the possibility of realizing a small integrated mall there. The project, called the Kalvertoren, was developed in a joint venture by Multi Vastgoed and Vendex Vastgoed and entailed about 10,000m$^2$ of built space (about 6,000m$^2$ of which is for retail), a parking lot for 125 cars, 29 apartments, a police station and a lookout tower. Even before its opening in September 1997, there was a keen interest among retailers, especially foreign businesses as reflected in the rents which fetched up to €636/m$^2$ to €1,136/m$^2$ (VGM v24, 1997:5).

Another and much less successful project was the Nieuwezijds Kolk, built about the same time as the Kalvertoren on the Nieuwendijk (the northern extension of the Kalverstraat). The Kolk, developed as a public-private partnership by ABN-AMRO Projectontwikkeling, city of Amsterdam and Van Berkel & Bos Architektuurbureau, opened in June 1996. Even before its opening, it had problems renting its space and even lowered its prices to entice tenants (VGM v23, 1996:7; Parool 1 Feb, 1997: 21). It has since struggled with chronic financial difficulties and vacancies. After being closed completely at the end of the decade, it was relaunched a year later, but without a significant improvement in its overall appearance.\footnote{It is interesting to see how the fates of both projects (Kalvertoren/Kolk) diverged, given the fact that their basic elements were so similar: approximately the same size, mixed-use nature, attention to architectural detail, a public-private partnership, and a link to the same shopping street. One of the reasons for the failure of the Kolk is that, despite its intention of orienting itself towards the youth in the Nieuwendijk, it does not fit in well with the surrounding street. It contains no street-level storefronts and had an unclear layout with dead ends.}

In summary, the 1990s saw a resuscitation of the city center’s retail structure, and by mid-decade the main shopping streets were busier than ever. Rent levels soared during the decade,
but this does not necessarily indicate a corresponding increase in quality. Much of this activity came from the decision to allow Sunday trading and from the great influx of tourists. The social character and meaning of the area had changed from what it once had been. One should not confuse the rather bourgeois allure of the Magna Plaza to the elegance that the Bijenkorf used to represent — gone were the days when uniformed porters stood guard outside its main entrance. The success of the Kalverstraat of the 1990s is its ability to appeal to a wide public; it does not exude exclusivity but pop-culture. This can be read in the changes in shop names over time: Modehuis Voss is now called Foxy Fashion, and shops like Gerzon, Hirsch, and Galeries Modernes have been replaced by Cool Cat, McDonalds, and Esprit (Gemeente Amsterdam, 1988: 12). Today, it seems virtually inconceivable that the Rembrandtplein area (near the Kalverstraat) once housed some of the most exclusive jewelers, clubs and garment merchants of the city. Despite the rejuvenated economy and the crowds of shoppers drawn to this area, the atmosphere there is still gauche: pornography has not completely disappeared from view, but has been supplemented by gambling and gaming arcades, souvenir shops, various incarnations of Planet Hollywood, Teasers (the Dutch equivalent of Hooters), Internet cafes and a plethora of fast-food establishments.

**Balance sheet**

This section described the rapid growth of retail space in the metropolitan area in the 1990s. All these developments raised fears that the regional functional hierarchy was being undermined, and that the concept no longer reflected empirical reality (Jansen, 1990; Gianotten, 1999; VGM v23, 1996: 35; Kooijman, 2000). Dutch planners, on the other hand, remained unconvinced and their faith in the theory of central places unshaken (Buit, 1988; Gantvoort, 1993; VGM v24, 1997 51; Interview Van der Zwaan, 1999, 2000; Borchert, 1998). The table below of cumulative shop space may shed some light on the debate.

<table>
<thead>
<tr>
<th>City</th>
<th>Population</th>
<th>Shop space, m²</th>
<th>Ratio</th>
<th>% of m² in the region (1991 &amp; 1998)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amsterdam</td>
<td>715,148</td>
<td>773,298</td>
<td>1.081</td>
<td>44.3% 42.9%</td>
</tr>
<tr>
<td>Haarlem</td>
<td>147,437</td>
<td>217,625</td>
<td>1.476</td>
<td>11.9% 12.1%</td>
</tr>
<tr>
<td>Zaanstad</td>
<td>134,397</td>
<td>176,643</td>
<td>1.314</td>
<td>8.2% 9.8%</td>
</tr>
<tr>
<td>Beverwijk</td>
<td>35,651</td>
<td>130,450</td>
<td>3.659</td>
<td>7.3% 7.2%</td>
</tr>
<tr>
<td>Haarlemmermeer</td>
<td>108,224</td>
<td>126,849</td>
<td>1.172</td>
<td>6.2% 7.0%</td>
</tr>
<tr>
<td>Amstelveen</td>
<td>76,822</td>
<td>83,278</td>
<td>1.084</td>
<td>4.6% 4.6%</td>
</tr>
<tr>
<td>Diemen</td>
<td>23,771</td>
<td>38,332</td>
<td>1.613</td>
<td>2.8% 2.1%</td>
</tr>
</tbody>
</table>


From the table, it seems that the planners may be right. Notwithstanding the developments of the previous decades, Amsterdam in the 1990s still had a prominent status within the region, and its direct neighbors posed little threat in terms of crude retail space. In fact, in the KvK sub-region Amsterdam — Amsterdam, Amstelveen, Diemen, Landsmeer and Ouder-Amstel — the city more or less retained its dominant share of approximately 80% (KvK, 1999: 45). However, as indicated above, floorspace figures, like rent levels, cannot adequately

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141 Still, when divided into sub-regions, some areas clearly showed much higher growth rates than others. Amsterdam’s floorspace, for example, grew less strongly (15%) during this decade than its surrounding region (20%). The most intense growth occurred in areas like Zaanstad, Beverwijk and Heemskerk, and to the west of Haarlem in Bloemendaal, Zandvoort and Heemstede. Much of this variation can be explained by the kind of items sold. Furniture and DIY superstores at PDV locations are partly responsible for the large rise in volume outside Amsterdam. This also explains the disproportionate share of retail space per capita in municipalities such as Beverwijk and Diemen (in the case of Diemen, this will most likely fall in the near future due to the movement of the furniture complex to the Villa ArenA). While also undergoing scale increases, quality supermarkets made a return to the city in the 1990s, particularly Albert Heijn (Royal Ahold Annual Report, 1998). Fashion, on the other hand, suffered as a whole in market share, and in Amsterdam in particular. On
describe the true health of a shopping area. The city may have been holding its ground in terms of quantity, but slipping in terms of quality: Amsterdam still lacked the allure and prestige of many other European capitals. This was not necessarily for the lack of trying, as the next section will illustrate.

6.2.5 Amsterdam’s waterfront project
For many years, the pet project of the city of Amsterdam was to redevelop its waterfront (IJ-Embankments). The objective was “the creation of a high-quality employment area that can be viewed as an extension and a functional reinforcement of the historic city center” (Vastgoed, 1995). This was inspired by the manifold success stories of downtown revitalization in US cities like Boston, San Diego and Baltimore. After visiting such projects in the United States, the then mayor Van Tijn seemed determined to bring this form of developmental planning to Amsterdam.

Calling the project ambitious is an understatement: it sought to transform its decaying waterfront into a vibrant commercial area, complete with a regal “IJ Boulevard.” The plan envisioned headquarters of major banks settling along the southern shore, and light rail links running east-west from Central Station. It was also reckoned to create approximately 30,000 jobs (Witbraad and Jorna, 1993: 237). While the emphasis lay on office space, the project also included an enormous 30,000 m² shopping mall at Central Station, intended to rejuvenate an ailing retail supply in the city center. Not all were convinced of the alleged synergy between inner city and the mall (Jansen, 1990: 29). In fact, shopkeepers in the Kalverstraat became so apprehensive that they founded one of the first town center management schemes in the Netherlands with the sole intent of dealing with the new competition (Wigman and De Soet, 1996: 117; VGM v26 May, 1999: 59).

Normally the procedure that would be followed by the municipality was the familiar land purchase, preparation for construction and sale to a private developer. However, for a project of this magnitude, which included massive land reclamation, the costs were significant enough to involve the private sector even at a preliminary stage. Following the general trend towards increased private-sector participation, the project was launched as a public-private partnership, one of the first of its kind in the Netherlands. This partnership involved the establishment, of a joint venture called the Amsterdam Waterfront Financieringsmaatschappij (AWF) comprised of the city (50% capital holding), the NMB Postbank (later ING) and the insurance group Nationale Nederlanden (Witbraad and Jorna, 1993). To make the project more commercially interesting, the share of housing was reduced and “subsidized housing altogether banned” (Faludi and Van der Valk, 1994: 190). Concerning the nature of the partnership, A.A. Soetekouw, a member of the Board of Executive Directors of the NMB Postbank explained that:

> In the first place the partnership will have a major impact on the ability to finance such a large-scale project. Joining financial forces results in lending power that would be impossible otherwise … Given that this is a large project that will last many years, it will demand much of the flexibility of the enterprise and, in turn, of the participating

balance, it should be pointed out that the inner city — usually the subject of much anxiety in terms of its retail share — suffered less than other areas, and only lost a small market share as a shopping center in relation to centers in surrounding municipalities. Particularly less-attractive neighborhood centers suffered more. Some of this success of the city center can be attributed to some high-profile retail projects completed in the 1990s, and the designation of much of the city center as a “tourist zone” and thus eligible for extended opening hours and trade on Sundays, as well as its traditional advantage as a historic location.

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This quote is ironic considering that the speaker’s own company was not apparently prepared to accept the risks involved.\textsuperscript{142} Within a few years of the AWF’s founding, the interest of the business community in this area evaporated, and the municipality suffered the humiliation of having its star partner ING retract from the partnership.

Thus, the grandiose waterfront plans were abandoned. Many at the time believed that this would seriously compromise the prospects for developmental planning: “the demise of this project casts a shadow over the future of public private partnerships in the Netherlands” (Faludi and Van der Valk, 1994: 190). Shadow or not, this was not the end of public-private partnerships in the Netherlands, or even in Amsterdam. However, the lessons learned by the municipality from the waterfront project could be seen in subsequent undertakings, particularly in the way in which it dealt with the development of the ArenA Boulevard in its Zuidoost district, the subject of the next section.

6.3 Local context
Far from the hubbub of the cramped inner city and dreams of mighty office towers on the banks of the IJ lay a district in the urban periphery with hitherto unforeseen potential. Amsterdam’s Zuidoost (literally southeast) quarter has every right to claim uniqueness. In a country famous for small dwellings and relatively human-scale buildings, this quarter is dominated by imposing housing blocks in the Bijlmer housing estates and massive commercial developments. Until recently, it was the most populous of the city’s districts (at around 85,000 inhabitants), yet plagued by the dubious media reputation of being the country’s only (or worst) ghetto. It also has the misfortune of being labeled in the popular and professional literature as one of the country’s biggest planning disasters. Its reputation was damaged further when an airplane crashed squarely into a Bijlmer housing block in 1992 — an incident that exposed to international scrutiny the squalid conditions of the many immigrants (legal or otherwise) that had settled in the area. Finally, the territory of Zuidoost is physically cut off from the rest of Amsterdam, existing as a curious administrative island surrounded by other municipalities (see figure).

\textsuperscript{142} Indeed, the risks involved were quite high and, according to conservative estimates, the development would result in a deficit of €20 million, hardly a worthwhile investment by any calculation (Vastgoed, 1995). The abandonment of the partnership was also explained in terms of a slumping office market, uncertainty surrounding the north-south metro line (Van Lohuizen, 1993; Minderhoud, 1994).
The peculiar spatial configuration of the Zuidoost district owes its existence to the rather bizarre administrative jurisdictional arrangement as an island of Amsterdam, and the large imprint that physical infrastructure has placed on the area. In particular, the bisection of the area by the north-south rail lines (metro and train) presents a formidable material and psychological barrier in Zuidoost. To the East is the Bijlmermeer built in the late 1960s and early 1970s with its towering housing blocks and multicultural flavor. To the West was an office park built in the 1980s and 1990s with a sterile businesslike quality. It also is the location of the ArenA stadium, and one of Amsterdam’s most ambitious urban development project since the waterfront. In order to understand the developments that are now trying to integrate the two regions it is necessary to first take a step back and reflect on the history and significance of this heavily divided area.

6.3.1 From marshland to Bijlmermeer
Like much of the Netherlands, the morphology of the area under investigation changed remarkably over time. In the sixteenth century, it was mostly a lake with the small village Bijlmer at its southern tip. Several attempts were made throughout the years to drain the lake for further development using the polder method, but these remained unsuccessful until the application of modern techniques in 1963.

Even at an early stage (1950s), Amsterdam was keen to acquire the rights to the area so that any land created there would fall under its jurisdiction. The crux of the argument for obtaining the land, like previous annexations (see Van der Veer, 1997), lay in the realm of housing and housing need — an issue of pressing urgency given the postwar baby boom. At
the end of the 1950s, a committee comprised of delegates from Amsterdam, its southern neighbors, and the province convened to discuss the possible urbanization of the Bijlmermeer. The resulting structure plan, adopted in 1959, foresaw a production of housing for approximately 100,000 future inhabitants. Although all parties agreed on the need for urbanization, the desire of Amsterdam for municipal reapportionment — partly justified by the lack of expertise and experience of small rural municipalities in carrying out large-scale building projects — was divisive. Diemen, for example, wished to develop the Bijlmermeer itself while Ouder-Amstel was willing to concede this to Amsterdam provided that its own (potentially threatened) borders would remain intact. The matter was later taken to the national level with the submission of a legislative proposal to the Dutch parliament in 1961 for Amsterdam to acquire and develop the Bijlmermeer. After some spectacular political maneuverings and media prowess (Mentzel, 1989: 81-91; De Hen, 1986; De Lange and Masset, 1968) the municipality of Weesperkarspel was divided in two: the eastern portion was merged into Weesp, and the western part was allotted to Amsterdam. In the process, Amsterdam annexed the contiguous municipality Driemond as well. As part of the deal, Amsterdam agreed to return the Bijlmermeer after twelve years, something which never occurred. The fact that the Bijlmermeer would soon become wholly part of Amsterdam was already evident in the early plans to connect the new district to the existing city with a metro line.

The city of Amsterdam chose to develop the new area according to the modernist notion of the functional city. The west would be zoned for industry and the east for housing. Traffic modes would be strictly separated as well. The Bijlmer housing estates were quickly laid out as gargantuan honeycombs of high-rise buildings, allowing the first residents to arrive in 1966. Within years, this area proved problematic and began to suffer from rising vacancy levels — something virtually unheard of in the postwar Netherlands, and especially in the nation’s capital which suffered from a severe housing shortage. Soon, the Bijlmer was known throughout the Netherlands as being synonymous for crime, unemployment and poverty. Although the late arrival of public transportation lines to the new development is often bemoaned in the planning literature as one of its early detractions (NS station Bijlmer opened in 1971 and the metro only in 1976), even less can be said for retail. One reason for this was that the phasing of construction necessitated the completion of the car garages before the shops could be built (Mentzel, 1989: 203). As late as 1975, the 30,000 Bijlmer residents had to make do with only one baker, one butcher and four makeshift supermarkets. Residents were forced to travel distances of up to 10 km for items as basic as thread or wall sockets (Parool 16 Oct, 1987: 4). The main shopping facility, the underground cultural center Ganzenhoef, was only completed in 1976, a decade after the first residents arrived. This was badly needed, but hardly sufficient facility. Since Ganzenhoef was disconnected from street-level traffic, shopkeepers could not profit from passers-by and over time this center acquired a (justified) reputation of being dark and unsafe (Parool 5 Nov, 1997).  

Due to these glaring deficiencies in the retail structure, it was decided that a large center with regional allure should be built in the Bijlmermeer to serve the local population and visitors from nearby villages to shop in Amsterdam. The project also aimed to attract the patronage of workers from the adjacent Amstel III business park and the abutting ING headquarters then under construction. Perhaps for this reason, the center was dubbed the Amsterdamse Poort, a gateway to the city. In addition to being necessary in terms of retail need, the center was also

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143 The district authority finally decided in 1987 to demolish it, which finally took place in 1999-2000. The center reopened above ground a few years later, and is said to be trading well.
seen as injecting a badly needed economic impulse to the area. It was intended to provide employment, stimulate local entrepreneurship, and help improve the image of Zuidoost.

The Amsterdamse Poort was completed in 1987. Immediately, shopkeepers clamored to reestablish themselves at this location (and move away from Ganzenhoef). These were admitted according to a strict retail mix drawn up by the developer. Several years later, the other locations declined rapidly. By the end of the decade, the Amsterdamse Poort had absorbed most of the food and non-food provision for the Zuidoost district, and the smaller centers had vanished or been demolished. Proving that his aptitude for business operations superceded his prognosticative ability, Dreesman (1986: 165) reckoned that “This center [Amsterdamse Poort] will be the last big integrated center that will be realized (as one whole) this century in Amsterdam, and possibly the Netherlands.” In fact, in retail floorspace alone, the Amsterdamse Poort would pale in comparison to the PDV/GDV combination built on the other side of the rail line only about a decade later. This, as we shall see, was largely the result of a decision to locate a multifunctional stadium across from the Amsterdamse Poort.

The year 1987 which saw the opening of the Amsterdamse Poort seemed to be a pivotal one for the district (Bongenaar, 1987). For the first time, vacancy levels in the high-rise housing units decreased markedly, the installation of the district council “Zuidoost” became a reality, and both the NMB (ING) Bank headquarters and the Amrobank building were completed.

144 This project includes approximately 100,000m$^2$ of retail space, 80% as PDV for the Villa ArenA furniture mall, and 20% as GDV along the boulevard. It also includes a variety of non-retail activities as well such as concert hall, cinema complex and the stadium.

145 Zuidoost elected its first council in 1987. Unlike most other city districts, ethnicity plays a major role in the local politics of Zuidoost, and the figurehead of Hanna Belliot as district council chair has helped to redefine this district as an example of the future for a multicultural Netherlands (Van Tillo, 1998: 108).
Another significant project was the construction of the 30,000m$^2$ Ikea outlet in 1985 to the southwest. Soon Zuidoost became the most pro-growth district of the city, being extolled as a “boomtown” by the then mayor Van Tijn (who had also pressed so strongly for the waterfront project). By the beginning of the 1990s renewal activities commenced in the Bijlmer with the establishment of the foundation Vernieuwing Bijlmermeer as a joint venture between the municipality, the Zuidoost district authority and the housing association Nieuw Amsterdam. As the decade wore on, the tide of architectural upheavals in the Bijlmer became evermore linked to those “occurring across the tracks” in what would later be called the Centrumgebied Zuidoost. It is to this area that our attention will now turn.

### 6.3.2 From Amstel III to Centrumgebied Zuidoost

The reputation of Zuidoost has been so overshadowed by the architectural aggression of the Bijlmermeer estates that the almost equally large area to the west is usually overlooked. In fact, both areas, although displaying vastly different characteristics, are part of the same extension plan in which the functions were intended to — albeit separately — complement one another (Brandsma and Geldof, 1991). Put bluntly, the area to the East was for living, and the area to the West was for working. The site which now houses the first GDV location in Amsterdam was originally called Amstel III, referring to its industrial function and location on the river. Although the zoning of Amstel III as commercial dates back to the 1960s (the earliest plans following the annexation), the market was not quick to respond. At one time, the planning department even considered rezoning part of the area for residential use.

By the mid-1980s, the office market had begun to recover however and building activity picked up at Amstel III. In an effort to increase the area’s attractiveness and visibility, local real estate agents, businesses, developers and investors founded the group **Vereniging Promotie Amsterdam Zuidoost** in 1984. The efforts of this association were so successful (aided by the real estate market upswing), that the municipality and utility companies had difficulty providing the necessary infrastructure to the growing number of office buildings. The space offered aimed at a middle segment of the market as an alternative to the increasingly expensive and car-unfriendly inner city.

As the 1980s progressed, so too did the Amstel III success story of office-space development. Development at Amstel III proceeded largely in an ad hoc fashion, with most new buildings being approved via so-called “Article 19” exception clause procedures. This did little for the internal cohesiveness of the area, only loosely defined by a vague theme of corporate finance and information technology. In order to improve the overall cohesion of the area and between the actors involved (as real-estate investors, developers and planners all thought differently about potentials and problems) the Vereniging Promotie Amsterdam Zuidoost, together with the district authority, turned its attention away from mere promotion to improving the quality of Amstel III (Interview Brandsema and Bruijne, 2001). An action plan was drawn up and later approved by the municipality.

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146 The proposal was to build 5,000 social housing units (later lowered to about 1,200) as a way to relieve pressure elsewhere and to help integrate the two halves (this functional separation had therefore already been problematized in the 1970s!). This idea was vehemently opposed, and successfully blocked, by the KvK and the department of Economic Affairs (De Hen, 1986: 107). Consequently, the Venserpolder to the northeast was to become residential instead, allowing the remainder of Amstel III to remain reserved for potential commercial (i.e. office) development. The division between the Bijlmermeer and Amstel III therefore remained almost as stark as it had been before.
While much of the future of Amstel III had been dramatically altered with the coming of the stadium, some of the current developments and issues can be found in embryonic form in the objectives cited in this action plan. First, that the area should aspire to develop into a modern business center with a regional — rather than merely municipal — significance. Second, that the area must (most likely at the insistence of the district and the municipal planning department) be integrated into the physical structure of the entire district — implying increasing the connection to the Bijlmer estates by, among other things, an extension of the road Bijlmerdreef westwards into the Amstel III area. According to the plan, the monotonous office park atmosphere must be softened through the introduction of additional public space and amenities, and possibly by the construction of high-end condominiums.

One of the most remarkable differences between the content of the plan and future events was that no provisions were made for a stadium — even though reports which indicated Zuidoost as the most suitable location for such a facility had been on the table for years (Discussion Brandsema, 2000; Interview Brandsema and Bruijne, 2001). Arguably the most important trigger for the ArenA Boulevard development and the transformation of Amstel III was the building of the stadium. Had this never occurred, or if it had been built elsewhere, it is doubtful that plans for an urban entertainment center would have materialized in this area. The next section will examine this crucial issue in more detail.

6.3.3 ArenA Stadium
The original idea for a stadium in Zuidoost had little to do with the soccer team Ajax, but came about as part of the city’s bid for the 1992 Olympic summer games. The bid came in the mid-1980s, a time at which commercial development was shifting from the inner city to the outer districts and the outskirts of the metropolitan area (see §6.2.3). New investments in the city’s faltering image were seen as badly needed, and grandiose plans such as the waterfront project and the Olympic bid were viewed as important steps for attracting capital. A study conducted by EZ Research at the time estimated that the Olympic games would produce sustained job growth and international allure — both of which were badly needed in Amsterdam given the inhospitable economic climate and sordid image. To counteract this, a memorable but often-heckled public-relations campaign “Amsterdam’s got it” was launched by the International Olympic Committee (IOC). Thousands of tee-shirts, yoyos, stickers and other paraphernalia bearing this slogan were produced by this organization to drum up support for the Dutch capital. The government also contributed heavily: about half of the €12.72 million required by the campaign was supplied by the municipality and the central government (Bekius et al, 1986; Grosveld, 1996: 61). Despite these good intentions, it was clear that more fundamental changes were required if Amsterdam were to qualify as an Olympic host. At the very least, it would need a stadium that could accommodate the expected crowds. There was already a track and field stadium in the southwestern district, built for the 1928 Olympics, but this was considered too small and outdated. After some debate, the city council decided to reserve space at Strandvliet in Zuidoost for a new stadium (Hanou and Van Til, 1993). In April 1987, it voted for the demolition of the old Olympic Stadium and its rezoning for housing (DRO, 1992). Thus, even at this early stage, Zuidoost (specifically the location Strandvliet slightly to the north) was singled out as the most suitable location for the stadium due to the relatively open space and presence of physical infrastructure.

On 17 October 1986 the Olympic euphoria which had surrounded the city for so long suddenly evaporated. Amsterdam, with an appallingly low number of votes, failed to make it past even the first election round. Barcelona would ultimately emerge victorious and, many
believe, would long reap the benefits conferred by international recognition. Despite the crestfallen return of the IOC delegates, the promotion machine which had been called into being continued to gyrate, including the stadium plans which were refitted to the local soccer team Ajax. In 1987, the Stichting Amsterdam Sportstad was founded to carry the torch forward; it sought to promote professional sports in the region and thereby “enhance the competitive position of Amsterdam” (Brandsema, 1993). Among other things, the foundation commissioned a plan for a new stadium. The new design, based on the 1986 plans — including Olympic track and field facilities — envisioned a “state-of-the-art” American-style stadium with restaurants, skyboxes and a separate event hall. International veneration was thus substituted for local bravado.

On the basis of a study carried out by the municipal planning department (DRO) in 1987, Strandvliet once again scored highest as a potential location, followed by that of the former Olympic stadium in the southwest quarter and two sites close to the Sloterdijk rail station (Van Meurs, 1994). In addition to various technical reasons (accessibility, space), the Strandvliet site had political advantages as well. The stadium in southwest had provoked NIMBY-tinted protest from the well-to-do residents, while the Zuidoost location was relatively open and the residents — being comprised of many different nationalities, language groups, and having lower levels of income and education than those in the Southwest quarter — were more difficult to mobilize. Moreover, because this district could profit — certainly in terms of image if nothing else — from such a high-profile project, opposition from the planned district authority could be expected to be minimal (Hanou and Van Til, 1993).

Figure 44: Amsterdam/Ouder-Amstel border region

The plans for the location of the stadium outside of Amsterdam, however, were far from uncontested. Like the decision to annex the Bijlmermeer, this proposal evoked conflict and ill will between Amsterdam and its surrounding communities. The main bone of contention was
that the Strandvliet site lay partly outside the city limits in the area between the traditional part of the city and the Bijlmermeer polder annexed in the 1960s. This fell under the jurisdiction of the municipality Ouder-Amstel (see figure above). The proposed stadium would straddle a municipal boundary line.

A formal request by Amsterdam to build the stadium at this site was made in 1991, causing an uproar in the media, including tales of the alleged shock and outrage of the mayor of Ouder-Amstel upon hearing the plans of Amsterdam to build a monofunctional colossus in its jurisdiction (Termaat and De Vries, 2000). However, this interpretation of events seems to be based more upon entertainment value than fact: Ouder-Amstel was consulted when Strandvliet was selected as the location for the Olympic stadium (Brandsema, 1993; Van Meurs, 1994). This does indicate a clear change of heart on the part of Ouder-Amstel however. Whereas Ouder-Amstel had seemed willing (perhaps grudgingly so) to cooperate with Amsterdam in order to help draw the 1992 Olympic games to the Netherlands, the prospect of sacrificing this space for Amsterdam’s soccer team was much less appealing (Van Meurs, 1994). Moreover, it could also have rekindled unpleasant memories of the kinds of tactics employed and promises broken in the acquisition of the Bijlmermeer. Amsterdam, for its part, was worried that not enough space would remain for the development of the other planned functions (e.g. office space, retail) and whether developers would remain interested in the project (Bruijne, 1997). In either case, the province gave the green light to the Strandvliet plans in 1991, pending an environmental impact assessment (DRO, 1992). However, as the resistance of Ouder-Amstel could still complicate matters with an appeal to the Raad van State, Amsterdam decided to look for alternatives.

After a tour de force of planning activity, the various parties involved in the project (builders, municipality, architects) emerged with a novel solution: the stadium would be built several hundred meters to the south of Strandvliet on top of the artery road Burgemeester Stramanweg (named incidentally after a former mayor of Ouder-Amstel). This would bring it fully within Amsterdam’s jurisdiction. Despite this decision, Ouder-Amstel remained steadfast in its opposition, claiming that even at the new site (although entirely within Amsterdam’s jurisdiction), the stadium would disturb Ouder-Amstel residents during concerts and cause parking problems. Like before, the ensuing conflict received full coverage in the local press: “The media delighted in reporting the bickering between the arrogant metropolis and the spoiled little suburb” wrote Termaat and De Vries (2000: 11), reporters themselves for the Dutch daily De Telegraaf. Despite the rather sharp exchanges and sensationalistic reporting, the weapons used in the conflict itself were not especially spectacular. Ouder-Amstel attempted to suspend Amsterdam’s issuance of the building permit via the Raad van State, but this request was denied. The final ruling was in favor of Amsterdam, and construction on a new Ajax stadium in Zuidoost was allowed to commence in November 1993.

Growing pains
Several fiascos accompanied the construction and opening of the stadium which captured the attention of the local and national media. Examples include the exorbitant cost of construction, the leaky and sometimes malfunctioning roof (which gained particular notoriety during a Tina Turner concert shortly after opening), the vertiginously steep bleachers, abysmal acoustics and the introduction of a special currency for purchasing concessions (Termaat and De Vries, 2000). There was even bad press at the opening of the ArenA with allegations that the garage parking staff — disparagingly referred to as “melkertbaners uit de Bijlmer” — were pocketing fees. The woes of the stadium also penetrated into the financial
realm. Despite reasonably good patronage at Ajax games, the Amsterdam ArenA suffered heavy losses early after its opening, and in the first year booked a €4.5 million loss, mostly due to extra costs regarding delayed construction plans and technical failures (Volkskrant 15 Dec, 1997; Telegraaf 19 Dec, 1997). Another well-known uproar involved a fight over the rights to the name of the stadium itself, as the name “Arena” had been used by many other businesses for years, most notably by a popular youth hotel. This conflict, which included a lawsuit and an appeal, continued well after the official opening, and was only resolved through the payment of an as of yet still undisclosed compensation (Volkskrant 25 Jan, 1997; FD 5 Dec, 1996).

A debacle of greater planning significance was the failure of the so-called “transferium” concept, which is essentially a park-and-ride facility under the responsibility of the municipality (DRO, 1992). The incorporation of the transferium was more of an afterthought than an integral part of the stadium plans, arising from the decision to move the location above the Burgemeester Stramanweg roadway. The transferium allowed Amsterdam to qualify for a national government subsidy for park-and-ride facilities, which also helped to cover the increased costs incurred in the move from Strandvliet to above the Burgemeester Stramanweg. The high hopes cultivated by the municipality — in which transferia were touted as potential new centers of activity (Klusman, 1997) — were probably unwarranted in light of failed experiments elsewhere in the country. After its opening, the ArenA transferium was virtually bereft of cars, with motorists often availing themselves of free parking elsewhere, including the municipality of Ouder-Amstel as originally feared by their mayor (AS 19 July, 1997: 17). By 2000, the situation had become so dire that the transferium space had shrunk from 2,000 to 750 spaces, the rest being used as employee parking. After investigating the project a few years later, local civil servants concluded that the double layer housing the transferium could be put to better use (Info Regio Amsterdam v11, 2000: 4). A decision in May 2001 to only provide 500 spaces (only a quarter of what it had begun with) was the final admittal of defeat (Parool 17 May, 2001: 5).

The greatest symbolic humiliation was the chronically anemic grass on the field, which despite replacement after replacement, obstinately refused to take hold. After several failed attempts at a permanent solution and years of ridicule, the ArenA management admitted defeat and stated that due to “complex climatic circumstances” the field would always require several replacements per annum (Volkskrant 21 Nov, 1998; Telegraaf 28 Feb, 1997). In 2001 the newspaper Het Parool wryly announced the celebration of the ArenA’s 25th grass transplantation (Parool 8 May, 2001: 1). As a final insult, a poll by the construction magazine Cobouw found that a majority of its readers felt that demolition of the ArenA was the best solution to its horticultural problem (Parool 22 Dec 2000: 4). In this sense, Amsterdam received the popularity and attention it had sought by building the stadium, although not in the way it had intended.

147 Of the 2,500 parking spaces available under the stadium, 2,000 were designated for the transferium. The facility charged € 5.69 per day, and included two free rides with the metro (except during stadium events where the price almost doubled, a point much criticized in the press) and, according to the ArenA management, offered a parking environment in which sunlight and wind were allowed to filter through, which would minimize feelings of personal danger. Moreover, unlike most parking garages, the transferium would include “amenities” such as vending machines, an information desk and a telephone booth (Volkskrant 28 Aug, 1996). In this manner, the ArenA was able to secure € 3.6 million for the project — of the € 30 million total — from the national government (Ministry of Transportation and Public Works) for something that, for all practical purposes, was little more than a garage.
Despite this, it was undeniable that the stadium was a huge triumph for the city of Amsterdam. As the first major urban development project completed in over a decade, the stadium had shattered the “frozen skyline” of Amsterdam. When it was officially opened by Queen Beatrix on 14 August 1996, the city knew it had received a world-class facility that one normally associates with Rome, Barcelona or a large North American city (Parool 13 Aug, 1996). The stadium and transferium fundamentally changed the spatial structure of Zuidoost, and put the district on the collective mental map of public officials and the business community. The next section will look more closely at the transformation of this area. Its sheer size alone was sufficient to give it a surreal appearance. One reporter, upon finally seeing it built, was awe-struck:

The stadium looked exactly like the image on the propaganda folder dealt out to all future [Ajax] card-holders… from pop-art we know about the separation of an object from its traditional attributes. It is a simple trick: duplication at a different scale. It was like this … it could have just as easily been an enormous jar of peanut butter or a washing machine…. The ArenA has surpassed pop art. The ArenA is a model on a mega-scale (Volkskrant 13 Aug, 1996).

This strange feeling that something odd had occurred was intensified by the nothingness that surrounded the stadium — it seemed as if a gigantic spacecraft had landed in the Bijlmer. All the negative publicity only seemed to add to the mystique.

6.4 The Centrumgebied

The GDV policy (described in §6.1.5) gave Amsterdam the opportunity to inject a new commercial element into its plans for Zuidoost and at the same time allow it to compete with suburban shopping centers and bougeoning PDV sites in the metropolitan region. Unlike the other two GDVs (Alexandrium in Rotterdam and MegaStores in The Hague), retail would comprise only part of the attraction: the primary function in Amsterdam would be entertainment. There were several reasons for this. One, while retail is subject to rather strict planning controls at the national level, leisure functions such as concert halls and cinemas are not (Boer, 2000a, 2000b). Including entertainment functions would therefore allow Amsterdam to build more and larger facilities without the need for costly impact assessments (this turned out not to be the case for the multiplex cinema). Another and more significant reason for this decision was to play upon the function of the stadium and create a thematic center. A third reason is the possible damage that large-scale retail could have on the adjacent Amsterdamse Poort and the city center. This last point prompted the commissioning of several impact studies on the GDV at the Amstel III location, and of a “retail structure vision” of the metropolitan area.

6.4.1 Preliminary studies

Characteristically for the Netherlands, the development of spatial planning policy is based on quantitative research, and characteristically for the last decade, this has been increasingly carried out by external consultants. Retail planning policy is an especially good example of this. In order to illustrate the implications of the new 1993 GDV policy for an upcoming “round table” discussion in The Hague, the consultancy firm D&P was asked to carry out a study on how many GDVs could be accommodated in the country, and what, on the basis of national spatial planning guidelines and economic feasibility, the optimal locations for these would be. Their report culminated in the display of several maps that illustrated optimal GDV

148 The fact that both activities (entertainment and shopping) are so interwoven has been interpreted as a kind of double standard by many and used as both an argument for more regulation (extending retail policy to entertainment) and more deregulation (allowing retail to establish itself as freely as entertainment facilities).
locations on the basis of proximity to potential customers, accessibility (car and mass transit) and competition with existing centers. A final map, and perhaps the most interesting one, was a superimposition of all the preceding ones. This figure, reproduced below, considerably reduced the number of suitable sites (D&P, 1994). As can be read from the map, there are several locations around Amsterdam which could potentially fulfill both market and policy requirements for a GDV. Counterclockwise, they are Diemen/Muiden (to the East), Amstel III, Amstelveen and West Amsterdam (i.e. every edge-of-town location save North). In the analysis of this information, the West Amsterdam option could be quickly eliminated as a potential site considering the difficulties in developing offices — let alone retail — at the Teleport location, while the Diemen/Muiden area was for political reasons unacceptable to Amsterdam.\textsuperscript{149}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{gdv_locations_map.png}
\caption{Optimal GDV locations (D&P, 1994)}
\end{figure}

As stated in §6.1.2.3, one of the requirements for a given metropolitan area to develop a GDV was that it must be supported by a “regional retail structure vision” that (presumably) measures the capacity of the retail supply and sets out a course of action for meeting new

\textsuperscript{149} It should be pointed out that this political aspect was firmly denied by a representative from the Amsterdam municipal planning department, who maintained that the selection was carried out on a purely technical basis (Interview Van der Zwaan, 1999).
retail need. As the requirement called for a regional assessment, the body responsible to do this was ROA, the mostly symbolic metropolitan authority whose main task was to wait until the conversion to a city-province, whereupon it would be bestowed with real power. It should be pointed out that ROA, although containing representatives from suburban municipalities, was very much dominated by Amsterdam (Salet, 2003: 181). ROA decided that the retail vision be drafted on the basis of a grounded survey of the region, which could — in fact should — be contracted out to a third party, in this case Kolpron consultants. It was argued that a comprehensive study by an independent third party could provide all stakeholders with the same information and prevent a situation of “advocacy science” from arising (Interview Van der Zwaan, 2000; De Jong, 1999). The resulting 1994 report, and an additional impact study carried out by the same firm one year later, formed the basis of the policy document “Regional retail structure vision for the ROA area,” published on 24 June 1996.150

It should be noted that despite the new era that the GDV policy was supposed to signify, the ROA vision continued to approach the retail structure from the functional hierarchy principle, with the city center of Amsterdam occupying the top position. The ROA vision had clearly come out in favor of a GDV development near the ArenA, provided that the expected economic impacts lay within acceptable parameters. The latter was also felt to be the case, given the findings of the second Kolpron report that had performed an impact analysis on the basis of a hypothetical 20,000-25,000m² retail development. Before moving on to the final recommendations of the ROA retail structure vision, the methodology employed in this second study deserves some attention, as does some of the specific findings, because these figures have comprised the basis of the collective understanding of the problem by the actors involved, and because — unlike the previous two case studies — there was no competing evidence.

In the report “Economic impact of a GDV at the Amstel III site” (Kolpron, 1995), the potential impact was measured on the basis of simply subtracting the probable turnover of the GDV (based on a hypothetical retail mix) on centers within a range of 10km, 10-20km and further. Not surprisingly, impact varied greatly according to the kinds of merchandise being offered at the new development. If, for example, automotive articles were offered, the impact on other centers would be negligible. If, on the other hand, a superstore in infant care articles was realized, this would create a 9% reduction of sales in these items in the immediate area (<10km). The study also showed that not all shopping centers around the GDV would experience the same levels of trade deflection. Gelderlandplein in southern Amsterdam, for example, would be fairly unaffected because it functions mainly as a district center. The city center, and Amstelveen center, on the other hand, act as regional centers, and would therefore find themselves in direct competition with the new GDV. In fact, the study estimated that the lion’s share of the funds flowing into the GDV would come from the city center (€16 million, or 43%). However, owing to the size of the city center, this only constitutes 2% of its total non-food sales (Kolpron, 1995: 12). Thus, the report concluded, somewhat circumspectly, exactly what local officials wanted to hear, namely that “the reorientation in purchasing power in mid-2000 during the first phase of the GDV-location will not take on disastrous proportions” (Kolpron, 1995: 10).

150 Again, one can observe the importance of external experts in the governmental policymaking process. In fact, so confident about the completeness of the Kolpron report, the ROA document stated in its introduction that, “other existing studies contained no additional information” (ROA, 1996: 3). For all practical purposes, therefore, the ROA vision is that of Kolpron consultants.
These findings were brought forward to the various interested parties via some consultation sessions and seminars. Particularly the city center shopkeeper’s organization VAC was unconvinced of the “negligible” impacts, and wished to have more clarity about the issue of combination trips between existing centers and the GDV (FD 13 Sept, 1996; Interview Van der Kolk, 2000). It was noted that the overall figure of 2% impact for retailers in the inner city would be unevenly distributed, and even this could significantly harm shops operating at low margins, like independents. It was discussed whether visitors would use the GDV to supplement a “shopping day out” in Amsterdam or supplant it. These fears were defused in part by means of establishing a retail mix committee which included representatives from SME organizations and inner city merchants as a typical consensus-culture solution (Sinnege, 2000). This committee was to have a considerable influence on the ArenA Boulevard development, and will receive more attention later. The final recommendations of ROA, thus, were for a 20,000m² GDV (or less) to be developed at the Amstel III site with limitations placed on the retail mix, thus officially giving a green light to Amsterdam to go forward with its plans. In consideration of nearby centers, food was to be excluded from the GDV site in this first phase. Similarly, department stores and fashion articles, considered vital to the functioning of established centers, would also be prohibited. In this sense, the ROA vision remains true to its philosophy of attempting to integrate the GDV phenomenon into the functional hierarchy as much as possible. In essence, the ROA vision presents a relatively uncontested and rationalized picture of retail development, with new formats being incorporated into the existing retail structure, rather than causing a revolution. In all, it seems to have been a virtually seamless process of commissioning research and then implementing findings into policy.

6.4.2 Design of the ArenA Boulevard

During an expert meeting held by the KvK in 1995 (the same year as the Kolpron Amstel III study) another salient issue was raised: the risk of the GDV harming the relatively new Amsterdamse Poort. As a representative of local business, the KvK stressed the need to prevent overlap in the merchandise offered in the two centers. These fears formed one of the chief design challenges of the new scheme: how to encourage visitors to the GDV to traverse the rather inhospitable terrain — including a dark and somewhat foreboding railway overpass and an uninviting courtyard flanked by office towers — between the stadium and the Amsterdamse Poort.

In essence, the solution offered to the estrangement between the stadium area and the existing shopping center was a gigantic pedestrian walkway, or “boulevard” stretching from the stadium to the Amsterdamse Poort. The task of the boulevard would comprise a physical link between these two centers. The planning, design and development of this area may have been done in an era of increased private sector involvement, but the municipality of Amsterdam and the Zuidoost district still remained vital actors in the process. Unlike other mixed-use retail center developments such as CentrO or the Trafford Centre, the masterplan was commissioned by the DRO in consultation with the Architectural firm Cie and various other private parties. This can help explain the emphasis on using architecture to bring about the integration of the two halves of the Zuidoost district — long a goal of the municipal planning department — and the emphasis on public space as the cornerstone of the spatial structure. The fact that many aspects of Amsterdam’s GDV have a direct link to municipal spatial planning policy can be seen in the history of the design.
6.4.2.1 Origins

The idea behind the ArenA Boulevard and the Centrumgebied are not new. The desire to reduce the disparity between the two halves of Zuidoost was already present in the Amstel III action plan. In addition, embryonic forms of this design can be seen in an earlier study by the DRO that envisioned an extension of the Amsterdamse Poort area eastward along the Bijlmerdreef, transforming it into “the heart of Amsterdam-Zuidoost” (Hofstede, 1986). The land straddling this 2 km thoroughfare, which runs roughly east-west from Station Bijlmer to the Ganzenhoef shopping center, had been zoned for commercial use but had remained mostly empty due to building restrictions and the lack of a comprehensive plan. The department aimed to facilitate the development of the Bijlmerdreef into a commercial strip comparable with Weesperstraat/Wibautstraat axis in East Amsterdam. Because each end terminated in a shopping center, few (if any) retail functions would be included along the strip. Instead, the strip would consist mainly of luxury housing units, offices, restaurants and recreational and sports facilities with convenient parking (Hofstede, 1986). This 1980s vision had come out of an ever earlier study by Rem Koolhaas for the area (Hoogstraaten, 2002: 117). Additional cohesion within the Zuidoost district could be achieved by extending the Bijlmerdreef westward to the Amstel III office park (a point also made in the Amstel III action plan).

Figure 46: Original location of the Bijlmer strip (Hofstede, 1986)

The construction of the ArenA and the introduction of the GDV policy in the early 1990s allowed the DRO to dust off these plans for the district and retain the central concept of producing a central area or Centrumgebied by shifting the location from East to West
Zuidoost. However, the content of the strip envisioned in the original plans would acquire a completely new theme: entertainment and retail would replace offices, and the pedestrian would replace the automobile. In addition, in the new plan, the strip would not consist of development along an existing thoroughfare, but be built from scratch on vacant land. Although it would still be more accurate to call it a strip, this stretch of land from the stadium to the Amsterdamse Poort was re-dubbed the ArenA Boulevard (Horlings, 1996).

6.4.2.2 Design principles
One of the initial uncertainties for planning in Zuidoost in the early 1990s was the location of the new stadium: “it was a kind of floating object, and we didn’t know exactly where it would land” (Interview Sinnige, 2000). Once the location of the ArenA above the Burgemeester Stramanweg was known, work could commence on how the area around it could be developed. Even at this stage, the DRO was aware of the potential it had: “one cannot underestimate the contribution the stadium can make to the urbanization of the cultural climate and to Amsterdam’s international orientation as the cultural capital of the Netherlands” (DRO, 1992: 5). Meanwhile, IMK reported on the market potential for public facilities, remarking that the city should attempt to create an area with “regional allure” at the site, and pointed out that the new GDV policy would enable this. Different scenarios for filling in the area around the stadium were drawn up and sketched out in an internal document “Knelpunt analyse” which ranged from rows of office blocks to the creation of public space with the additional function of carrying pedestrian traffic from the stadium to the station — a boulevard of sorts. One of the conclusions of this analysis (and accepted) was that the importance of this project was significant enough to warrant direct municipal involvement, rather than leave it up to the district authority (DRO, 1993: 43). It was also at this time that ING Vastgoed emerged as the most suitable candidate for developing the project, due in part to its considerable property investments in Zuidoost (e.g. its corporate headquarters, involvement in Amsterdamse Poort). And, as was the case for the stadium, the municipality had a large financial stake in the project, agreeing to contribute about €30 million, or about one-third of the costs (Volkskrant 21 Jan, 1998; VGM Amsterdam Stad van de Toekomst, 1999: 11). The conversion of public and private interests was amplified and intensified with the symbolic name change from Amstel III to the Centrumgebied Zuidoost and the commissioning of a masterplan.

The municipal planning department DRO took the initiative by commissioning urban designer Pi de Bruijn to draw up the masterplan. The vision Pi de Bruijn produced made the boulevard concept the central unifying element in the design. Specifically, the boulevard connects the two halves of the Zuidoost district (end-to-end link) and also acts as a backbone to the new GDV development, linking the various functions along it to one another (contiguous link). For this reason, it is commonly referred to as the “backbone” of the development (Interview Sentel, 2000; Interview Sinnige, 2000). The route which cuts directly from the one “magnet” (Villa ArenA) to the other (Amsterdamse Poort) much like a conventional out-of-town shopping mall. Various steps towards physical integration with the Amsterdamse Poort were taken in the masterplan. One example is the establishment of one of the superstores (3,000m²) under a newly restructured (and raised) railway overpass. The use of material in the Boulevard is also intended to provide visual continuity from one end to the other, or, in the words of planning commissioner Stadig “a fluid motion between what happens on both sides of the tracks” (AB1, 1998).

The figure below is a reproduction of the masterplan. Existing buildings are in black. The stadium occupies the central area, and new development can be seen to the West (Villa
CHAPTER 6: CASE STUDY AMSTERDAM

ArenA and Mojo Theaters) and South (superstores, Pathé). Some aspects of the design are immediately evident: the odd intersection of Boulevard and railway line, the excellent car accessibility and grid pattern of artery roads, and the total absence of traffic on the Boulevard itself. The walkway extends diagonally to the Southeast under the railway lines to the Hoekenrode courtyard. The current shopping center Amsterdamse Poort is located in the lower right-hand corner.

Figure 47: ArenA Boulevard masterplan

The walking distance from end-to-end is approximately ten minutes, which the DRO noted is about the same time it takes to walk from Amsterdam Central Station to the Dam (Kalfsbeek, 1996). In fact, the other side of the boulevard is intended to have a “Damrak” feel: a bustling main street lined with shops, restaurants and cafes (NRC 14 Aug, 1996: 15). Indeed, the Centrumgebied project is fairly unique in that it attempts to create, and not merely recreate (as so many other retail projects tend to do), a *stukje stad* or “piece of city” in its design. In this, Pi de Bruijn emphasized that the ArenA Boulevard was not intended to become another CentrO (in Kooijman, 1997). This is evident, for example, in the conscious mixed-use aspect (although the emphasis is predominantly on commercial leisure services). The design is also noteworthy because it conveys less the image of an introverted shopping mall, and more that of a city street, albeit on a grand scale. This “bigness” is another: the size of the theaters, shops and cinemas are intended to produce an “American” larger-than-life quality (Parool 23 Aug, 2000).

151 Indeed, one of the main anchor tenants, the theater magnate Joop van de Ende,

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151 The rigid monotony of a single strip has been softened somewhat by the placement of kiosks and trees, and through a planned variation in the materials used in the pavement (Horlings, 1996). Finally, as another “urban” feature, the train station will be overhauled and expanded by two tracks into a major regional transfer point. The prestigious British Architectural firm Grimshaw & Partners — responsible for the new Waterloo Station in
envisioned building a themed entertainment center based on his recent experiences in Las Vegas (Bouman, 1997).

### 6.4.3 Development

That the plans were ambitious denied no one. In fact, in some respects the ArenA Boulevard was as grandiose and risky an enterprise as the waterfront plan which had foundered just a few years prior. In the words of a DRO publication,

> The intended developments in the planning area have never occurred before in the Netherlands; [this represents] a new style of urbanism on in a hitherto unknown scale and mixture of uses (Kalfsbeek, 1996).

Considering Amsterdam’s poor track record with prestigious projects (e.g. the city hall, Rembrandt Tower, waterfront project, 1992 Olympic bid, etc.) this language should have sounded a warning bell to investors, but instead recent history was quickly forgotten in a cloud of enthusiasm enveloping the ArenA stadium and its environs (Parool 7 Aug, 1996). This also took place at the same time that the GDV studies were completed, that the furniture superstores at the Diemen meubelboulevard were seeking a new location, and that the municipality was more eager than ever to improve the image of Zuidoost. Various private parties in the area also began to see the logic of introducing urban functions that could benefit from a close proximity to the stadium. The stage for the ArenA Boulevard spectacle had been set, and it was up to the actors to provide the drama.

### 6.4.4 Actor constellation and interaction

At this stage, it is no longer sufficient to recount planning activities and policy, but attention must turn to the parties responsible for transforming these plans into reality. Of course, one of the most important actors was the municipality. In addition to owning the land, it was also the Amsterdam planning department that carried out many of the preliminary studies for the Centrumgebied, and had commissioned the masterplan. The other crucial party was the developer. Rather than enlisting an established shopping center developer to carry out the project, the developer of the ArenA Boulevard was an ad hoc joint venture called Ontwikkelings Maatschappij Centrumgebied Amsterdam Zuidoost, better known by the acronym OMC. OMC is comprised of the companies ING Vastgoed, BAM, and Ballast Nedam (the latter two parties are the construction companies that built the stadium, and the first is the property development wing of the ING bank). The city had invited these parties to

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It should be pointed out that before this time, the business community was rather ambivalent about the stadium. Indeed, the ArenA was not at all seen as a boon by this group, who, much like the opposition to the Olympic stadium by residents in southwest Amsterdam, were skeptical about the noise and disturbance the stadium would bring. Only after much debate did local businesses finally agree to endorse the plan, under the condition that the stadium would not dominate the development. This is ironic considering that, once built, businesses reportedly clamored to find a space near the stadium (NRC 14 Aug, 1996: 15). The early 1990s commercial real-estate market in Amsterdam was weak — especially in Zuidoost, which struggled with the stigma of being unsafe and having low levels of purchasing power — and the commercial future of the area seemed rather grim. The director of the association for business interests in the area (Ondernemers Vereniging Zuidoost) explained, “the turnaround came only after the ArenA had been built… [in fact] when we heard that there were plans for a stadium, we almost fell from our chairs in shock” (AS 21 June, 2000: 7). The reason for the change of heart could not be fully explained by the project head Brandsema who instead offered that, “maybe there was a feeling [among business leaders] that ‘it has to work out sometime’ in Amsterdam” (Volkskrant 7 Aug, 1996).

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London — will assist in the design. This futuristic “pearl in the Bijlmer” will carry such prestigious traffic as the high-speed train from Schiphol to Frankfurt.

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brainstorm about the development of the area, and encouraged them to unite to ease communication (Sinnige, 2000: 8).

OMC is more of a marriage of convenience than a premeditated union. Ballast Nedam and BAM, as construction companies, did not play an essential role in the planning and design phase of the retail and entertainment functions, and will not be elaborated on here. Bam, for example, is concentrating on the housing component (VGM May, 1996: 31). The other OMC partner, ING Vastgoed Ontwikkeling, on the other hand, played a major role as an actor. ING Vastgoed has extensive experience working on complex partnership/cooperation schemes with municipalities, especially in inner cities; currently 30% of its portfolio is comprised of these kinds of projects (Sinnige, 2000: 5). ING had an active presence in the area due to its landholdings and the location of its headquarters adjacent to the Amsterdamse Poort; it was already active in developing the Amstel III area and its parent company actually owns the Amsterdamse Poort. In addition, ING was formerly the Dutch middenstandsbank (NMB) or shopkeepers’ bank, and therefore probably less inclined than other developers to undermine the interests of established retailers. It also may help to explain why ING invests so highly in city center areas. In particular, it was one of the parties participating in the failed Amsterdam waterfront PPP (see §6.2.5). Moreover, the construction as a private joint venture would ensure that financial culpability would remain the foremost priority, especially since the builders of the stadium had proven themselves adept at keeping construction costs in check, and even reducing them when necessary (see §6.3.3).

Another organization which was vital to the retail aspect was the Branche Advies Commissie Amsterdam ZO (BAC). This committee was officially created by planning commissioner Stadig at the beginning of 1997 to provide advice on the retail mix for the superstores and catering facilities. It was charged with drawing up a priority list of various businesses to use when evaluating candidates wishing to establish themselves on the ArenA Boulevard (Gemeente Amsterdam Press Release 30 Jan, 1997). The fourteen-member group was drawn from representatives from many interested parties (but not directly interested as entrepreneur). The BAC was comprised of delegates from the municipality, district authority, OMC, KvK, manager of the Amsterdamse Poort, the Raad Nederlandse Detailhandel, the SME organization (MKB), large-scale retail interests (RIN), ethnic entrepreneurs (Allochtoon Ondernemerschap) and city center businesses (VAC). The BAC is a prime example of Dutch inclusionary politics where even competitors and opponents such as the VAC are incorporated into the decision-making process (see §6.1.1). Because of the input of the MKB and AO, companies run by or employing minorities would be given priority “in cases of equal suitability,” as would SMEs. This commission also made the final decision to exclude all food, fashion and department stores from the ArenA Boulevard. This is not surprising since this had already been the position taken by ROA in its 1996 retail structure vision, but quite surprising when compared to situations such as the Trafford Centre and even CentrO where the developer unilaterally draws up the retail mix. After fulfilling its main task of

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153 This arrangement is in line with that argued by Sinnige (2000: 21) that private cooperation rarely occurs on a voluntary basis, but is usually brought about in order to share risks, because the municipality wants it, or because different parties own the land. Once united, several issues come into play such as ensuring a favorable profit/risk ratio, improve relations with municipalities and retailers and to use this project to acquire new jobs in the future.

154 This last point may provide a clue as to why the ArenA Boulevard was not realized as a PPP: the city had experienced the problems associated with the loss of a major strategic partner due to an economic fluctuation, while ING (then NMB) had felt pressured to continue to invest in what it perceived to be an unprofitable enterprise (see §6.2.5).
determining the product mix, the committee renamed itself the Boulevard Overleg, and turned to tasks such as maintenance and coordinating events (Interview Brandsema, 2001).

Another crucial actor is the Zuidoost District Authority, the second largest district in Amsterdam. As stated before, this district has approximately 85,000 residents, which by Dutch standards is a respectable city in itself. In addition to being plagued with a poor image, it has also struggled with financial difficulties. The “mayor” of the district during the ArenA Boulevard development, the charismatic Hannah Belliot, has since her appointment in 1992 taken a hard hand in balancing the budget and on matters of integration in order to break the cycle of subsidy dependence (Kessom, 2000). The role in which the district authority — either through the actions of its council or those of Hanna Belliot — has played in the development of the ArenA Boulevard has largely been dictated by the fact that decision-making over the project, having been declared of citywide importance, was shifted from the district authority to the city council. As a result of being “cut out of the loop” (Discussion Hofstede, 2000), the district authority redefined its role to that of an advocate for the interests of its residents. Specifically, this translated itself into appeals for more social integration between the Centrumgebied and the Bijlmer in order to ensure that the wealth generated on the one side would find its way to the other (Interview Brandsema, 2001). The district authority, for example, led the campaign to recruit unemployed Bijlmer residents for jobs created on the ArenA Boulevard. It also campaigned heavily for the new train station at the new location. (The Dutch railways were less enthusiastic about moving and raising the station, and had to be convinced to do so with an additional €4.5million subsidy from the city).

Actor relations
The most important organizational attribute which must be noted is that, while the interests of the public sector is ever-present in the design (great emphasis on public space, strict adherence to the PDV/GDV guidelines, and relationship to the Bijlmermeer), the Centrumgebied project is not a public-private partnership, but a public-private cooperation arrangement.155 This agreement, signed on 18 April 1996, laid down the guiding principles and distribution of tasks. For example, it was established that the municipality would not participate in the risk or the profit of the project (i.e. will not take responsibility for the development) but that it would coordinate the planning procedures (Sinnige, 2000: 8). It was also responsible for all future public spaces, making the site construction-ready and providing the necessary access for construction vehicles, and that OMC and the city would each pay half of the planning costs (Samenwerkingsovereenkomst, 1996: §6.2, §3.6.2). It was also agreed that both parties would help to promote the scheme. Thus, while the municipality had a great deal of influence at the early planning stages, the formal party responsible for the actual development is the OMC.

One of the most distinctive aspects of the ArenA Boulevard in relation to even analogous projects in the Netherlands is the special cooperation and collaboration mechanisms which arose to facilitate development. Formally, the OMC met with representatives from the city and district council via a commissioners’ consultation committee (opdrachtgeversoverleg) every two months to discuss and resolve issues by consensus (Samenwerkingsovereenkomst,

155 Some of the confusion surrounding the PPP status of the Centrumgebied initiative can be explained in part by the formal construction regarding the master plan. This was commissioned by the PPP Opdrachtgeversoverleg Centrumgebied Amsterdam Zuidoost, a group comprised of the municipality, OMC and the Zuidoost district authority (Bedrijfshuisvesting 119, 1998: 26).
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1996: §3.7.1). This constant formal collaboration according to the three-level vertical model (directive, decision-making and coordinating, see figure) kept the main stakeholders abreast of the latest developments as they unfolded. Operating somewhat outside of this “inner circle” of stakeholders, the district authority has functioned as a pressure group to gain concessions for residents.

Figure 48: Constellation of public and private actors (Sinnige, 2000: 11)

The actual cooperation among the various parties involved in development was reported to be excellent. An OMC staff member commented that this was the first time that things went so smoothly: “you just needed a single phone call to city hall to get something done” (Discussion Hoogendoorn, 2000). In fact, the links forged between the various partners, although non-replicable, have proved so advantageous that some elements were seen by the actors as potentially serving as a model for future large-scale urban commercial developments (Interview Sentel, 2000; Interview Brandsema, 2001). Several reasons have been given for the apparent lack of friction. Part of this is due to the collective interest in seeing the project through to completion, and part is due to a shared culture of land development.\(^{156}\) Furthermore, the fact that there is one person charged with overseeing the entire project — Cor Brandsema, from the municipal planning department, and someone who was closely involved in the area for years — as a sort of “ringleader” facilitated relations immensely (Interview Sentel, 2000). In fact, if one is to believe this level of success, a distinct drawback to the OMC construction is its temporary ad hoc character: the partnership

\(^{156}\) This last point was made by G. Oomen, project head of Pathé cinemas and Mojo Concert Hall, “The cooperation between the project manager Centrumgebied Amsterdam Zuidoost and the municipal development agency is outstanding. We have of course a big advantage in our line of work: everyone speaks the same language” (AB2, 1999).
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is intended to only last so long as the project does — once all the parcels are sold, OMC should cease to exist.

6.4.5 Boulevard subprojects

Although the Centrumgebied was conceived of as a whole in the master plan, the buildings constructed along it have been developed in a piecemeal fashion by one of the three OMC partners and usually in conjunction with the future operator of the venue. This section will provide an overview of the various projects which comprise the ArenA Boulevard initiative, and signal some of the issues involved in their development. Special attention will be paid to the one failed project (Endemol theaters and hotels), the PDV-site Villa ArenA, and the GDV superstores.

The first act of the drama opened with the laying of the boulevard itself. In 1996, a broad stretch of pavement appeared in the emptiness near the stadium with no apparent purpose. The completed pedestrian walkway, complete with tiles and trees, seemed strangely out of place in a construction area. According to the developer, this caused some confusion — “people saw a gigantic runway and asked themselves ‘what are we supposed to do with this?’” (Interview Sentel, 2000). This curious ordering of activities was explained by the DRO as an attempt to “attract quality by offering quality” (Kalfsbeek, 1996: 6). By investing heavily in the common public space, it was hoped that parties developing the areas lining the Boulevard would follow suit. This apparently misunderstood symbolic gesture also failed in terms of practicality as well since the tiles were not designed to support the weight of the construction vehicles for the other facilities. It was therefore decided to replace the tiles with concrete until all the buildings are complete, reckoned to be in 2007.

The first facility to appear was the contested multiplex cinema Pathé Arena. Even before the Centrumgebied masterplan had been drawn up, neighboring Diemen was planning to have a 16-hall multiplex cinema built by the Belgian company Kinépolis. This kind of facility is exactly the kind that Amsterdam had wished to attract to the ArenA Boulevard, and could potentially undermine the viability of the project if located elsewhere. Amsterdam retaliated by enlisting the leading cinema operator Pathé to establish itself on the ArenA Boulevard, and taking legal action against Diemen’s proposal, and Diemen followed suit. Thus, Diemen attempted to block the development of Pathé ArenA, and Amsterdam that of its neighbor. In 1995 it scored an early victory when the metropolitan body ROA (unsurprisingly) sided with Amsterdam. Perhaps in order to stake its claim in the area, Pathé Arena opened before any other facility in the Centrumgebied. Its location is on the south side of the Boulevard next to Bijlmer station.\(^{157}\) As a building, its stark gray monolithic box-like structure is not wholly inviting to those outside on the Boulevard. Commercially, however, Pathé ArenA is being hailed as a success.\(^{158}\)

\(^{157}\) The Pathé Arena houses fourteen theaters and 3,250 seats — more than all of Utrecht’s cinemas combined, but slightly less than the Kinépolis proposal — and offers amenities such as wall-to-wall projection, large rooms and digital sound. However, the main advantage is the fact that a new film begins every ten minutes: allowing visitors to simply drop in to see a film, rather than planning ahead. A final competitive edge is the parking facilities, or perhaps more accurately put, the relative lack of parking facilities in competing inner-city cinemas (Janette-Walen and Kapoen, 2000).

\(^{158}\) In the first week of opening, it attracted 13,000 visitors, and the cinema reached its 100,000 goal only five weeks later (AB5, 2000). At the same time, several small cinemas in the inner city closed, and plans for several new multiplexes (Pathé De Munt and Noord) materialized. This placed the question of impact on the city center on the political agenda. Although cinemas do not fall under the PDV/GDV policy (Boer, 2000b), their effects on existing facilities are also keenly felt and feared. This is all the more so with the new generation of mega-
Rather than abandon its original intent once Pathé ArenA had been built, the battle over multiplexes between Amsterdam and Diemen continued to rage. This sparked interest in the impacts of large-scale cinemas, specifically on city centers (Janette-Walen and Kapoen, 2000). Initially, the province upheld the ROA decision, but upon new insights obtained by market research — and an appeal by Diemen to the Raad van State (Echo 9 Feb, 2000: 1) — changed its mind (AS 20 Sept, 2000: 3). While the DRO has remained cautious about its statements pending the litigation, a civil servant (Jacob van der Zwaan) did indicate that he felt that the need for another mega-cinema in the region was “very small” (AS 8 Nov, 2000: 1). A study undertaken by the University of Amsterdam confirmed this: it showed that the Diemen proposal would be more damaging to the newly built complex on the ArenA Boulevard than Amsterdam city center. However, as Amsterdam had always argued that the Diemen project would compromise its city center rather than the ArenA Boulevard, the city council finally abandoned its appeal. As luck would have it, one year later (2002), Kinépolis finally abandoned its proposal as well. A recent judgment by the Raad van State in favor of Diemen may however rekindle interest of Kinépolis (Parool 27 Feb, 2003: 2).

Another major attraction is the **Mojo Concerts Hall** (now Heineken Music Hall), a midrange pop-music venue with 3,500 seats or 5,000 standing places. Aside from this primary function, the space is available to rent for corporate parties, conventions or can be used as a TV studio. Mojo was an amicable candidate as it had originally wanted to be included in the waterfront plans (Discussion Brandsema, 2000). It also received a discount on the land (NRC 14 Aug, 1996: 15). As a venue, the Heineken Music Hall has been quite successful, drawing over 400,000 visitors in its first year and being nominated as the world’s best concert hall — only to be beaten by Manchester’s Evening News Arena (AB9, 2002: 2). Despite its obvious contribution as a magnet, one can seriously question the contribution this will make to the livability on the ArenA Boulevard. Its gray box-like outer façade is uninviting and soulless,

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 Cinemas. A study of Pathé Arena visitors found that most, however, were drawn from outside the city, thus supporting its claim as a regional facility (AS 6 Sept, 2000).
continuing a line begun by the equally stark and impersonal Pathé multiplex. Evidently the jubilation will take place inside, and not outside. In a slightly different context, Stiekema, the head of the Heineken Music Hall, proudly remarked “It [Mojo Concerts Hall] is just like a black box, cut off from the outside world, optimally insulated in terms of sound” (AB5, 2000). The fact that facilities such as the Postbank Lounge and Planet Internetstage (Internet café) and the purchase of snacks and drinks can only be accessed by ticket-holders (and using special tokens, like the stadium) only reemphasizes this willful estrangement from the surrounding public area.

Keeping in line with the mixed-use aspiration, the Centrumgebied plans also include offices and residential units, which are expected to also assist the overall profitability of the project. The most spectacular office development is the 95-meter Oval tower. Its 25 stories and 24,000m² of office space will provide additional capacity to the Amstel III businesses. More office space is being offered in the multicolored Rainbow Offices above the superstores along the arcade and in the ArenA Towers towards the far end of the Boulevard near the Villa ArenA. Interestingly, the tallest building in the area is being built not with a commercial but a residential function. The planned height of the Woontoren is 150-meters with the ground floor containing various public amenities (including shopping) and the top story (47) a lookout and a restaurant. The approximately 300 units will range between 100-200m² in size, and cost between €180,000 and €360,000, depending on the height (Volkskrant 24 Oct, 1998). This is certainly not social housing. As the high-end housing market has become even tighter since 1998, the final price is expected to be even higher (about 25%). The developers have claimed that this scheme will make the area livelier, especially in the evening. However, this argument rests on shaky ground: it is probable that Woontoren residents will not spend much time on the Boulevard at night unless adequate facilities are in place. It is more probable that they proceed directly from their cars to the elevators.

Without a doubt, the darkest moment of the history of the ArenA Boulevard involved the parcel to be developed by the entertainment magnate Joop van de Ende. His (former) company, Endemol, had been in negotiations with the municipality for years regarding the construction of a Broadway-class Endemol theater in Amsterdam. At the end of the 1980s, for example, the company tried to build at the location of the Heineken Brewery, but this initiative was successfully blocked by the district authority De Pijp (FD 8 Nov, 1995). Due to the cultural importance such a theater would have for Amsterdam, the city council assumed power for all subsequent decision-making on the project, rather than leave it up to the districts.

Despite Endemol’s preference for a city-center location, the municipality was keen to direct investment to the ArenA Boulevard (Volkskrant 21 April, 1999: 9). In the negotiations, Van de Ende was enticed by tales of the expected urban allure of the area, the excellent accessibility an offer to buy the land for the symbolic price of one guilder (NRC 14 Aug, 1996: 15). While the guilder obtained much coverage in the press, the total amount that the entertainment company was prepared to invest in the area was € 136 million (Bouman, 1997). The plans included a large theater complex (8,500m²), a ballroom and two five-star hotels (FD 15 Feb, 1997; VGM Nov, 1996: 7). Although some parties were worried about the possible impact the theaters would have on establishments like Carré in the city (Discussion Brandsema, 2000), this was seen as providing an important impulse to the ArenA Boulevard, and soon became one of its main building blocks.

159 Since this time, Endemol has been sold to the Spanish telecom company Teléfonica.
For several months, things seemed to be running smoothly with the planning, and the Dutch architect Arno Meijs had been approached to design the Endemol complex. A spokesperson for Endemol at the time explained that, “we’re not yet at the contract stage yet. But we do see ourselves as definitely committed. In two years time, it will be there” (in NRC 14 Aug, 1996: 15). However this was not to be: as the plans were gelling, Joop van de Endes suddenly decided otherwise — supposedly after driving to the site “one rainy autumn morning” in 1996 and deciding that it lacked the necessary urban character to support an upscale theater (Interview Sentel, 2000; Metz, 2002: 146). The public reason given by the company, however, was that too much money was needed to upgrade the area into a true entertainment center. There were some attempts to get Endemol to reconsider, but to no avail.

The shock and disappointment of the other stakeholders was intense. Although the financial contribution was substantial (about half of the total investment), it was not nearly as important as the allure generated by a prestigious Endemol theater. The theaters were intended to act as magnets for the other facilities much like a department store does in a regional center (Dawson, 1983; Frieden and Sagalyn, 1989; Guy, 1994a), the loss of which could have significant effects on the rents that can be fetched from non-anchor tenants (Sirmans et al, 1996: 262). Shortly after the decision, the aghast OMC director Ton van der Zijden complained that, “I wonder why Joop van den Ende didn’t say this sooner. If he didn’t like the location, he should have told us a year and a half ago” (Volkskrant 15 Feb, 1997). Similarly, Pathé, who had been obliged to conform to various demands placed by Endemol in the project, felt betrayed by the sudden withdrawal. Mojo, for its part, expressed disappointment because it had been lured to Zuidoost by the promise of close proximity to an Endemol entertainment center (FD 15 Feb, 1997). Fortunately for the OMC, none of these partners decided to follow Endemol’s example.

After the withdrawal, the OMC was given a six-month deadline by the city to come up with an alternative plan for the site (VGM v24 Dec, 1997: 5-7). Soon, rumors began to circulate regarding tenants such as Disney and Cirque du Soleil, the latter being cited as a fait accompli in the real-estate magazine Bedrijfshuisvesting (119, 1998: 27). These names were also circulated by the newspaper De Telegraaf, to the annoyance of the municipality which “would neither confirm nor deny” any contact with these parties (Termaat, 2001). However, neither of these tenants came, and the functions of the 200,000m² parcel was broken down into smaller parcels. An entirely new concept was then sought in a collaborative effort between the city, OMC and architectural firm Cie (De Jong and Voskuil, 2000: 15; AB4 1999). The result is the Getz Urban Entertainment Center, a project with ambitions on the scale of Potsdamer Platz in Berlin or Times Square in New York. Getz is a Dutch acronym for the various intended functions: G=gezondheid (health and fitness), E=entertainment (disco and casino), T=theaters, and Z=zakelijk (office, hotel and conference rooms). In 2001 the city council approved the plans for Getz, and offered to pay €227,000 towards its completion (Gemeente Amsterdam Press Release 9 May, 2001). Two hundred companies

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160 Parts of the continued negotiations included possibilities of locating on the South Axis (Zuidas) or in Utrecht city center. The most recent reports point to a new location near the neighborhood De Pijp where Endemol had originally wanted to locate before the ArenA Boulevard development (PropertyNL 28 Jan, 2004).

161 Perhaps one of the root causes of the consternation of the various actors to Endemol’s decision lay in the fact that most parties had considered it as an “assurance game” in which a high payoff to all is guaranteed provided that all parties coordinate their actions. The fact that the Endemol Company failed to do this did not only disappoint the other players, but seemed to defy logic itself.
have indicated that they are interested in obtaining space in Getz (Parool 23 Aug, 2000), although no public announcements have been made thus far. As before, there were rumors of new tenants, this time Disney, Warner Brothers and the Efteling were cited (Metz, 2002: 146). The theater, the main function, was more problematic in finding an operator. Eyes turned again to Endemol. However, the announcement of Joop van de Ende that he wished to build his theater on the Zuidas shattered all hope for a significant musical theater on the ArenA Boulevard. The “T” in Getz, therefore, will most likely be divided up into smaller entertainment venues (AB8, 2002: 4).

Because the site had to be rezoned from its original function as an Endemol theater, the scheduling of this part of the boulevard has been significantly compromised. It would not be until 2004 that work on Getz could begin, and it is not expected to open until 2007 — over a decade after the completion of the stadium. Until this time, the municipality found a temporary solution to this hole in the ArenA Boulevard: the Grace Theater. This concerned a temporary structure built in the summer of 2001 for the benefit of a single musical series about Grace Kelly (AB7, 2001: 5). It is clothed in yellowish plastic drapes that simulate the palace of Monaco, which gives it a rather surreal quality. The structure is intended to remain only two years (until the end of 2001), after which the Russian national circus and Cirque du Soleil would occupy the area. The musical Grace turned out to be a flop, and the temporary structure was bought by the municipality and promptly resold to the Heineken Music Hall. In its new incarnation as the “Pepsi Stage” it will retain some theater events, but mixed with popular music (AB9, 2002: 1).

162 This coincided with another plan to build another venue in the Centrumgebied called the Music Dome that can accommodate up to 15,000 visitors. After including this into the official plans, the project was abandoned because the city council decided in late 2003 to locate the facility in the North Amsterdam district.
The most prestigious project on the ArenA Boulevard is the Villa ArenA, a furniture mall at the far west end. At 180,000m² of space — 80,000m² of which is sales space — it is also the largest. This luxury PDV-location is divided amongst 70 shops, and claims to be the largest home-furnishings mall in the Netherlands (AB2, 1999; AB6, 2000: 2). The firm Benthem & Crouwel Architects (of Schiphol fame) was responsible for producing the design, a four-story enclosed mall format that resembles Alexandrium III (the furniture mall in Rotterdam’s GDV). The ground floor has a fountain, and sometimes a grand piano, to set the mood for a purchase. OMC was firm in its decision to exclude discount formulas from the Villa ArenA (Bedrijfshuisvesting 126, 1999: 63-65). Finding occupants was not a major concern however: most of the renters were merchants from the Diemen meubelboulevard who were dissatisfied with the location since the completion of the A10 ring road had redirected traffic away (Interview Van de Kolk, 1999; Interview Sentel, 2000; Interview Mortel, 2002). Due in part to the mass-influx from Diemen, the Villa ArenA was 40% rented by the time construction began (Info Regio, 1998: 44), and about 80% six months before opening. In its first year, it drew 1.3 million visitors and won a prize for the “most commercial” shopping center in the Netherlands (AB9, 2002: 2). It also gained an early notoriety for a bacteria-infected fountain (Parool 29 Sept, 2001) and noncompliance with fire safety regulations (Parool 9 May, 2001: 2). The Utrecht investment group Corio bought a 60% interest in Villa ArenA (the remaining 40% being owned by the retailers themselves) and some of the ArenA arcade (Parool 21 May, 2001: 9).

The final tenants, and the most significant for this study, are the superstores. In light of the Kolpron recommendations regarding optimal retail mix, some peculiar choices were made regarding the occupants of the GDV. The sports stores Decathlon (7,000m²) and Perry Sport

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163 Although this magnitude may seem absurd, furniture is a growing sector in the Dutch economy. In the Netherlands, entire interiors change according to the whims of fashion (Parool 21 May, 2001: 3).
are understandable choices given the proximity of the stadium, but the second Media Markt (5,400m²), competes directly with the discount electronics outlet BCC at the head of the Amsterdamse Poort. More remarkably, space will be allocated to Prénatal, a superstore specializing in baby products — the worst choice in terms of impact on other shops according to Kolpron (Parool 23 Aug, 2000). One similarity between the superstores, besides providing a wide and deep range of merchandise, is their stated ambition to become a leisure destination.

Another facility, somewhat tangential to the ArenA Boulevard because it is located to the south of the Villa Arena along the Holtebergweg, is the Living Tomorrow project. This museum/leisure attraction attempts to present a “house of the future” to its visitors. There are already two successful examples of this in Belgium. One commercial advantage to this project is the support of companies featured in the future households, due to the publicity thus obtained (AB8, 2002: 4).

While not a project per se, one of the most important aspect to any mixed-use commercial development is the available space for parking. Despite the propensity of Dutch planners to favor public transportation modes in policy documents, the adage “no parking, no business” is well known to Dutch shopkeepers. Indeed, in an age where private car ownership and use is rising sharply in the Netherlands, the provision of adequate parking space is generally seen as imperative for commercial success. The location of parking facilities also reveals the impact that the public sector (city of Amsterdam) has had on the ArenA Boulevard project design. Although many of the subprojects supply their own facilities, notably the stadium, Villa ArenA and Pathé, the total number of spaces — and thus the overall parking availability — is a key statistic. If one includes the garages in the immediate area, there are approximately 7,000 spaces for the entire Centrumgebied. OMC has indicated that it feels this rather modest, but the municipality has resolutely opposed the addition of extra capacity (VGM v24 Dec, 1997: 5). Perhaps more important is the fact that the ArenA Boulevard itself is closed to all automobile traffic. This would surely never have happened if only the private sector were responsible for development (Interview Sentel, 2000).

### 6.4.6 Planning procedures and phasing

The master plan, of which the map displayed in §6.4.2.2 forms a part, was approved by the city council on 16 November 1997. This marked an important milestone in the cooperation between the municipality, district, and the OMC. However, this document had no legal status. In order to translate the agreements established in the master plan into a legally binding local plan, a number of procedural steps had to be followed, including a public hearing. This process was accelerated via an “article 19 procedure” which allows permissions to be issued on the basis of a provisional local plan. Interestingly enough, the most burning issue discussed regarded not the commercial impact of the Boulevard, but the possible noise...
pollution caused by the Burgemeester Stramanweg for the planned schools and housing in the area and for current residents, specifically the nearby Venserpolder. A resident, for example, was worried that the ArenA Boulevard would become something similar to La Défense in Paris: soulless, dreary and gray (Parool 21 April, 1999). These are, interestingly, the same adjectives employed to describe the ArenA Boulevard a few years later when the venues began to open their doors (Hulsman, 2001). The city council convened to discuss the Centrumgebied Amsterdam Zuidoost proposal on 2 December 1998, and approved it a fortnight later. The next step was to obtain approval from the province, necessitating the treatment of objections made by other municipalities and to take the local plans of neighboring communities into account. Ouder-Amstel, for example, objected to the plans for the 150 meter high-rise apartments (Woontoren), claiming that it will undermine the fragile cultural-historical landscape along the Amstel river (Volkskrant 24 Oct, 1998). After several years of litigation, the Raad van State finally gave the green light to Amsterdam for the highrises (AS 24 Jan, 2001: 1).

Because of the nature of this development, as a complex decision-making process between various public and private actors, agreements needed to be made about procedures and phasing, and specifically which decisions were necessary to move the project forward. This was also established in the cooperation contract which identified five distinct phases: research, definition, development, realization and completion/follow-up. These will be treated in the box below.

### Phasing
The goal of the research phase was to bring about the completion of a master plan in which general lines were set out. It seeks to determine the viability of the project, and measure the desire to move forward with the cooperation. This is the most creative phase because not much is set in stone, and the various parties have the freedom to consider diverse possibilities for development. Here, “one probes the frontiers of the (im)possible” (Sinnige, 2000: 29). This is also the time at which agreements are made about the deployment of resources (e.g. expertise, experience and manpower), the decision-making process, the legal or financial consequences of opting out and the drawing up of a timetable. The general master plan which rounds off this phase should contain urban architectural studies, a list of criteria, an estimate of the size (physical, functional and financial), market analysis, risk analysis, conclusions regarding viability and development of a number of scenarios to help set the land price (Sinnige, 2000: 30).

The aim of the definition phase is to give the green light to the project, based on what has been set out in the global master plan. This signals the beginning of a capital intensive process and the involvement of other parties such as architects. During the development phase the project(s) are designed, agreements are made about the exchange of land titles, organization of communication activities and search for occupants and a buyer for the project. At the end of this phase, the building can commence. Then, upon completion of the buildings, the transfer is made to the new tenants, ushering in the realization phase. Finally, there is a completion/follow-up phase which concerns issues of evaluation and management.

As rational as the phasing may look on paper, the gritty reality of the Centrumgebied area was that all different phases seemed to intersect one another as the timeframe for one project intersected (or interfered) with that of another. The timeline below gives an indication of the intense level of construction activity in the area spanning over a decade. This continual upheaval can leave a scar by tainting visitor’s first impressions of the Boulevard. Unlike planned out-of-town shopping malls that open all at once with a well-orchestrated grand opening, the ArenA Boulevard is often reported as a desolate area.
**Table: Timeline ArenA Boulevard**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
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<tbody>
<tr>
<td>Nov 1993</td>
<td>Construction begins on stadium, GDV policy announced</td>
</tr>
<tr>
<td>Aug 1996</td>
<td>ArenA stadium completed, paving of boulevard completed</td>
</tr>
<tr>
<td>Nov 1997</td>
<td>Masterplan approved by city council</td>
</tr>
<tr>
<td>April 1999</td>
<td>Rainbow offices/superstore construction begins</td>
</tr>
<tr>
<td>June 1999</td>
<td>Mojo concert hall construction begins</td>
</tr>
<tr>
<td>Sept 1999</td>
<td>Construction and opening of Arena Academie and the Hindu cultural center to the North of the stadium, Start of Oval Tower construction</td>
</tr>
<tr>
<td>Jan 2000</td>
<td>Construction of kiosks on boulevard</td>
</tr>
<tr>
<td>Feb 2000</td>
<td>Opening of Pathé Arena</td>
</tr>
<tr>
<td>Oct 2000</td>
<td>Opening of Media Markt</td>
</tr>
<tr>
<td>Aug 2000</td>
<td>Opening of Decathlon</td>
</tr>
<tr>
<td>Nov 2000</td>
<td>Opening of Prénatal</td>
</tr>
<tr>
<td>Dec 2000</td>
<td>Opening of Perry Sport, Rainbow Offices in use</td>
</tr>
<tr>
<td>March 2001</td>
<td>Opening of Mojo (Heineken) Music Hall, start construction of Grace Theater Train traffic stopped for Bijlmer station construction</td>
</tr>
<tr>
<td>April 2001</td>
<td>Opening of Villa Arena, construction begins on Station Bijlmer, O-nivo restaurant and “Living Tomorrow” project</td>
</tr>
<tr>
<td>Oct 2001</td>
<td>Opening premiere of Grace in temporary theater, opening of Oval Tower</td>
</tr>
<tr>
<td>Nov 2001</td>
<td>Opening of café Het Vervolg and restaurant O-nivo</td>
</tr>
<tr>
<td>Jan 2002</td>
<td>Opening of Grolsch Cine-café</td>
</tr>
<tr>
<td>Sept 2002</td>
<td>Grace theater relaunched as Pepsi Stage</td>
</tr>
<tr>
<td>2007</td>
<td>Planned completion of Getz center Completion station Bijlmer and renovation boulevard</td>
</tr>
</tbody>
</table>

Although many attractions were present on the ArenA Boulevard by the end of 2000, official completion will not occur until the renovated Bijlmer station and the Getz center open in 2007 — over ten years after the first football match was played in the ArenA stadium. At this stage, it is not clear whether there will be a single management for the ArenA Boulevard such as is common in out-of-town shopping centers, nor whether this management will encompass the Amsterdamse Poort (Interview Brandsema, 2001).
There are already some points on which the design of the Boulevard can be criticized. First, the potential for integration with the Amsterdamse Poort is somewhat doubtful given that many facilities in the Centrumgebied (stadium, cinema, concert hall) have a more evening-oriented clientele — a time at which the shops in the Amsterdamse Poort are closed. Another point regards the Eastern terminus of the Boulevard at Hoekenrode, the soulless courtyard wedged between the Nieuw Amsterdam office blocks (AB1, 1998). Therefore, the claims of the DRO that “the area around the station in the evening and in the weekend has [sic.] a busy, urban character” (DRO homepage consulted in Sept. 2000) can, if true at all, only be said for the western side. It must be added that at the time of this writing, the area still has an uninviting atmosphere even in full daylight, as some of the facilities still linger in a half-built state. As the station is not slated to be completed until 2006, this is not a problem of an ephemeral nature. Unless this can be successfully upgraded, it is doubtful that pedestrians will want to “flow freely” into the Amsterdamse Poort area.

Others have expressed their reservations about the logic behind constructing such a wide and long public space in a relatively unpopulated area. The comparison, cited above, of the Boulevard to a “runway” is telling. However, this description is much more flattering than that given by a NRC Handelsblad columnist a few years later, namely, that it looked like the “kind of megalomaniac squares that unpopular dictators have constructed in tribute of themselves” (Hulsman, 2001). The choice for placing large kiosks in the middle of the Boulevard has broken the monotony somewhat, but has also blocked the view of the stadium from many angles, which may undermine the sense of place. Moreover, the patrons (FEBO and Bakker Bart) are not the first names that spring to mind with the concept of allure.

If deserted, the grand scale amplifies the emptiness, and the style of the buildings only heightens this feeling of despondency and isolation. The facades of Pathé and Mojo, which
make up most of the south side of the boulevard, are soulless and gray. Only their corporate logos set them apart. Villa Arena, too far away to participate in the public space on the Boulevard, is also introverted: “as dark and closed as the Villa Arena may seem on the outside, so light and open it is from within” (Parool 12 April, 2001: 2). In addition, by allowing cars to arrive from the street to the west and park on the roof, motorists can make a daytrip to the Villa Arena without ever having to set foot on the Arena Boulevard. This may be the — unintended — trump card of the inner city against peripheral developments: “in the inner city, there are things to experience on the street; on the periphery, all experiences are on the inside” (Metz, 2002: 148). On the outside, the Arena Boulevard is still rather inhospitable, characterized by construction sites and by rising crime levels; in 2002 there was a 37% rise in the number of incidents while the rest of the city saw a reduction (AS 3 April, 2002). One proposed solution was the placement of CCTV cameras on the Boulevard, a sad commentary on the ideals of public space inherent in the urban design. At present, when walking on the Arena Boulevard it is hard to imagine that this area — together with the Amsterdamse Poort — is intended to attract 27 million visitors annually (Bruijne, 2002: 51).

6.5 Issues and impacts
One problem endemic to most projects in which the public sector works closely with the private sector in urban development, and in which the Arena Boulevard is no exception, is the question of democratic representation and procedure. Most accounts of the Arena Boulevard development process have praised the municipality for calling in the private sector at an early stage in the planning process, rather than employing the old “command and control” method of first zoning land in a local plan and then hoping that private parties will respond. A spokesperson from the OMC, for example, explained that, “before the 1990s, the private sector was called in much later, as the government believed in the malleability of society” (Discussion Hoogendoorn, 2000). On the other hand, the earlier private parties become involved in urban revitalization project, the greater the risk to democratic decision-making (Frieden and Sagayn, 1989). This section will take pause to reflect on this question by asking how the interests of local residents were addressed, and the potential impact that the developments along the Arena Boulevard can have for businesses in the inner city or Amsterdamse Poort.

6.5.1 Relationship with the Bijlmermeer
The flurry of planning activity at Amstel III during the 1980s and early 1990s was primarily targeted at attracting white-collar employment and did little to help the largely unskilled labor pool in the Bijlmer housing estates. The jobs mismatch became more acute in the course of the 1990s as Amstel III gained in popularity as a highly accessible and relatively affordable business park (Nimako, 1997). Over 55,000 people worked in this area in 2001, and this number is expected to grow to 70,000 by 2010 (Bruijne, 2002: 29). Meanwhile, the nearby Bijlmer faced an unemployment rate of over 25% (Discussion Hofstede, 2000). Jobs became a poignant political issue once plans for building the stadium and the Arena Boulevard became known. It is at this time that the district authority began playing a larger role as a spokesperson for the residents. The increased involvement with the Bijlmer manifested itself in two distinct ways. Socio-economically, there was a drive to ensure that the growth in jobs in the Centrumgebied would go to the Bijlmer unemployed. Physically, there was a desire to alter the urban landscape from the detested high-rise estates to suburban-style family houses.
6.5.1.1 Physical renewal of the Bijlmer

As the decade wore on, the fate of the Bijlmermeer became evermore linked to the area across the tracks. Over the years, various initiatives had sought to reverse the downward spiral and poor image of the area, and one of the most important steps in this direction was the establishment of the agency Vernieuwing Bijlmermeer in 1992, a joint venture between the city of Amsterdam, the district of Zuidoost, and the housing association Nieuw Amsterdam. One of the first priorities of this group was to improve the physical structure of the area (housing, shops and infrastructure). The arrival of the stadium and the concurrent promise of investment in Zuidoost a year later signaled that change was finally in the air.

As quickly as buildings rose from the ground on the west side, so did buildings fall on the east. The infamous honeycombs were breaking apart: some buildings were refurbished, some lost wings, and others were cleared altogether. What came in their place were mostly single-family suburban-style homes for the midrange market. According to plans, almost 60% of all Bijlmer housing stock (12,500 total) will consist of this kind of dwelling by 2006 (Parool 26 Aug, 2000: 1); it is also estimated that of the thirty high-rise estates, only ten will remain standing by 2007 (NRC 27 Nov, 1999: 39).\footnote{This effort was supported by a € 409 million investment by the city and Centrale Fonds Volkshuisvesting (CFV).} Even more upscale dwellings are now under construction (240 urban villas on Burgemeester Stramanweg). At the beginning of the new decade, the shopping center Ganzenhoef was also demolished and rebuilt above ground. Demand among retailers in the new center was so high that all the space was allocated before opening (AS 21 June, 2000). On balance, most residents view these new developments positively, and take pride in the investment pouring into the district. Much of this may be due to pure quiescence, however, considering that over 60% of Bijlmer residents are foreign-
born, and thus difficult to mobilize. Some have expressed fears that these renewal activities will exacerbate social disparities. Furthermore, despite the physical renewal of buildings, social problems and a lack of social cohesion and control remain. New facilities are clashing with old habits, and tales of blaring music, vandalism, trash and urination are common in the renovated areas as well. The new private gardens, for example, often remain unattended, and the new terraced balconies are made unsafe by falling cassette recorders, bottles and boiling water jettisoned by residents above (Echo 30 Aug, 2000: 1).

6.5.1.2 Socio-economic renewal of the Bijlmer

As noted above, one of the most glaring differences between the respective halves of Zuidoost was the white (collar) employment in Amstel III, and the (black) unemployment in the Bijlmer. Promises had been made during the construction of the ArenA that this would change, especially with the arrival of low-skilled jobs on the ArenA Boulevard. However, this transition proved far from easy.

In 1996, the unexpectedly high turnout for the listed vacancies (e.g. 1,500 candidates for less than 100 jobs) made it clear that the stadium alone could not solve the Bijlmer’s unemployment problem (Telegraaf 20 March, 1996). Moreover, the ArenA’s hiring policies immediately came under fire because the stadium was recruiting university students instead of Bijlmer residents for its jobs in catering, security and sanitation.\(^\text{167}\) However, as most of these jobs were low paid and offered on an unattractive zero-hour contract (i.e. no medical

\[\text{167} \text{ This was corroborated by an ArenA spokesperson. Zuidoost Commissioner H. Burleson-Isajas said, “I really do hope these jobs are not just going to students. However, if I find that employment doesn’t increase among residents after the stadium opens, I will have to ask [the city of] Amsterdam for help, because I think that is simply unacceptable.” (Telegraaf 10 Aug, 1996).}\]
insurance) and on-call basis, this provided little incentive to those enjoying unemployment benefits.

In the promotional newsletter *ArenA Boulevard*, the council chair of the Zuidoost district Belliot pointed to the continued existence of a mental divide in her district — Bijlmer residents commonly refer to the Centrumgebied as “the other side” (AB1, 1998). With the opening of the Rainbow Offices in April 1999, the district chair repeated, “I hope that those living in the Bijlmer can also pluck the fruits of the wealth that is doubtlessly being created here” (AB3, 1999). For example, while certainly signaling an integration of functions, the planned luxury apartments towering over the stadium is unlikely to bring about an integration of people as few apartments will be bought by former Bijlmer inhabitants. Similarly, when one looks at the target group for some of the facilities on the ArenA Boulevard, it looks nothing like the multiculturalism of the Bijlmer: the Villa ArenA brochure for example, portrays almost exclusively white families.

The need for socioeconomic integration of the two halves has sparked some “unorthodox” responses among the local business community and district authorities. The most interesting of these is the establishment of the “ArenA Initiatief” launched in 1997. This program seeks to train unemployed Bijlmer residents for jobs on the ArenA Boulevard. One of the concrete initiatives of the program — to integrate the public employment agency with several private temporary agencies — resulted in a great increase in the number of job queries. The director of the Bedrijvenvereniging Amsterdam Zuidoost La Rose explained that the first meeting was “a crisis” because the great discrepancy between both worlds had resulted in an “explosive situation” along ethnic lines (FD 31 July, 1999). Partly due to the political sensitivity of the issue, the business community agreed to invest in training potential employees, rather than simply recruiting students. Facilities to support this include a radio program that encourages Bijlmer youth to apply for jobs around the new ArenA complex, and a training center called the ArenA Academie. This training school guaranteed a job upon graduation by negotiating placement with the business community beforehand (Interview Balijon, 2001). In 2000, Vereniging Zuidoost director La Rose announced that all new ArenA Boulevard jobs would go to local residents (Echo 9 Feb, 2000). Others are less sanguine about the success of this “polder-model in the Bijlmer” (Discussion Hofstede, 2000; Discussion Mooren, 2003). Indeed, the latest reports are rather sobering: the unemployment rate in Zuidoost, after several years of decline is once again rising. The enthusiasm was further dampened upon the discovery that the head of the Arena Academie had, in the process of placing disadvantaged youth in low-paying jobs, embezzled about € 363,000 for himself (AS 11 June, 2001: 1).

6.5.1.3 Shrugging the poor image

In spite of all the building activity in the Bijlmer and the Centrumgebied, falling crime rates and the creation of jobs, Zuidoost continues to be portrayed in a negative light in the media. In 2000, there was a controversy surrounding the relocation of the IT company Getronics to the suburb Hoofddorp because of the alleged high crime rate. Other companies that threatened to vacate the area for similar reasons were Albert Heijn and Kwik Fit, while the telecommunications companies UPC and KPN publicly stated that they refuse to send their personnel into Zuidoost at night (Parool 13 April 2000; AS 13 April, 2000: 1). In fact, Kwik Fit demanded compensation from the city for failing to provide adequate safety (Makenbach, 2000). Another painful symbol of the continued low status of especially the Bijlmer was a brochure for European Cup visitors that displayed a map in which the train station was situated at the far end “to prevent people from going astray in the Bijlmer” (Discussion Hofstede, 2000). Finally, there were reports in the press that most taxi drivers refuse to travel
to Zuidoost (AS 23 Aug, 2000: 1), and a shooting on the still uncompleted ArenA Boulevard did not help matters either (Interview Sentel, 2000). All this placed the question of safety and crime in Zuidoost on the agenda (Parool 29 April, 2000: 4). Although the district authority has produced figures of rapidly falling crime rates (38% in muggings since the year before), the stereotypical image of the Bijlmer has proven stronger (Parool 14 April, 2000: 1).

6.5.2 Effects and impacts
Unlike the previous two cases, it is still much too early to measure the effects of the GDV and surrounding facilities on other areas. At the proposal stage, there were many fears that the superstores would harm shops in the city center and the Amsterdamse Poort (FD 3 Sept, 1996; Interview Van der Kolk, 1999). The Kolpron ex ante study had predicted only moderate levels of trade deflection from the city center, but this research is almost ten years old. Since that time, some research has been done on the effect of individual facilities, notably the multiplex Pathé Arena as part of the legal battle with Diemen, and a trade deflection study of the major superstores is being planned by the University of Amsterdam. However, these are isolated studies, rather than a study of the impact of the ArenA Boulevard as a whole, and the positive spin-off effects of the non-retail functions (e.g. new residents in the Woontoren, Getz center) once they are realized and operating. By this time, the second phase of the GDV may be in place as well (an additional 30,000m² of superstores). One of the greatest uncertainties for the future of the ArenA Boulevard will be Getz, and its potential to draw patrons to the area. It is also unclear whether the link between the ArenA Boulevard and Amsterdamse Poort as a result of the new Bijlmer station (to be completed in 2007) will indeed produce the much hoped-for synergy between these two centers as well. Finally, the ramifications of the far-reaching liberalization and decentralization of national retail planning policy are still unclear. If it results in a flood of new initiatives for peripheral development, such as what occurred in Manchester or the Ruhrgebiet, this could potentially compromise the viability of the ArenA Boulevard, especially if this expansion is followed by an economic recession. Therefore, most current estimates of impact can at this point only reside in the realm of speculation and conjecture.

Regarding this speculation, OMC and the municipality have had to walk a fine line between promoting the new center as something exciting and attractive for potential investors and patrons, and at the same time playing down the effects that the developments would have on existing centers. Because of this, a rather mixed message is often produced. One way that the developer worked around this dilemma was to claim that the GDV will not undermine the vitality of the inner city because they serve different clienteles: one prefers the urbane surroundings of the historic center while comparison shopping, and the group is drawn by big events and goal-oriented purchases (Parool 23 Aug, 2000). Another attempt to reconcile the promotion/impact dilemma has been to refer to an almost mystical “region” from which the various retail and entertainment will draw their sales. Both the city center and Zuidoost can serve this growing region without undermining each other’s profitability. Defending the ArenA Boulevard project, the municipal planning agency argued, “the Amsterdam region is gradually evolving into a network of urban centers that reinforce each other … there is room for urban center developments outside the city center” (Kalfsbeek, 1996: 4). Since the facilities situated on the ArenA Boulevard have a “super-regional function” the Centrumgebied can rightly call itself another center of Amsterdam (AB1, 1998). However, this once again undermines the previous claim that the ArenA Boulevard and the city center — the most important regional center — will not significantly overlap.
6.5.3 Comparison to other GDVs

Two other GDVs were completed before the first shop opened on the ArenA Boulevard: Alexandrium in Rotterdam, and MegaStores in The Hague. This section will briefly examine the other two projects and compare their strengths and weaknesses to ascertain what kinds of effects may be expected in Amsterdam.

The first GDV to appear was Alexandrium, built in a postwar urban extension of Rotterdam. This project, like the ArenA Boulevard, consists of a combination of the already-existing district shopping center Oosterhof, superstores (GDV) and a furniture mall (PDV). The integration of these three areas is achieved not only physically via a bridge (and later a new wing) connecting the old district center Oosterhof, but linguistically by renaming it Alexandrium I (Rotterdams Dagblad 4 Jan, 1999; VGM Sept, 1999: 73). The GDV then became Alexandrium II (26,000m$^2$), and the furniture mall Alexandrium III (62,000m$^2$). The site is readily accessible by rail and by car, and unlike the ArenA Boulevard, there is ground-level parking directly outside the superstores (Jannette-Walen and Kapoen, 1998). The total number of parking spaces is 4,000. The retail mix for the superstores was established in a private contract and tied to the sale of the land and, in addition to adhering to the 1,500m$^2$ minimum size requirement, excluded food and fashion so as not to compete with Oosterhof/Alexandrium I. Thus, here too, the GDV was not completely free of product restrictions.

Before Alexandrium, this was a problematic area, and most development had occurred in an ad hoc manner (Ten Cate, 1997). In 1990 the district authority drew up an ambitious masterplan for the area, and worked with the developer to realize it. Unlike the ArenA Boulevard, it was easier to attract operators to the GDV part than the PDV part of the scheme. Nevertheless, at opening there was more than enough interest in Alexandrium III to rent 95% of the space (FD, 15 May 1996). There were conflicting reports about the level of Alexandrium’s commercial success after its opening in 1995 (II) and 1996 (III) — Alexandrium I had been operating as Oosterhof since 1984. An initial survey by TU Delft found disappointing results in terms of footfall and average sales, but the tenants of the project seemed satisfied (Rotterdams Dagblad 15 May 1996). An impact analysis showed that the sales feeding Alexandrium I and II were drawn mostly from other centers in this part of the Rotterdam conurbation. Alexandrium III had a slightly more regional/recreational function.

The second GDV to open in the Netherlands was MegaStores in The Hague at a site called Laakhaven. As with the ArenA Boulevard, this commercial development was torn between the aspiration of regenerating a derelict site in a low-income region and the possible impacts this would have on the inner city. According to the D&P advice that provided the context of the development, if the city wished to not have the GDV compete with existing centers, it should be located at least 80% outside of their catchment area (D&P, 1994: 17). Because of this, The Hague’s decision for the Laakhaven site not far from the city center required design compromises. The Hague decided, for example, against allowing a multiplex cinema in the project because it would compete too much with the inner city (Boer, 2000b). Unlike the ArenA Boulevard, The Hague’s GDV is very retail-oriented, with rents ranging from € 90/m$^2$ for large-scale retailers to € 180/m$^2$ for smaller shops (VGM Jan, 2000: 13). Unlike Alexandrium and the ArenA Boulevard, MegaStores is a single structure built at one time. It still lacks internal coherence as different kinds of retail types are situated alongside one another with no clear theme. Like the ArenA Boulevard and Alexandrium, tenants were selected partly on the basis of not posing significant competition for the inner city.
Within a year of opening, MegaStores was already experiencing financial problems. There are several reasons for this. First, the placement of enlarged Konmar supermarket and furniture shops in the same location is not the most self-evident choice in terms of complementarity. Similarly, MegaStores sited three large drugstores next to one another. Because this kind of shop is not of the comparison-shopping kind, but of goal-oriented purchase variety, it does not profit from the proximity of competitors. In addition, MegaStores was criticized as being cheaply executed, and has terrible freeway access (Interview Sinnige, 2000). The MegaStores developer also complained that neither the German Hypo-Vereinsbank who had bought the project for €118 million, nor the tenants seemed much interested in promotion or marketing (Haagsche Courant 4 Sept, 2000: 1).

This brief overview of the other two GDV projects reveals some interesting parallels with the ArenA Boulevard. First, all three GDVs did not depart significantly from the rigorous Dutch national retail policy (MegaStores comes perhaps closest, as its B-location status is questionable). Second, all three schemes incorporated PDV ranges into the development. Third, all were in less affluent and/or problematic areas of the city. Last, all three GDV developments decided to impose product restrictions in order to protect an existing center. In this sense, the ArenA Boulevard is not so unique for GDV developments, except for the fact that it also includes entertainment functions into its mix.

6.6  Cogitations and conclusions
As should be evident from this chapter, the peculiarly hierarchical makeup of the Dutch retail structure can be traced back, to a large extent, to the constraints placed on it by the government. In a critical report, the McKinsey Group argued that:
Dutch zoning laws and municipal permit policies have made it virtually impossible to establish out-of-town shopping malls. Since shopping malls in places like the UK and US have tended to boost output and employment, we believe that the scarcity of shopping malls in the Netherlands has contributed to lower levels of retail output and employment (McKinsey Group, 1997: 7).

Whether one adheres to the view of McKinsey (1997) or others (e.g. Borking, 1997 in VGM v24: 55; Ministry EZ, 2000) regarding the desirability of shopping malls, there does tend to be a consensus that restrictive planning policy is largely to blame for this. The case under investigation in this chapter, the ArenA Boulevard, is largely a product of this restrictive policy, and of the ways in which the various actors reacted to it.

6.6.1 Application of conceptual framework

From the account given in this chapter, it should be clear that the history of retail policy and development in the Amsterdam metropolitan area was powerfully influenced by institutional factors, both in terms of the overall context in which the actors operate and the disposition they have with respect to each other. When one looks to the specific developments which led to the ArenA Boulevard, one can clearly discern the important role that all three contexts — administrative, economic and spatial — played in guiding the activities and strategies of the actors that initiated, investigated, coordinated and carried out the development. This section will take each of these structures in turn in its explanation of why the municipality became so pro-business in the 1990s and why business was so amenable to working with heavy public-sector influence in the planning process without a concomitant commitment to participate in the risk of the project. It will also show how the artificial or “unnatural” character of the ArenA Boulevard arose from the special constraints placed on it by institutional factors and a propensity among the actors to solve conflict via incorporation and compromise.
Explaining the ArenA Boulevard development

Relatively Stable Parameters

**Economic:** Hierarchic retail structure, ongoing retail sector consolidation

**Administrative:** Three-tier fiscally centralized planning system of upward checks

**Spatial:** Monocentric conurbation, but decreasingly so, Zuidoost functionally divided, island of Amsterdam

Contingencies and Events

**Economic:** Improved retail market, especially superstore format, high unemployment in Amsterdam, especially Zuidoost

**Administrative:** City province, possible fiscal decentralization

**Spatial:** GDV policy, ArenA stadium, failed waterfront project

Retail Development Arena

- City Council
- Planning department
- OMC
- District authority
- Retail mix committee
- Occupants
- Residents (jobs)
- Amsterdamse Poort retailers
- VAC
- MKB, RND, AO
- Kolpron consultants
- BOA

Strategic action

Minimization of conflict via retail mix committee, agreed upon impact study, public-private cooperation

Boulevard idea encompasses ideals of multiple parties

Masterplan drawn up, incorporated into local plan

Outcomes

(ArenA Boulevard)
Economic context
In the 1990s, the retail market was becoming increasingly consolidated and increasingly international (Alexander, 1997). At the beginning of the decade, Dutch national government had bowed to the pressure of Ikea to widen the product range allowed at PDV sites, and in 1993 once again to allow superstar development under the GDV policy. Another salient factor was the upswing in the Dutch economy in the mid-1990s (this, conversely, can also help explain why the waterfront project collapsed a few years earlier). Markets may also help to explain the content of the project: in the early to mid-1990s — the time at which plans were being drawn up for the Amstel III/Arena stadium area — there was continued uncertainty in the office market, but a renewed vigor in the retail and entertainment market (Interview Sentel, 2000). Because retail was declining as a share of total consumer expenditure, schemes that could create synergy between shops and the flourishing leisure sector were in high demand. This market situation was coterminal with the relaxation in retail planning (GDV) policy.

On the surface, the concept of shops and entertainment surrounding a major stadium seems rather commercially sound. The stadium would doubtless generate streams of pedestrian traffic during events, a factor that makes the location between it and the various modes of transport feeding into it (parking garage, metro station) very interesting to food vendors and retailers. However, the hierarchical Dutch retail structure is another important factor. The fact that the country is so highly populated with shops makes it difficult for new entrants — especially large-scale formats — to capture a large market share (Parool 24 Oct., 2000). One of the consequences of this for the Arena Boulevard development is that it was difficult to find retailers willing to establish themselves at this location. On the other hand, an advantage the Arena Boulevard offered to potential investors and operators was that, under the PDV/GDV policy no competing GDV could be realized nearby, thus providing a spatial monopoly.

As the other Dutch GDVs, the Arena Boulevard was developed in an outlying urban district with a problematic economic profile. The image of Zuidoost had until the 1990s been dominated by the Bijlmer housing estates whose unemployment rate was far above the city’s average, which was in turn much higher than the national average. Given this, little opposition to new forms of development such as the Arena stadium could be expected, especially if it promised the creation of new (low-skilled) jobs. Moreover, even in its infancy, the district authority Zuidoost struggled with glaring public-finance difficulties, and felt itself badly in need of investment (Kessom, 2000). These factors would help explain the pro-growth disposition of the district since its inception in 1987.

Administrative context
As indicated in §6.1.1, the Netherlands can be described as a three-tier decentralized unitary state. However, unlike the two other cases, the decision making process regarding planning and development of the Arena Boulevard almost exclusively took place within the municipality. Except for the occasional appeal to the Raad van State (e.g. Woontoren and multiplex), the highest active authority was the city council (because the Centrumgebied was designated a project of city-wide significance, the district authority had little decision-making power of its own). The province in particular failed to play a role in spatial planning since Amsterdam had acquired the right to automatically incorporate its structure plan into the provincial regional plan (a good example of bottom-up authority!). Similarly, the metropolitan body ROA was dominated by the capital, and had few real teeth anyway. Thus,
more salient than central-local government relations are those between the city of Amsterdam and its neighbors and the central city and the district authorities.

Historically, Amsterdam has had an antagonistic relationship with its suburbs, especially those to the south, which has sometimes resulted in annexation (Van der Valk and Wallagh, 1994). Before the centralization of the tax system in 1929 Amsterdam had complained bitterly about the tax havens just outside its municipal boundary, and afterwards complained about the lack of space within its jurisdiction for housing. The migration of affluent citizens to suburbs and growth centers in the 1970s and 1980s and subsequent decline of the city center as a retail destination was made more worrisome in the 1990s with the rumors of fiscal decentralization. Nevertheless, Amsterdam still occupied a strong position in the region economically, and still possesses much political clout in the province. Another administrative factor structuring the ArenA Boulevard development regards the curious spatial situation of Zuidoost vis-à-vis the main city, intensified after the division into district governments. The city-province plans (via ROA) in the early 1990s corresponded with a shift in mentality of the municipality from one of blocking proposed projects of its neighbors to attracting commercial development to the region as a whole. The reasoning behind this was, of course, that if all the municipalities in the metropolitan area would be brought under the jurisdiction of a Greater Amsterdam, this would shift the level of scale for competition to the regional level. Thus, Amsterdam could permit growth on its southern edge (instead of on its waterfront) with the knowledge that these projects would become part of the city-province within a few years. This change of heart manifested itself in bold plans for the Zuidas and the ArenA Boulevard. The failure of the referendum for a city-province may point to a reemergence of the adversarial disposition of the city. On the other hand, there are reports that, despite this, relations between the city and its neighbors continued to improve in recent years (Interview Van der Zwaan, 2000; Interview Van de Mortel, 2002) partly as a result of timely consultation and willingness to listen to the desires of communities such as Amstelveen (Parool 27 Jan, 2000: 6; Interview Boerma, 2000).

Spatial context

Space played a crucial part in determining the nature and content of the ArenA Boulevard, both in terms of physical locational characteristics and spatial policy conducted at the national and local levels. With regard to the former, the most important was the introduction of the GDV policy. The planning restrictions that accompanied this policy, particularly the limitation to the thirteen urban nodes, gave Amsterdam a competitive advantage over its suburbs. The spatial monopoly this entailed also placed the municipality in a better bargaining position to use the ArenA Boulevard development to effectuate other urban development goals.

With regard to the local level, one can consider the spatial configuration of Zuidoost as an island in terms of both the administrative separation (lone district) and socio-economic profile. The physical separation from the rest of Amsterdam also complicated developments such as the metro line and the stadium with neighboring communities in between, and more recently with the Woontoren. Another physical characteristic of the district is the prominent east-west divide imposed by the railway line and separation of functions. This grew into a second kind of separation, namely a jobs-skills mismatch between the Bijlmermeer and Amstel III (Nimako, 2002). This division was to become one of the main motivations for the municipality for advocating a design that would integrate both halves of the district, and thus leave a considerable imprint on the final outcome.
Zuidoost is also characterized by its large-scale quality. The large-scale Bijlmer estates of the 1970s complemented the ArenA development twenty-five years later, and the ArenA Boulevard. It is spacious by Amsterdam standards and very well connected by physical infrastructure. In comparison to the inner city, it is highly accessible and therefore has a great competitive advantage in certain retail branches. Because of this, the Zuidoost district was ideally situated to accommodate the growth in scale in the retail sector. In fact, the results of one study on the economic potentials of Zuidoost concluded that: “the driving force of the Bijlmer/Zuidoost is not the spatial renewal, nor that of the renewal of administration, nor the multiethnic population, but the strategic location” (Nimako, 1997: 156)

The most important “spatial event” towards the building of the ArenA Boulevard was the decision to and building of the stadium. This structure had been a “floating object” hanging above the area since the 1992 Olympic bid (Interview Sinnige, 2000), and when it finally landed in Zuidoost it became the first major landmark to adorn the Amsterdam skyline in decades. The decision for Zuidoost as a location for the stadium was also largely due to its spatial attribute of still being relatively open: before 1960 it was mostly water, and thus offered “virgin soil” for urbanization. The western part also had a chaotic nature, unlike much of the ordered majority of the city, and thus would not be thrown into disarray by another large-scale facility. The stimulus provided by the successful completion of the ArenA itself constituted the most important spatial event preceding the ArenA Boulevard. Before, the eyes of the city had been directed almost exclusively inwards towards the waterfront, but this major urban development introduced the possibility of creating a new urban center on Amsterdam’s fringe. The notoriety in the media surrounding the stadium only added to the curiosity of investors, and soon it was seen as something positive rather than detrimental to local business interests. Within years, the ArenA had become a positive icon for Zuidoost and as definitive for the skyline as a church tower for a traditional Dutch village (Interview Sentel, 2000). There was a collective herd mentality of businesses following one another into the area, which was perhaps more powerful than the carrots offered by the municipalities. The acquired reputation of being “booming” has enticed evermore businesses to attempt to locate in Zuidoost, recently stated to be “the best location in Amsterdam” by the British flexible office-space trader MWB Business Exchange (Info Regio Amsterdam June, 2000: 22).

**Actor interaction**

Since virtually all opposing interests seem to have been given a say in the project, one can call the ArenA Boulevard a “mega-compromise” — something quite different from the previous two case studies. While the other two case studies enabled a proponent/opponent distinction to be made, more subtlety is required to describe the relationship between the various parties in the GDV development in Zuidoost. Perhaps a more appropriate distinction is between (inner-circle) stakeholders and (outer-circle) participants in the planning process.

As can be read from the figure above, the most important stakeholders were the municipality and the developer OMC. Because the planning department had commissioned the masterplan, and because Cor Brandsema was appointed as project manager, the municipal planning department had gained exclusive access to the inner circle without having to participate in the risk of the project. Regarding OMC, the main partner of significance was ING Vastgoed, which had a direct interest in the area in terms of landholdings and the location of its

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168 The completion of the A10 and the subsequent desire of merchants along Diemen’s meubelboulevard to vacate the area is testament to this element in retail competition.
headquarters. Like other developers, it can be assumed that ING was interested in realizing a prestigious project that could be sold for a profit, and that would enhance the company’s reputation. However, in this context, it is also significant that this same organization had cooperated with the municipality a few years earlier to develop the waterfront. This waterfront project cannot be underestimated as a forerunner to the ArenA Boulevard because this constituted the first great attempt by the city to involve the private sector in urban development. Arguably, the fact that it failed offered a more poignant lesson for the municipality than had it succeeded, namely the importance of being more sensitive to and involving the private sector at an earlier stage, and of the difficulty of realizing a financially sound PPP under unfavorable economic conditions (Interview Sentel, 2000). On the other hand, it also taught ING to be more circumspect when entering into a PPP. This may explain the construction of the cooperation between the municipality and OMC: not as a formal PPP but as a contractual cooperation agreement. By all reports, the interface between the municipality and OMC have been virtually seamless, indicating that most problems were dealt with internally, or via constructions such as the BAC. Another factor which cannot be overlooked was that there was a project manager with seven years of experience in the area who could speak both the language of the municipality as well as that of the local business community.

As regards the “outer circle” actors, these included city-center interests, united in the organization VAC, neighboring municipalities, shopkeepers in the Amsterdamse Poort and other small businesses (MKB), the district authority and finally Bijlmer residents. Perhaps the most striking thing about the ArenA Boulevard development process is the way in which these “outer-circle” interests were dealt with. From the beginning, the objective was to defuse opposition via incorporation, tactical compromises and consensus-forming rather than direct conflict. The commissioning of reports and drawing up of plans is a prime example of this. The 1994 D&P study had already pointed out Zuidoost as one of the best locations in the Netherlands for a GDV, thus giving Amsterdam — in addition to the “urban nodes” clause in the Fourth Report — justification for selecting this area for its GDV. In addition, by closely following the formal GDV procedure — drawing up a regional structure vision that included an impact assessment — the city gained legitimacy for its actions. The fact that this was carried out by an independent consultancy agency under the banner of ROA made it appear even more objective, and therefore more difficult to contest. The results of the study, that a preliminary GDV of 20,000m² would have no grave effects on the hierarchical structure of the region, could then be followed by OMC without seeming unreasonable. OMC even provided information in a timely and honest way to opposing groups such as the VAC.

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169 In the 1996 development agreement between the city and the OMC, the city gained the authority to do most of the planning for the area, but the private-sector parties could, by a clause in the contract, exit its provisions if contingencies (e.g. economic downturn) were to arise (Samenwerkingsovereenkomst, 1996: §11.1).

170 The excellent relationship of ING with the municipal land agency in negotiating prices was also seen as a risk-reducing factor. Working closely with a “professional municipality” like Amsterdam is, despite some of the additional demands, also much more beneficial than a much less experienced suburban community like Diemen or Ouder-Amstel (Interview Sentel, 2000).

171 By designating the Centrumgebied a “project of citywide significance”, the central city seized authority for the project, placing the district authority in this outer circle.

172 One interesting factor is that the voice of residents was largely absent from the ArenA, the Centrumgebied and much of the Bijlmer renewal activities, and has only been raised in mid-2000 regarding the latter. Part of this can be explained by the distance between most of the commercial development and residences and the generally positive reception of facilities, and some by the quiescence induced by the representative role played by the district authority, and the social fragmentation.
The establishment of an information center and a public-relations newsletter helped to garner support as well. This preemptive maneuvering using planning procedures and information was supplemented by the instigation of the BAC, giving even rivals of the project a say in the GDV product range.\(^{173}\) This incorporation *par excellence* was sufficient to pacify even the most virulent of opponents (AS 19 June, 1996: 17).

Another major “outer circle” player to appease was the district authority. This body had to explain to its constituents that the investments pouring into the west side would find their way eastwards. A local “polder model” brought about the establishment of the ArenA initiative and other programs to employ Bijlmer residents in the new commercial area, and thus ease the spatial/jobs mismatch in the district. This desire to integrate the two halves of Zuidoost — also a desire of the municipal planning department — can also be read in the final design of the Boulevard: the elevation and movement of Bijlmer station atop the Boulevard being the most defining feature.

In summary, one can see that the research and planning stage of the ArenA Boulevard was quite different from that of CentrO and the Trafford Centre. Instead of simply submitting a shopping center proposal to the municipality, the GDV in Zuidoost Amsterdam was part of a wider process of urban development and subject to strict national guidelines. The PDV/GDV policy had set unequivocal planning standards, and demanded that a regional structure vision be drawn up. The production of this document, and the impact report upon which it rested, fundamentally changed the room to maneuver of the participants. Because of this, no out-of-town shopping center containing department stores could be realized in Amsterdam, and

\(^{173}\) Both the Zuidoost district authority and the planning commissioner were firm about the establishment of this body (Interview Brandsema, 2001).
because all the information was public, the strategy of the proponents became one of incorporation rather than exclusion. As one might imagine, inviting so many cooks into the kitchen had a profound impact on the final product.

**Outcome**

In 1996, a year after the controversial but spectacular ArenA stadium had opened to the public, the stretch of land that was to become the ArenA Boulevard was paved with cement and metal tiles and outfitted with trees in steel railings. Unlike a regional shopping mall, there was little fanfare to commemorate this genesis, and nothing of interest for visitors to see. Except for the stadium and the walkway, the area was completely barren, inhabited only by the rumbling of an occasional bulldozer, or the presence of a construction worker. The municipality of Amsterdam had hoped that by constructing the common public area first, they would send a message to the developers to create something with flair and allure. Instead, what developers saw, in the words of one ING Vastgoed employee, was a gargantuan “landing strip,” with nothing around it but a soccer stadium adjoining a business park (Interview Sentel, 2000). The envisioned functions of exciting large-scale retail formulas, multiplex cinemas, and a glamorous Broadway-style musical hall were little more than colored lines on the drawing table, and in stark contrast with reality. It is partly for this reason that one of the main anchors of the project (Endemol) decided to pull out unexpectedly a few months later. Its director seriously doubted that this peripheral district of Amsterdam would ever have the stature or allure needed for the planned theatres and hotels. This was a major setback, but not fatal to the project. The developers forged ahead with the plans, and in 2000 the first building block opened its doors to the public: Pathé ArenA adjoining Bijlmer station. This was followed by the gradual opening of Media Markt, Decathlon, Prénetal, and Perry Sports on the north side of the Boulevard. At the same time, construction on other parts of the scheme continued unabated.

The ArenA Boulevard has the character of a perennial building site. The opening of the long-awaited furniture mall Villa Arena in April 2001, for example, was accompanied by the start of construction on the new Bijlmer train station, whose expected date of completion is no earlier than 2007. Only then, will the ArenA Boulevard be once again repaved and officially considered complete. In the meantime, the area continues to evolve. For example, in 2002, the Grace Theater (a temporary structure built to fill the Endemol gap) had already failed commercially, and had to be relaunched under a new concept. At the same time, the PDV/GDV policy which had played such a pivotal role in determining the content and form of the scheme was abandoned by the central government. This raises the question of what the ArenA Boulevard, as a gradually evolving urban commercial center, will look like when it is finally complete, and whether it can compete with what is to come.

6.6.2 Some final thoughts on the ArenA Boulevard

Scarcely had construction on the ArenA Boulevard facilities begun, and the red carpet rolled out at Pathé ArenA, than the policy which had made it all possible was in danger of being abolished. The PDV/GDV policy, increasingly viewed as an anachronism by the Ministry of Economic Affairs, would be replaced by a completely new system of local discretion in the upcoming Fifth Report on Spatial Planning (Ministry EZ, 2000; Ministry VROM, 2001), effectively dismantling the regime established in the wake of the 1973 Maxis-Muiden controversy. Although the effects of this rule change will not make themselves fully apparent within the timeframe of this research, their potential impact on the ArenA Boulevard should receive some attention nonetheless.
Ministerial misgivings
In 1997, the Ministry of Economic Affairs commissioned the McKinsey group to assess the economic competitiveness of the Netherlands. These consultants produced two influential reports: *Benchmarking the Netherlands* and *Boosting Dutch Economic Performance*. With regard to retail, the McKinsey group found that “Dutch retail sector performance closely resembles that of the other European countries [France, Germany and the UK], but seriously lags behind that of the US … the Netherlands has the potential to boost retail output by 25% and employment by 30%” (McKinsey Group, 1997: 2,1). One of the “barriers” to this was the planning system. In *Benchmarking*, for example, planning is blamed for helping to create a scarcity on the land market, thus driving up prices of commercial sites. This accusation certainly holds true as regards retail planning: the system has — consciously — directed investments inwards towards higher-priced sites in town and district centers. In *Boosting*, the McKinsey Group argued that:

Municipalities are apparently reluctant to allow more out-of-town retailing, preferring instead to protect the existing retail structure. In view of this reluctance, the government should consider measures to curb municipalities’ power to control the number of out-of-town shopping centers (McKinsey Group, 1997: 18).

These critiques were carried forward in a working paper by the Ministry of Economic Affairs the following year which lamented that the “strict regulation in the area of spatial planning and local plans in which retail locations are established” had prevented the construction of “very big stores” as was common in Britain, France and Germany (Ministry EZ, 1998). Here it is possible to see that the “success” of retail planning as seen through the eyes of the Ministry of Spatial Planning had been reinterpreted as a problem by the Ministry of Economic Affairs. In 1999, the latter published its *Dynamics in Networks*, which carried this standpoint forward as an official statement of policy intent. In the same year, the Ministry commissioned a workgroup to investigate the PDV/GDV policy. The point of departure was to be deregulation, streamlining and the subsidiarity principle. The product of these efforts was a report with the portentous title *More with Less*. Unsurprisingly, given the points of departure of the workgroup, the report argued for a full-scale deregulation at the national level. Specifically, this entailed abandoning the GDV requirements of confining large-scale retail projects to “urban nodes” and all product range restrictions (Ministry EZ, 2000; Evers, 2002; Hallsworth and Evers, 2002). Within a week of its publication, the Dutch cabinet stated its support of these measures. For the first time in the postwar era, the prospect of building out-of-town shopping malls and hypermarkets in the Netherlands seemed realistic.

Reactions
Predictably, planners were diametrically opposed to the suggestions of the workgroup. More noteworthy was the reaction of market parties. Rather than embracing the new free-market approach, the established business community rallied against it, as it once had against the GDV policy. Like before, they contended that such far-reaching liberalization would give newcomers an unfair advantage and undermine years of investment in established centers. Various retailing interests united in the lobby group “platformdetailhandel.nl” to urge the government to reassess its position, and the Dutch Association of Real Estate Interests (IVBN) also expressed its disapproval (Ministry EZ, 2000; NRC 23 March, 2002). Most large cities were also opposed to the change, Amsterdam in particular.174 At the time of the

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174 During a hearing on 15 December 1999 before the workgroup, the representative from the city of Amsterdam complained that the GDV policy had only been implemented a few years before, and had not had a chance to make its effects felt. He urged the workgroup to reconsider its demands, and delay its plans for another five years “in order to assess its impact.” Veiled behind this apparently technical argument lies a sensitive political-
proposed liberalization, construction activities on the ArenA Boulevard were in full swing, and only Pathé ArenA was operating. The prospect that the spatial monopoly afforded by the GVD policy would be removed cast a dark cloud over the commercial viability of the development. It also placed the city and OMC in an awkward position vis-à-vis retailers who had been lured to the location with the promise that no rival center would be built in the surrounding region (Interview Van der Zwaan, 1999). In spite of these outcries, the liberalization is being carried forward.

There are several different ways actors can respond to such a situation. The first is to take a “business as usual” stance, by continuing to concentrate on areas sanctioned under the PDV/GDV policy. This is the strategy taken by Amsterdam in its new structure plan — it essentially carries forth the previous government policy in its municipal strategy. By implication, this will be the position taken by the Province of Noord Holland as well. Utrecht has adopted a similar stance in its provincial vision (Provincie Utrecht Press Release, 8 April, 2003). This also seems to be the initial response expressed by the main OMC partner ING Vastgoed:

If you build malls that suck inner cities dry, you are on the wrong track. You might get away with it once, but you will damage your relationship with retailers, especially SMEs, and municipalities. Furthermore, this is against ING’s corporate culture (Interview Sinnege, 2000).

However, a dilemma will arise if other parties decide to take full advantage of the new freedom and build on the periphery. As the retail sector has shown itself to be remarkably swift in responding to policy relaxations, “business as usual” may be a risky strategy. Already there are signs that some parties are defecting, which would throw the equilibrium out of balance.

Although the new rules are not yet in force (the Fifth Report had run aground due to a government collapse and elections in Spring 2001), within a week of their endorsement Royal Ahold announced its intention to build 150 to 200 “mega-supermarkets” in the Netherlands, presumably at peripheral sites along highways (Telegraaf 16 March, 2000; Jansen, 2000). By September 2002, there was a record number of plans for shops on the edges of cities, totaling 2.48 million m² (FD 23 Sept, 2002). A more worrying concurrent trend is that supermarkets are now vacating urban neighborhoods deemed “unsafe” (Volkskrant 20 Jan, 2003). This urban disinvestment may indeed be linked to an increasing sensitivity to crime, but it may also be a zero-sum response to the new opportunities being offered on the urban fringe. At worst, the Netherlands may be heading in the direction of other countries in which “supermarket redlining” and “urban food deserts” are being discussed as planning problems (Lowe and Wrigley, 2000; Eisenhauer, 2001).

The current policy limbo has also spawned a number of even bolder initiatives. An American-style shopping center has recently been proposed, for example, in Sassenheim, located in the affluent “dune and tulip region” of the Netherlands (VGM, 10 Jan 3003), a multi-functional commercial complex was proposed along the A12 motorway near Woerden (Utrechts Nieuwsblad 24 March, 2003), and a proposed retail/entertainment scheme inserted in the sound-barrier of the A2 highway is appropriately being called “The Wall” (Telegraaf 13 March, 2003). At present, the most ambitious idea is a proposal for a 150,000-200,000m² shopping center in the municipality of Geldermalsen (a village near the A15/A2 nexus)

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economic one: Amsterdam has taken full advantage of the privileged position allotted to the “urban nodes” that the GDV policy had granted it.
patterned on (but dwarfing) CentrO (De Gelderlander 31 Jan, 2003). Finally, as a bitter irony, the Maxis hypermarket on the A1 — which had been so controversial a quarter of a century ago — announced its metamorphosis into a 64,000m$^2$ megawinkelcentrum, with the addition of well-known chains as Xenos, Lidl, Kruidvat, Megapool, Burger King, Dierenland, the fashion retailers Piet Kerkhof, Van Haren, Villa Happ and Zeeman and two themed crèches (VGM 24 April, 2003; Parool 25 April, 2003). Already 12,000 additional parking spaces are being realized, and the shopping center is scheduled to open in September 2003.

Of course, most of these proposals — excepting Maxis — are still at an early planning stage, but it is certain that most, if not all, would be summarily rejected under the PDV/GDV policy. It is also clear that if similar proposals find their way to the Amsterdam metropolitan area, the ArenA Boulevard “mega-compromise” might not be able to compete, and well-intended actors such as ING Vastgoed may find themselves forced to participate in the rush to the periphery. There already seem to be signs that ING’s “corporate culture” is changing in this regard. This is indeed an uncertain time for the future of the ArenA Boulevard, and the Dutch retail structure as a whole.

$^{175}$ However, even if this were not the case, once liberated from the PDV/GDV constraints, the ArenA Boulevard could adapt itself to the new competition by subdividing the megastores, or introducing “forbidden” product mixes and formats into Villa ArenA such as department stores. Naturally, this would entail a reexamination of the agreements made in the BAC, and whether these are legally binding. More importantly, it would also need to overcome political opposition from local residents and shopkeepers (Interview Brandsema, 2001). Such speculation may seem premature considering that the ArenA Boulevard is not yet complete, and one of its main anchors (Getz) is still uncertain.
CHAPTER 7: CONCLUSIONS/IMPLICATIONS

7.0 Introduction
This dissertation sought to give an account of how we build for consumption in Northwest Europe. This is hardly a neglected topic. Indeed, consumption has become a rather fashionable subject of inquiry in recent years. The hyperbolic statement below by Rem Koolhaas (in Chung et al, 2002: 1) is not unique, rather symptomatic of this new fascination with consumption:

shopping is arguably the last remaining form of public activity. Through a battery of increasing predatory forms, shopping has infiltrated, colonized, and even replaced, almost every aspect of urban life… The voracity by which shopping pursues the public has, in effect, made it one of the principal — if only — modes by which we experience the city.

Whether we agree with this statement or not, the evidence presented in this thesis does seem to indicate that public officials are increasingly turning to retail as a means by which to bolster their local economies. All three case studies took place within a setting of economic restructuring — the most transparent being that of CentrO where a shopping mall was built on the ruins of an abandoned steel plant, and used as a catalyst for regeneration. For many, this is a sign of the times as well as an indication of things to come: “there are numerous assertions that postmodern cities are cities of consumption, rather than of production; cities of the shopping mall rather than of the factory” (Glennie, 1998: 927). Despite this level of interest and the topical nature, little in-depth scholarly work has been done on the interface between planning and retail in an international context.

This study addressed this gap by investigating how institutional factors define the playing field and suggest courses of action for actors involved in building new retail spaces. It is partly for this reason that the attention has focused on shopping center development. Shopping malls, especially those built out-of-town — are not only the most visible symbols of consumption-oriented buildings, but they tend to be the most contested politically and are most likely to bring to the surface the latent conflicts between planning ideals and new retail developments. These are precisely the situations that lend themselves well to institutional analysis. Rather than adopting a fatalistic position that the world is necessarily converging towards a generic retail structure, this thesis has continually argued, through an institutionalist lens, that local circumstances and ultimately local actors determine if and how these buildings are built. In so doing, the focus has been on the interaction between structuring parameters (here defined using the dimensions of space, economy and public administration) and actors within the decision-making arena. The intent of this last chapter is to bring together the many insights gained into retail development with the theoretical discussion of Chapter 3. To this end, the chapter will recall the most salient outcomes of the case studies, and make some comparisons and observations between them. Afterwards, some fundamental substantive conclusions will be drawn, and the efficacy of this kind of institutional approach for further retail/urban research contemplated. Before addressing such matters, however, it is necessary to first return to the research questions as stated in Chapter 1 to indicate where they have been dealt with in the thesis, and raise once again the questions/propositions posed at the end of Chapter 3.
CHAPTER 7: CONCLUSIONS

7.1 Reflection on purposes and methods

7.1.1 Research questions and answers

The aim of this section is to deal briefly with the main research question posed in Chapter 1, and the more operational subquestions. Although these questions were useful in guiding the research, the more interesting questions are those posed in §3.2.4, drawing on the substantive insights gained in Chapter 2 and the theoretical ones in Chapter 3. These will be retrieved in the next section (§7.1.2) in order to lead into a discussion of the main findings of the case studies.

The main research question sought to explain how institutional factors influenced decision-making on large-scale retail developments. To direct the search for answers, a number of subquestions were posed regarding possible influences. These were addressed in chapters leading up to the empirical case-study chapters as well as within the particular institutional context of the country being examined. Specifically, the first subquestion — what institutional conditions (economic, administrative, spatial) exist that impact the retail development sector? — was discussed in Chapter 2 on retail development, which discussed at length the economic/spatial, spatial/administrative, and administrative/economic relationships of retail development. The next subquestion — who are the relevant actors and what are their interests? — received full attention in Chapter 3 (§ 3.2.2) with a description of actors and a rough positioning in terms of centrality in the decision-making process. In addition, this chapter also provided a schematic representation of the last subquestion — how do these forces (actors and environment) combine to result in certain decisions on large-scale retail projects? — in the form of a conceptual framework. This provided the basis by which to address the main research question of the thesis: How do institutional factors influence the decision-making process regarding large-scale retail developments in the Netherlands, Germany and the UK?

Theoretically, the main research question was dealt with by the construction of the conceptual framework which presented a hypothetical model for understanding large-scale retail developments in the case studies. Substantively, the main research question was addressed in the case study chapters. The first part of each case-study chapter presented the most important institutional attributes of the country and then examined in more detail the interface between retail planning policy and retail development. The second part took a closer look at a single large-scale project to illustrate this relationship, and allow the analysis to take place at a level of scale that the actions of individual actors were more perceptible. Finally, the conclusions of each case reapplied the conceptual framework, showing which factors were most vital in defining the decision-making environment, which actors were most central to the process, what strategies were adopted in the process, and what the final outcome was.176 Taken together, these three empirical applications of the institutional approach designed in Chapter 3 can thus be seen as comprising the answer to the main research question. However, these were not the only — and certainly not the most interesting — research questions posed in the thesis.

The main research question and subquestions provided direction to the study in general and were useful in a methodological sense by indicating which matters to investigate and how to investigate them. In this narrow sense, they have served their purpose well. More important however in a substantive and theoretical sense are the more specific questions/propositions

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176 Since the search for answers took place in three open systems, the factors were allowed to emerge from within that system.
posed at the end of Chapter 3. As stated, these could only be put forward after a discussion of retail development in general (Chapter 2) and the presentation of a conceptual framework, and could only be answered by intensive case-study research. The answers to these questions/propositions comprise the main findings of this thesis, and will be treated after a brief analysis and comparison of the conclusions of the three case studies.

7.1.2 Propositions and problematics
Proposing a regional shopping mall in a metropolitan area is an inherently controversial enterprise because such developments reshuffle streams of purchasing power across space. Every mall proposal favors some actors and threatens the livelihood of others, particularly neighboring municipalities and established retailers. This problematic is often couched in terms of the out-of-town (or suburban) mall undermining the viability of the central city, and many European nations have implemented planning measures specifically designed to combat it. However, as it is becoming increasingly difficult to discern what is indeed peripheral or central in a polycentric urban region, restrictive measures are increasingly difficult to sustain. Similarly, as established retail interests are increasingly no longer independents but large multiples with a greater mobility of capital, they are less bound to a particular space. A shift from central to peripheral retailing is therefore less a question of survival and more one of geographically redirecting investments. This carries with it an additional risk in that spatial monopolies sustained by planning and/or economic regulation may rapidly lose their meaning (and value) if the rules of the game are changed. A common byproduct is the creation of a tacit alliance between planners promoting a functional hierarchy, established business interests protecting sunk costs and politicians concerned with the economic vitality of their jurisdiction against new and potentially threatening retail proposals.

This thesis explored how the controversy surrounding a proposal for a peripheral retail project arose and was dealt with in three institutional contexts. Although the main source of conflict was the same in all three cases — see above — the resolution of this conflict and physical outcome were much different. In order to guide the analysis, a number of propositions/questions were posed in §3.2.4 that followed the structure of the conceptual framework. Rather than restate all the questions here, a few of the main issues will be retrieved for consideration.

- Central/local government relations, (de)centralization of authority
- Changes to the retail structure/hierarchy, spatial events/triggers
- Planning policies and their intended and unintended effects
- Actor constellations (games) and modes of interaction
- Degree and effect of public-sector influence on design

These issues (formulated as questions) combined to form a second, more pointed, research question: how can one produce retail developments that serve both commercial interests (including consumers) and public goals? Working towards an answer to this question, the next section will summarize the main findings from the case studies, paying particular attention to these points. Afterwards, three binary comparisons will be made in order to highlight how certain institutional differences affected actor behavior in a particular way, what consequences this had on the final product and to what extent the interests of the public were served.
7.2 Explanations arising from the case studies

This section briefly examines the most salient lessons that emerged from the three case studies. To expedite comparison, the key issues listed above are applied to the case and a short critique is provided. Afterwards, an overview of the three experiences is displayed in a table (§7.2.4).

7.2.1 Conclusions of CentrO Oberhausen

The German case showed that the decentralized nature of public administration in general and a lack of trust between municipalities in the Ruhrgebiet in particular undermined efforts of horizontal coordination. In Germany, rules governing retail development that are usually imposed at higher echelons of government, such as the mandate to locate large shops in central places, are not always heeded at the local level. This is especially true in brownfield conurbations like the Ruhrgebiet experiencing intense competition for economic investment. On the other hand, the strong juridical status of such rules in Germany, combined with the political will to apply them, can produce significant changes in actor behavior and spatial outcomes. In this institutional environment, Ruhrgebiet municipalities did manage to coordinate their efforts negatively to crush a common enemy: a proposed megamall (WTC) in Oberhausen. This was done by using distributional impact reports to demonstrate the potential harm to the central-place structure. A later scheme, prepared and worked out in secret — including substantiating impact reports indicating its adherence to the central place hierarchy — proved successful because it conformed to the letter of the law.

- Context: decentralized state, inflexible planning system, economic malaise, polycentricity
- Spatial event/trigger: Thyssen plant closure/WTC proposal
- Retail policy: increasingly restrictive, CPT-based using maximum size criteria
- Actor constellation: local coordination game within a regional prisoners’ dilemma
- Mode of interaction: strategic alliance (mutual dependence) within a conflict situation
- Outcome: modified (scaled-down) proposal commercially successful, public interest concessions made.

Critique: although certainly resulting in many positive spin-off effects in the Neue Mitte, Oberhausen-Alt has been harmed in the process. The successful but Machiavellian strategy followed by proponents has further eroded trust within the region, and with it, increased the likelihood of sub-optimal solutions in the future. Recent attempts at informal coordination via a treaty-structure have collapsed, despite their legal feasibility. Other cities now want to realize their own CentrO, and are bitter that NRW is now adopting a stricter stance towards large-scale retail development.

7.2.2 Conclusions of Trafford Centre Manchester

The English case showed how, in centralized winner-takes-all systems, policy can vacillate over time, creating uncertainty and opportunism. British retail policy was comparably strict in the 1970s, with most large retail schemes being forced into the urban fabric of the city center. This policy was largely abandoned in the 1980s and a pro-development stance adopted. In Greater Manchester, the sudden removal of a regional body created a policy vacuum and threw the planning system into disarray. As the region could not adequately deal with the deluge of proposals, these were called in and subjected to a public inquiry thus raising the level of scale of the conflict to the national level. In the process, actors took sides that soon broke down into simple pro/con camps. After nine years of suspense, the House of Lords
finally allowed the project to proceed, giving ample time for other communities in the region (notably Manchester) to brace themselves for the competition.

- Context: centralized state, flexible planning, economic malaise, suburbanization
- Spatial event/trigger: abolition of GMA and 10 out-of-town retail proposals
- Retail policy: vacillates over time, PPG6 uses centrality criterion
- Actor constellation: regional prisoners dilemma after coordination game
- Mode of interaction: zero-sum conflict, unilateral action
- Outcome: full victory of MSC/Trafford, but others had opportunity to react

Critique: in this case, planning clearly took a back seat to politics, and since politics in the UK is unstable (urban and retail policy can change substantially from electoral change), this provides an uneven setting for retail development. Neither planners nor developers can be certain of sustainable rules of the game (in the case of the Trafford Centre, the approval process took longer than it did to instigate major new planning reforms). On a positive note, Manchester did finally discover developmental/entrepreneurial planning in the process, aided by a nine-year grace period of litigation over the Trafford Centre, two Olympic bids, and most importantly, the detonation of the IRA bomb.

7.2.3 Conclusions of ArenA Boulevard Amsterdam

As a decentralized unitary state, the Netherlands can be situated between the two extremes of Germany and the UK. Collaboration between government tiers (vertical) and territorially (horizontal) often occurs with a give-and-take fashion. The fiscal centralization of the country coupled with a consensus-driven political culture proved to be highly conducive to sustained spatial planning. A restrictive retail policy established in the 1970s has continually been in force, with intermittent minor relaxations. In this setting, a new retail policy and a new stadium allowed Amsterdam to take the reigns of a bold new development in its troubled Zuidoost district, without having to participate in the financial risk of the project. Opposition was dealt with by: 1) following a sanctioned national-government procedure that included drawing up a regional retail vision (thus granting legitimacy) and 2) incorporating opposing interests into the planning and design process. The result was a peculiar hybrid open-air urban entertainment center that satisfied most stakeholders (except one anchor tenant), but so far has failed to enthrall consumers. The future of this project is now being threatened by a further and more significant relaxation of the retail planning policy.

- Context: decentralized unitary state, multi-tiered planning system, economically vulnerable area in prosperous region, fragmenting metropolitan area
- Spatial event/trigger: ArenA stadium/GDV policy, Diemen multiplex proposal
- Retail policy: gradually liberalizing, mainly uses product-range criteria
- Actor constellation: assurance game under PDV/GDV
- Mode of interaction: consensus, incorporation of opposing interests
- Outcome: Mega-compromise, dubious commercial viability

Critique: the ArenA Boulevard seems to have suffered from the “too many cooks in one kitchen” syndrome. By incorporating opposing interests, Amsterdam may have accelerated the decision-making process, but the final watered-down product may be inadequate to compete with a standard-formula out-of-town shopping mall, which, in a post-PDV/GDV environment, may indeed have a future in the Netherlands. Another route could have been for the city to use its political clout to assist OMC in developing a more commercially viable
product. This would have necessarily entailed some self-cannibalization (city center, Amsterdamse Poort) but would have also placed the ArenA Boulevard in a much stronger position vis-à-vis the region.

### 7.2.4 Summary of case study findings

<table>
<thead>
<tr>
<th>Case</th>
<th>Attributes</th>
<th>Case study outcome</th>
</tr>
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<tbody>
<tr>
<td><strong>Germany</strong></td>
<td>Decentralized system, strong municipal level. Legalist approach to planning. CPT is cornerstone of retail policy. Economic restructuring and spatial competition in region, Thyssen vacates Oberhausen in 1989 leaving physical gap in center. Policy backfires: Fachmarkt resulting from maximum size requirements. Restrictions harm independents the most. Other issues: East Germany shows how quickly retail can disperse in the absence of restrictive measures.</td>
<td>Beggar-thy-neighbor attitudes in the Ruhrgebiet intensified with the announcement of the WTC project. Central authority (NRW) intervenes under pressure of other cities in region, refuses rezoning under CPT argumentation. Oberhausen enlists support from foreign developer, NRW Minister of Finance and consultants for a second round to preemptively deal with the opposition. CentrO is approved on the basis of CPT; other municipalities draft their own plans for other large-scale projects in central areas.</td>
</tr>
<tr>
<td><strong>UK</strong></td>
<td>Centralized system, no constitutional guarantees. Adversarial political culture in planning as well. Plan just one “material consideration.” Political/electoral shifts produce shifts in retail planning policy. Economic restructuring processes in the North. Policy backfires: restrictive planning under GMA creates pressure cooker for development. Other issues: Haydock Park showed the manipulability of impact reports.</td>
<td>A relatively restrictive GMA (as regards retail policy) is abolished in the mid-1980s producing a policy vacuum and a flurry of proposals for out-of-town shopping centers. This undercut control of local authorities and planners. Slowly being regained under PPG6. MSC and Trafford pursue litigation against a Consortium of municipalities for nine years regarding a retail proposal. Judgments and policy change over time. Advocacy science plays an important role in inquiries and appeals. Trafford Centre is granted permission as Manchester City Center is bombed, allowing it to rebuild and improve its retail core to meet oncoming competition.</td>
</tr>
<tr>
<td><strong>NL</strong></td>
<td>Decentralized unitary state with emphasis on bargaining and consensus between levels. Dutch retail policy attempts to safeguard hierarchy by limiting peripheral development, gradual relaxations since 1973. Shift in economic activity from Amsterdam center to southern edge. Policy backfires: concentration of retail into established centers prices-out independents. GDVs may be unable to compete with future out-of-town malls. Other issues: PDV/GDV enjoyed wide support from retail and real estate interests.</td>
<td>ArenA stadium and a failed waterfront project turned the city’s attention away from the core and to Zuidoost as a potential new center. GDV policy enabled retail growth there as well. Amsterdam is supported by ROA/Kolpron reports under certain conditions. Interests of the city and district council are incorporated into the masterplan, while other opposition is incorporated via BAC and concessions like the ArenA Initiative. ArenA Boulevard is developed in a piecemeal fashion. The withdrawal of Endemol creates much uncertainty. The PDV/GDV policy, which had so defined the development, is overturned.</td>
</tr>
</tbody>
</table>
7.3 Comparison of cases
So far, the case studies have been considered in isolation from one another. This was necessary in order to maintain the focus in the chapters, and allow the explanation to arise from within the case itself without the danger of “contamination” from other cases. This having been done, the many interesting parallels between the cases can now be discussed freely. The comparison will also prove useful for the next section, which will again reflect on the questions posed at the end of Chapter 3.

7.3.1 Germany and the UK: (de)centralization and spoils mentality
Both the German and British cases resulted in the construction of a classic North American style mall in an economically depressed part of the country. Both cases involved a high degree of conflict, causing significant delays in one case, and considerable compromises on the other. The argument of Basten (1998) that the development of the Neue Mitte must be understood not in terms of planning procedure but a political process is certainly reasonable, but when compared to the Trafford Centre controversy, the German political game was far more circumscribed within the confines of established planning rules. This section will recount a number of interesting parallels and differences between the two cases, concentrating on how institutional differences in administrative structure affected actor behavior.

In terms of public administration, the British and German cases are antipodes: the first is an example of a highly centralized system in terms of both public finance and authority, while the second has a much greater degree of local autonomy in both respects. This fundamentally changes the relationship between developers and local authorities. In Britain, localities have been traditionally wary of large-scale shopping center development, especially outside of established centers. A clear reactionary attitude prevailed in the 1970s, was swept aside or overridden by reforms in the 1980s but is once again reemerging in the 1990s. On the other hand, German municipalities generally welcome new commercial development as it can bolster (or in the case of Oberhausen replenish) local coffers. Municipalities in the Ruhrgebiet in the 1990s were especially keen to attract development as much of the Federal government aid this region had received for economic restructuring was redirected to the new Eastern states. Consequently, while central government in Britain has often intervened in cases where a local authority had rejected an out-of-town shopping center proposal, higher tiers in Germany have generally intervened when local authorities approve them.

As stated, the economic malaise in the German Ruhrgebiet arising from the structural decline of heavy industry had been only partly assuaged by national government injections of finance. The construction of a regional shopping center became a tempting option for many cities in the region, as much of the purchasing power would be drawn from outside their jurisdiction. This territorial prisoners’ dilemma situation, coupled with the lack of enforcement of retail policy at higher echelons of government, may serve to explain the rapid expansion of this retail format during the 1970s (until the introduction of top-down checks in the form of the 1977 BauNVO and later measures, after which the Fachmarkt phenomenon became observable). By the time that Triple Five had expressed their interest, NRW had already become more interventionalist in these matters, and more explicit in its support of protecting its designated hierarchy of urban centers. The overwhelming political opposition to WTC supported a strict CPT interpretation, resulting in a denial of the GEP rezoning request.

Like the Ruhrgebiet, North West England, too, was confronted by the imperative of restructuring its economy away from manufacturing. However, in the UK case, there was a
unifying governmental body at the metropolitan level to coordinate development, at least until 1986. At the time that most out-of-town shopping malls were being built in the Ruhrgebiet, intermunicipal competition for retail centers was minimal in Britain, being discouraged by both the centralized fiscal regime and actively held back by the planning authority of the GMC, which had adopted a strict anti-development pro-hierarchy stance towards retail functions. The abolition of the GMC and the subsequent explosion in proposals for out-of-town shopping center development is testament to the swiftness by which the retail sector can react to a policy vacuum. Despite the general conservatism of local authorities (as regards retail, not politically), electoral change at the central government level had a profound effect on retail development policy. This situation helps to explain the observation by Schiller that “it is often said in criticism that the British system of government is over-centralized … despite this, it is noticeable that Britain has found it harder to crack down on out-of-town development than most continental countries” (2001: 11).

The difference in legal systems also had an impact in the two countries. As the German planning system is highly codified, Oberhausen had a fairly clear idea of what would be considered acceptable for a second round in terms of official rules. The situation was much less clear in Manchester, where economic impact had recently been declared to be no longer a material consideration. Because of this, scaling down the Trafford Centre proposal or offering public concessions would not necessarily increase its chances for approval, and anyway the winner-takes-all structure of the adversarial procedure (i.e. planning inquiry and courtroom appeals) which had framed the situation in terms of whether to approve or deny the permit did nothing to encourage compromise either. With trained eyes, the effect these institutional factors had on the development strategy can easily be read in the final product. CentrO is smaller than the Trafford Centre (officially only half its size) and has more auxiliary functions as well since only retail space was capped. Interestingly, the promenade is probably as successful in drawing crowds as the mall itself, and its effects on Oberhausen-Alt were unexpectedly great. Although not public in a strict or formal sense, the promenade does seem to be taking on some functions normally associated with town center plazas, and might be evolving into a public domain of sorts (Hajer and Reijndorp, 2001). Whereas one can ponder whether CentrO is integrated into the urban fabric or not — there are express public transport connections to the other districts, the Neue Mitte is attracting development (but no housing) nearby — the Trafford Centre lives up the appellation out-of-town: the project is inward-looking, public transport connections are minimal, and besides the new adjacent retail park, there is little else in the direct environment. Whereas some attempt had been made in Germany to use material in the design that reflected local sensibilities, the Trafford Centre features themes of Paris, New Orleans, China, Ancient Egypt, but nothing of Manchester. It might be more lavish or outlandish than CentrO in appearance, but the Trafford Centre is ultimately a monofunctional building for consumption, watched over by hundreds of CCTV cameras and security guards.

7.3.2 The Netherlands and Germany: centricity and the politics of information

Arguably, the dominant discourse in Dutch geographical and planning literature in recent years has been that the monocentric metropolitan area is giving way to a polycentric urban network. Although different terms (and hence different nuances) are used to denote this process, this thinking has found its way into official policy statements such as the (recently deceased) Fifth Report. Indeed, some areas in the Netherlands already seem to be functioning in such a manner, particularly the “coalmine region” in the Southeast of the country and around Rotterdam. Even the Dutch capital Amsterdam, once the bastion of monocentricity, is now displaying polycentric tendencies as well. In specific, it can be typified as a gradually

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fragmenting metropolitan area, symbolized by the new structure plan that for the first time acknowledges the importance of the region for the city (Salet, 2003). This structural spatial change will have far-reaching effects for the capacity of Amsterdam to continue to plan for retail development. Monocentricity had allowed Amsterdam to conduct spatial policy on its own terms, using its clout within the region (especially at the provincial but also the national level) to thwart competing developments that could potentially threaten or undermine its status. Examples include the renovation of Amstelveen’s city center or the realization of a multiplex in Diemen, but even the PDV/GDV policy clauses restricting the development of GDVs to “urban nodes” and supported by a regional “retail vision” can be seen as institutional factors powerfully supporting the hegemony of the Dutch capital in its metropolitan area. Amsterdam succeeded in gaining so much influence over the ArenA Boulevard because it could offer OMC (and OMC in turn could offer occupants) a spatial monopoly secured under the PDV/GDV regime. Unfortunately, the dismantling of the protective measures as a result of the MDW operation has exposed this highly artificial product to the perils of free-market competition. Paradoxically, the question that had so occupied Amsterdam in the 1990s, namely how to protect other centers from the new ArenA Boulevard may well be turned on its head: how to protect the ArenA Boulevard from other new centers.

Polycentricity in the Ruhrgebiet was never a topic of debate. Despite various attempts to establish an effective regional authority, parochialism has continued to characterize the administrative culture of the Ruhrgebiet, and there is no one large city to unify it by force (i.e. via annexation or administrative coercion). Essen is the largest (and arguably most central) city in the Ruhrgebiet, but there are several other large and established cities in this area. Given this, Essen could never convincingly make the kinds of assertions that Amsterdam could about the centrality of its retail structure for the region. Nor did it have the sovereignty — official or not — to do so. (It would be unthinkable of a municipality like Diemen proposing a development like CentrO, let alone succeeding in getting it built. This would be tantamount to a declaration of war with Amsterdam, which most surely would be lost. Therefore, the conflict strategy is simply not a viable option). So, in the Ruhrgebiet, opposing interests had little direct political leverage over Oberhausen’s intent to convert the Thyssen site to retail. Instead it was a question of whether the proposal conformed to the official planning rules: the WTC proposal had demonstrated the limits to these rules, allowing a carefully reconsidered proposal two years later to obtain official sanction.

Another interesting contrast between the two cases regards the role played by distributional studies. In both cases, economic impact was a major consideration in the evaluation process, and therefore the issue of how to measure this impact was very important. Here we can again discern a marked difference between the two cases. In Germany, ex ante impact analyses of the WTC proposal played an essential role in justifying the refusal of planning permission to rezone the Thyssen site. The informational resources were not distributed evenly, as opponents had mounted a sophisticated campaign that convincingly argued that the

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177 Amsterdam has already indicated in its new structure plan that it intends to set forth the PDV/GDV policy. This may seem surprising given the recent abandonment of the policy at the national level, but since this structure plan is directly incorporated into the provincial regional plan, it is probably intended as a safeguard from other cities in the province from “defaulting” and approving out-of-town retail. This however does not seem to have stopped Muiden from approving the conversion of the Maxis hypermarket into a shopping center.

178 This had also been crucial in determining the fate of the Haydock Park proposal in the UK, but once the Thatcher Administration had declared economic impact to no longer be a material consideration, it could play no part in the Trafford Centre controversy (see §5.2.3).
centrality of neighboring communities would be severely compromised. In the second round, the roles were reversed and Healey and Oberhausen could produce figures arguing that CentrO would only return to Oberhausen the purchasing power it had “lost” to its neighbors before opponents could adequately respond. Oberhausen therefore argued successfully that it was just asserting the “centricity” it was due — ironic, however, in an area that so epitomizes polycentricity. Thus, we can see that studies can be manipulated to suit particular ends — even the supposed innocence and impartiality of Christallerian CPT. In such a conflictual situation, even the results of purely academic or independent studies (carried out for whatever reason) will always become part of the political power plays between proponents and opponents of a particular scheme.

Given this, it seems understandable that Amsterdam would wish to defuse such conflict before it had a chance to escalate into a costly battle of consultants. In keeping with its approach to the ArenA Boulevard development in general, Amsterdam allowed the issue be treated via official channels, and only the official “retail vision” of ROA/Kolpron would be considered in the debate. That the report concluded that the retail impact would be minimal is unsurprising given the fact that Amsterdam had limited the GDV space beforehand to the rather modest 20,000-25,000m$^2$ for the first phase. Of course, the impact of the other facilities such as the envisioned Endemol theater and the multiplex fell outside the GDV policy, and thus did not require impact studies of their own. Similarly, the Villa ArenA was officially PDV and so this 80,000m$^2$ furniture mall too could escape GDV scrutiny. In all, Amsterdam seems to have excelled at following the rules of conflict avoidance: pre-negotiation tactics, incorporation of interests and agreement on information. Unfortunately this had a side effect of stifling commercial viability, which will be discussed in the next section comparing the ArenA Boulevard and Trafford Centre cases.

7.3.3. The Netherlands and the UK: planning restrictions and conflict resolution

Unlike Germany, retail planning policy in the Netherlands and the UK is administered at the national level. Both countries have a long and proud planning history, and both are generally seen as forerunners in this regard. In the early 1970s both countries had introduced policy intended to restrict the growth of out-of-town retail formats based upon the idea of preserving the retail hierarchy: new centers had to be complementary, that is, not directly compete with existing centers. Despite this initial similarity, the policy history of the two countries is remarkably divergent.

The Netherlands largely retained its restrictive stance over the decades, introducing minor relaxations in product range definitions as the pressure for peripheral development increased. Hence, diffusion in the Netherlands has been rather gradual, and there is no out-of-town shopping mall (yet), although a market for such a scheme has certainly existed for some time. The restrictive policy has generally fulfilled expectation of preventing unwanted development, but it also has produced a couple of side effects. The first is that city center locations — as areas sanctioned for retail by planning — have become so sought-after that multiples have effectively crowded out independents. Thus, planning policy seems to have unintentionally exacerbated the market trend towards filialisering and favored property owners in prime locations. A second side effect is that by creating spatial monopolies, either in city centers or at GDV locations, retailers and property owners are protected from the furies of true free-market forces. This may have fostered a degree of docility and nonchalance, which over time could prove to be a liability if such protective measures are suddenly removed. The peril is even greater in cases where developments rest on unsound

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market principles, sacrificed as a compromise for planning permission (i.e. the ArenA Boulevard).

The retail policy history of the UK is much more turbulent. Whereas both nations had pursued policies to maintain the retail hierarchy with equal rigor in the 1970s, this was abandoned completely in 1980s Britain. Discontinuing the Census of Distribution removed an important source of information for evaluating out-of-town retail proposals, and later the removal of economic impact as a material consideration was crucial for shifting the balance towards a pro-development stance. This disposition could then be effectively carried through by calling in contested development proposals for a planning inquiry, and via institutional reforms such as the instigation of Enterprise Zones, UDCs and the abolition of the metropolitan councils. At once, all the pressure that had been accumulating for out-of-town development was released, causing havoc in areas like the Manchester conurbation.

In retrospect it may be argued that the postwar wave of reconstruction sowed the seeds of later collapse. The immediate years of postwar boom made Manchester complacent before the onslaughts of postwar economic competition, and the haste to build anew resulted in laying down a social structure in the inner core that was to prove vulnerable to the economic changes of later decades (Bristow, 1994: 117).

Within ten years, the Conservative government had reevaluated its position on out-of-town retail, and by the mid-1990s PPG6 and PPG13 had formalized the Secretary of State’s proclamation of banning all new out-of-town shopping malls following the fateful 1994 DoE report. Since this time, it has become virtually impossible to gain planning permission for such a megaproject (recently completed shopping malls such as Bluewater Park and the Trafford Centre were already in the pipeline before the policy came into force). In all, the UK’s lack of political continuity is not conducive to long-term planning nor does it offer the security needed to assure market forces to play by the rules. In this sense, the Dutch example of gradual policy adaptation seems a more reasonable approach. Ironically, the Netherlands is now contemplating a major change, namely a full-scale abandonment of its national restrictive policy. Given the UK experience, it is not astonishing that the Netherlands is now confronted with a wave of out-of-town shopping center proposals, fuelled by the decades of pressure accrued during the PDV/GDV era. Obviously, if the current proposals in the Netherlands in Geldermalsen, Sassenheim and Muiden were made in the UK they would certainly be struck down under PPG6.

Another interesting contrast between the two cases regards the mode of interaction of the proponents and opponents of the retail schemes. Like Amsterdam, Manchester under the GMC had antagonistic relationships with its surrounding communities. It had exported its population to surrounding new towns, largely through council housing, causing ill will between the city and its suburbs, especially Warrington. Like Amsterdam, the GMC had also blocked suburban retail projects, in accordance with its policy of concentration in Manchester city center. With respect to the case itself the modus operandi could not be more different. From the beginning, Amsterdam and OMC had chosen for conflict-avoidance and collaboration whereas the proponents of the Trafford Centre (MSC and Trafford Council) adopted a winner-takes-all strategy. This requires further elaboration.

MSC was forced into the position to play the all-or-nothing game for several reasons. First, as argued in §3.2.3, the adversarial system of the planning inquiry/appeals system itself tends to foster a winner-takes-all mentality. Second, because the criteria for planning approval were unclear (unlike Germany, for example) given the flexible British planning system, it was not clear what kinds of changes should be made to increase the chance of gaining planning
permission (size certainly did not seem to play a role, due to the elimination of economic impact as a material consideration and the fact that most smaller proposals failed to make it past the first round at the public inquiry). Finally, during the appeal process, the question had become not whether the Trafford Centre proposal was desirable or not but whether it could be evaluated according to current (emerging) policy. Revision and resubmission by MSC at that point would have effaced all doubt on this subject, and the proposal would be most likely be rejected on the grounds of PPG13 and PPG6.

Meanwhile, in the Netherlands, aside from a latent long-term rivalry and some relatively minor border skirmishes with Ouder-Amstel (ArenA Stadium and Woontoren) and Diemen (multiplex), there was no real overt conflict with the neighbors in the development of the ArenA Boulevard. As stated above, there were no conflicting impact reports, and by adhering to official national policies and procedures, Amsterdam also defused possible challenges beforehand. The most striking conflict-resolution methods however was the instigation of the BAC which even allowed competitors to have a say in the project retail mix, and the establishment of the Arena Initiative as a concession to the Zuidoost district. This is not even mentioning the implicit yet profound compromises/concessions made in the design sphere by constructing the project around public space designed to break down the barrier between Amstel III and the Bijlmer. In Amsterdam it was retail development as urban regeneration rather than profit generation. Thus, in terms of outcome, the two cases could not be more different. The Trafford Centre is a total vision of the developer carried out to its market extremes. The other was so much the product of the public sector that the very masterplan was drawn up by the DRO.

Another point to make is that the often-criticized “sluggish” Dutch manner of decision-making based on consensus, collaboration and compromise is relatively swift when compared to the British adversarial winner-takes-all style. The Trafford Centre took nine years to obtain planning permission, as opposed to a couple years in Amsterdam. This is not necessarily a result of case selection. The planning and design phase of the decision-making process was completed within a few years for all three Dutch GDVs, while Bluewater Park (the largest out-of-town shopping center) had a similar lengthy history of public inquiries and appeals.

### 7.4 Implications

This institutionalist study of retail development focused on how certain large-scale shopping centers came to be built in a few selected European countries. It identified how certain structuring parameters had influenced the realm of possibilities for action for a specific constellation of actors involved in retail development. It then chronicled the subsequent modes of interaction between the players in the retail development arena, showing how this interaction ultimately determined the nature of the outcome, i.e. the physical product. In this institutional exploration of the causal mechanisms behind retail development, and more specifically large-scale peripheral shopping center development, some general observations can be made that merit further investigation. The purpose of this concluding section is to reflect back on some of the major themes that manifested themselves in the course of the study and discuss some of the implications this may have for further research in retail development issues in Northwest Europe and/or further institutionalist research.

#### 7.4.1 The Christallerian conundrum

It seems rather paradoxical that to this day, despite repeated denunciations and an overwhelming consensus of its obsolescence, it is impossible to theorize about retail development without first having to confront the legacy of Christaller. Perhaps one of the
reasons for this is that it is one of the only (or perhaps the only) general unifying theories of geography and economics for retail location. Whatever the case may be, this institutional account of shopping center development has shown that, even if the empirical validity of CPT may be absent it remains a formidable institutional force to be reckoned with. A reoccurring theme in the thesis is how the various interests have promoted, disparaged, distorted, subverted, co-opted or otherwise dealt with CPT to suit their own purposes. The box below summarizes how CPT played a role in each of the case studies.

<table>
<thead>
<tr>
<th>The role of CPT in the case studies</th>
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<tbody>
<tr>
<td><strong>Germany</strong></td>
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<tr>
<td>CPT remains the dominant paradigm in retail geography, even if only as a straw man. In practice, it continues to be the most important and widely applied concept in German retail planning. This is especially true in NRW where both the LEP and Decree specifically prescribe this. It is highly doubtful that the Trafford Centre could ever be built under these conditions (or the East German out-of-town malls for that matter). On the other hand, employing a maximum size threshold as an instrument does have its weaknesses in steering development into CPT-sanctioned locations. Still, the history of CentrO Oberhausen owes itself to CPT: the original WTC proposal was rejected because it was perceived to undermine the urban hierarchy, while the CentrO proposal was based on the argument that, in view of substantial retail drain to surrounding communities, Oberhausen required an extra 70,000m² to maintain its rightful position within the urban hierarchy.</td>
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<tr>
<td><strong>United Kingdom</strong></td>
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<td>Although never attaining the status it had in Germany, CPT was also influential in the UK for drawing up local plans and evaluating applications for planning permission. The concept of a retail hierarchy was held in high regard by planners, and used to justify the concentration of shopping malls in town centers in the 1960s and 1970s. As established rules of the development game, “retailers found a way of using the hierarchy to their own ends” such as building in village centers rather than on greenfields (Schiller, 2001: 12-13). However, the order by central government in the 1980s that economic concerns no longer constituted material considerations for the consideration of building applications put a swift end to the directive power of CPT. It is for this reason that opponents to the Trafford Centre used arguments related to traffic congestion, as appeals to the preservation of the retail hierarchy were no longer considered valid. The desire for a more (local) plan-led approach in the early 1990s may have paved the way for the reintroduction of CPT as a planning concept, bolstered by PPG13 and PPG6 mid-decade. The victory of the “class of goods” over the “format” interpretation of PPG6 gave further weight to CPT proponents. However, the overt return of CPT was to come in the Urban Task Force’s <strong>Urban Renaissance</strong> report at the end of the decade and in the subsequent white paper. On the other hand, given the politicized nature of this issue, and the spoils system of British politics, a new election with a Conservative victory could make this a moot point.</td>
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<tr>
<td><strong>Netherlands</strong></td>
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<td>As was the case in Britain and Germany, CPT offered the basis for postwar urban extensions and new towns, being seamlessly translated from its descriptive origins to prescriptive ends. Despite repeated announcements of its demise, CPT continues to be debated in academic circles and actively applied by local governments. Indeed, the long-lasting PDV/GDV policy seeks to preserve the retail hierarchy. In its use of product ranges rather than size, it seems to be more successful than Germany in guiding development (also suggested by the adoption of similar measures by NRW). Today, its retail structure is much more hierarchical than that of either Germany or the UK. Like CentrO, the ArenA Boulevard G DV development was limited in size according to an economic impact study. The further disfigurement of the center resulted from the additional PDV/GDV restrictions and compromises between conflicting parties.</td>
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7.4.2 The risk of restrictions

Another reoccurring theme throughout the case studies regards the relative restrictiveness of policies aimed at curbing peripheral retail developments, based on CPT or otherwise. In some instances these policies were effective in achieving their aims, other times less so. Restrictions can also produce some unintended byproducts by altering the payoffs in the market (i.e. banishment of independents from high street locations) and through the strategic exploitation of loopholes by developers. More important than the immediate effect, however, is the administration of restrictions over time. If too rigidly applied for a number of years and then too quickly relaxed, the pressure that had accumulated can be more than the planning system can bear and can bring about an explosion of exactly the kinds of developments that the policy had intended to prevent. Seen in this way, the effectiveness of the restrictions in the short-term could later prove to be its downfall. It should also be added that with the increased involvement of the EU in promoting a free and transparent internal market, the capacity of member states to impose restrictive planning measures for retail might become constrained in the future.

The variegated products of restrictive policy

| Germany | The most extreme example of rapid out-of-town expansion is to be found in East Germany shortly after the fall of the Iron Curtain. The DDR had imposed a far stricter limit to shop size and location than anywhere else in the case study regions. Not only was peripheral retail banned, the centers that were allowed were small and uncompetitive. The rapid transformation from city center retailing to out-of-town has led some (Jürgens, 1995, Blotevogel, 2000) to argue that the East German retail structure resembles the US more than it does West Germany. In West Germany, size restrictions, rather than stopping peripheral development, had led to the advent of a new shop format: the Fachmarkt. Another example regards the recent tightening of restrictions in NRW during the 1990s. This has not dammed the enthusiasm to copy CentrO, but forced municipalities to locate new shopping center proposals at the center of the hierarchy, usually at rail stations. |
| United Kingdom | The conservatism of planning departments in evaluating applications for large-scale retail in the Manchester conurbation until the 1980s is viewed by Stocks (1989) as a direct cause of the chaotic development after the abolition of the metropolitan authority. Had some development been permitted, this would have reduced the frenzy, uncertainty and confusion. The reintroduction of restrictions in the 1990s can therefore be viewed as a reactionary measure to developments spurred on by the removal of similar restrictions. |
| Netherlands | Since the introduction of the PDV policy in 1973, relaxations have occurred at various intervals in order to relieve the pressure for new development. In this sense, it can be viewed as less prone to creating a free-for-all situation as in 1980s Britain or 1990s East Germany. One byproduct of the assortment-based policy was the creation of the meubelboulevard. With the last generation of policy-laden shopping centers already struggling commercially, the imminent liberalization at the central government level may prove to be the coup de grace of Dutch restrictive policy. |

The implications of this research are rather paradoxical thus far. Although the dominant paradigm of retail development (CPT) is viewed by most as substantively bankrupt, it continues to be wielded as a weapon by various parties as it suits their needs. At the same time, there seems to be a general consensus in Northwest Europe about the need for some kind of regulation in the retail development market in order to prevent market failures and minimize the many externalities out-of-town brings. Usually this regulation takes the form of restrictions on new shops, and usually this is grounded in some kind of Christallerian notion of retail structure. Proportionally to the degree of severity of these regulations and the length of time they remain in place, tension mounts like a pressure cooker for development in
proscribed areas. If the restrictions are abruptly removed, either through a conscious choice for liberalization or an administrative reform, an eruption of out-of-town development can ensue. Lulled into complacency by the restrictive policy, existing centers are not always prepared or equipped to face the competition, and thus may be harmed more severely than would have been the case otherwise. The consequences of this may cause the pendulum yet again to swing towards adopting new restrictive measures and a cynical revival of CPT. Obviously this is not the most strategic way to conduct a long-term retail policy that has the best interests of consumers and the public (urban environment) in mind. This begs the question, therefore, how further?

7.4.3 A search for solutions

The purpose of this section is to reflect on the question posed at the end of Chapter 3 about how to produce retail developments that serve both commercial interests and public goals. In dealing with this question, the institutional approach has proven useful in providing an answer. An advantage of the approach constructed and applied in this study is that it has eschewed the all-too-frequent one-dimensional Darwinistic conceptualizations of retail change. What the research has shown in the empirical section is that local and national social, economic and administrative factors play a great role in determining actor behavior and hence the spread of shops. Like the myth of convergence with regard to retail structure, there is no one single solution to the creation of a healthy retail structure that benefits both consumers and serves public goals. Instead, the answer lies in creating a level playing field (outside game) in the region by staving off unwanted developments (e.g. via restrictive planning) and becoming actively involved (inside game) in realizing desired ones (e.g. via entrepreneurial planning). These two strategies are not mutually exclusive but mutually reinforcing.

The fact that the problem of shopping center development is inherently locally defined does not imply that retail policy should be dealt solely at that level of government. Higher tiers serve as powerful allies for ensuring that a level playing field exists between players through the introduction of uniform standards, closing off escape routes for potential free riders, and ensuring that decisions are made at least at the level of their effects. If done well, these “outside” strategies can assist the local bargaining process between the developer, municipality and other parties, and correct for the attractiveness of out-of-town development vis-à-vis city centers. If done poorly, however, such measures can frustrate reasonable attempts to introduce new retail concepts or distort the retail market by creating de facto spatial monopolies or oligopolies. As argued above, they can also be counterproductive in the long run if abruptly discontinued. It is therefore imperative that when a regulatory retail policy is put into force, this is backed by the necessary commitment (jurisprudence) to ensure its effectiveness over time. If authorities fail to do this, the policy will not be taken seriously by the various local parties, who, rather than working within the new framework, may simply wish to find ways around it or bide their time until the next policy change emerges.

As higher echelons of government are more suited to guaranteeing a level playing field, so too are municipalities better equipped than regional or national authorities to enhance the attractiveness of town centers. Each municipality has its own unique set of characteristics that can be exploited by local parties to create an attractive shopping environment. A generic solution dictated by a higher tier of government is in this case misplaced. Depending on the local situation, therefore, some municipalities will opt for urban renewal while others for urban preservation. Similarly, some may opt for large-scale retail functions on the periphery — within the bounds established via “outside game” measures of course — while others
CHAPTER 7: CONCLUSIONS

concentrate on retaining a more traditional shopping environment. Another issue regards the degree of public involvement in the project. Here, a similar division is perceptible in terms of roles. Retail developers, due to their knowledge of the market, stake and experience are generally better equipped to determine the retail mix, which has been honed to a science in the shopping center development field (Anikeeff, 1996). It is also safe to assume that, when left to their own devices, developers will do little to defend public goals themselves.

Bearing these general caveats in mind, how do the three case studies fare in terms of delivering a commercially viable product while remaining true to public goals? Beginning with the last case, the Trafford Centre is an exemplary case of non-coordination at the regional level following a period of relatively strict retail planning. Each municipality was busy with its own inward-looking “inside game” strategy, mostly out of fear of the arrival of the Trafford Centre. In the regional policy vacuum that existed after 1986, overarching public goals played little or no role in decision-making on the Trafford Centre. The developer was therefore completely free to decide the design and retail mix of his product. The outcome was a commercially strong but rather generic shopping center, virtually indistinguishable to ones in North America and elsewhere, with substandard public transport access and no real attempt at integration into the regional urban structure.

The ArenA Boulevard represents the opposite end of the spectrum. Here, the very design of the development and its occupants was dictated by the public sector via the “outside game” strategy of the PDV/GDV policy and the hegemony of Amsterdam within the region. It also played an “inside game” of assisting development in Zuidoost, especially with respect to the ArenA stadium. In this case, it seemed that the goal of urban integration transcended that of commercial feasibility. In fact, public goals dominated so much that the main anchor abandoned the project, leaving both the physical structure and commercial future in disarray. This is also the only case where the retail mix was decided by a committee. The product thus far is a bizarre mix of retail and entertainment facilities on either side of a gigantic paved area and an ever-present noise of construction work. Since the government decided to abolish the protective “outside” restrictive retail policy, the position of the ArenA Boulevard may become threatened before it is fully complete.

In terms of public goals and commercial viability CentrO appears to reside between the two extremes. Here, certain public goals were exchanged for commercial viability. In appearance, the mall is not unlike the Trafford Centre: it is an enclosed structure with semi-public space (foodcourt and mall), and rows of handpicked specialty shops between anchor department stores. On the other hand, the mall is smaller and better integrated into the urban fabric than the Trafford Centre and has excellent public transport accessibility. It is highly unlikely that these public goals could have been achieved without the support of the “outside” restrictive policy conducted by NRW. CentrO has been extremely successful, and acted as a catalyst for further development in the immediate area. In this sense one can say that — although the old city center was sacrificed for the Neue Mitte — the German case seems to have the best balance between public goals and commercial feasibility.
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SAMENVATTING

Het proefschrift *Building for Consumption* bevat een institutionele analyse van de besluitvorming rond grootschalige detailhandelsvoorzieningen in drie Noordwest-Europese landen (Nederland, Duitsland en het Verenigd Koninkrijk). Het vertrekpunt voor het onderzoek is, de waarneming dat ondanks vergelijkbare economische omstandigheden Nederland in vergelijking met andere landen geen perifere winkelcentra en relatief weinig weidewinkels kent. Het onderzoek waarvan dit boek verslag doet, laat zien dat detailhandelsontwikkelingen niet het onontkoombare resultaat zijn van een economisch-Darwinistisch globaliseringsproces. Ze hangen in hoge mate af van de wisselwerking tussen actoren in een bepaalde institutionele context. Om detailhandelsontwikkelingen te verklaren is het daarom noodzakelijk om goed naar het ontwikkelingsproces te kijken. De vragen die hierbij horen, zijn: wie heeft er invloed op en belang bij en wat zijn de spelregels en voorwaarden van detailhandelsontwikkeling?

**Hoofdstuk I: inleiding**

Het boek begint met een algemene problematisering van het begrip detailhandelsontwikkeling. Wat zijn de intrinsieke kenmerken van de detailhandelssector, welke actoren zijn van belang en hoe zit de markt in elkaar? De literatuur laat een grote verscheidenheid aan problematiseringen zien: van de theoretische postmodernistische sociologie die worstelt met begrippen zoals ‘identiteit’ tot praktische vastgoed en marketing studies, die nuchter de mechanismen van vraag en aanbod beschrijven. In het algemeen wordt er in de planningsliteratuur echter weinig aandacht aan detailhandelsvraagstukken geschonken. Dit is zowel vreemd als onterecht. Grootschalige detailhandelsvestigingen, zoals shopping malls, hebben bijvoorbeeld ingrijpende gevolgen gehad voor de Amerikaanse detailhandelstructuur en het gezicht en functie van de Amerikaanse stad. Perifere winkels zijn daar niet alleen een symptoom maar ook een belangrijke veroorzaker van verspreide verstedelijking of sprawl (zie figuur). De komst van dergelijke centra in Europa zou daarom een belangrijke onderzoeksobject binnen de ruimtelijke wetenschappen moeten zijn.

Vraag naar perifere winkels → Aanbod van perifere winkels

Nieuwe verwachtingen en gewoontes

Perifere winkelcentra zijn niet zomaar toestandgekomen, maar zijn vooral het resultaat van beslissingen van actoren aan de aanbodkant (de winkelcentra zijn weliswaar voor consumenten gebouwd, maar consumenten zijn niet direct betrokken bij het ontwikkelingsproces ervan). Hoofdstuk 1 stelt daarom de volgende onderzoeksvraag: hoe wordt het besluitvormingsproces over grootschalige detailhandelsvestigingen in Nederland,

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*In het Engels heeft deze titel een dubbele betekenis. Enerzijds betekent het bouwen *ten behoeve van* consumptie (dat wil zeggen een productieve aangelegenheid gericht op het genereren van omzet (mall als machine), anderzijds verwijst het naar het feit dat *het gebouw zelf* wordt geconsumeerd als een weerspiegeling van de vluchtigheid van dergelijke ontwikkelingen (het begrip ‘junkspace’ van Koolhaas).*
Duitsland en het Verenigd Koninkrijk door institutionele factoren beïnvloedt? De vraag is uitgewerkt in een aantal operationele vragen.

1. Welke economische, ruimtelijke en bestuurlijke randvoorwaarden zijn van belang voor de detailhandelsbranche, en welke trends zijn waarneembaar?
2. Welke (publieke en private) partijen zijn de hoofdrolspelers bij detailhandelsovergangen?
3. Hoe leidt de samenhang van context en actoren tot bepaalde beslissingen over grootschalige winkelprojecten?

Ter beantwoording van deze vragen is gekozen voor zogenaamd intensief casestudy-onderzoek. Intensief onderzoek tracht verklaringen voor verschijnselen te vinden door een beperkt aantal gevallen grondig te onderzoeken. Dit in tegenstelling tot extensief onderzoek dat verklaringen genereert door algemene kenmerken van een groot aantal gevallen te inventariseren. De intensieve casestudy is vier gesticht voor onderzoek naar verschijnselen die contextafhankelijk zijn, zoals de ontwikkeling van grootschalige winkelvoorzieningen. Het arbeidsintensieve karakter van deze methode betekent dat het aantal cases dat onderzocht kan worden beperkt is. Er is voor gekozen om in elk land slechts een grootwinkelsproject grondig onder de loep te nemen: CentrO in Oberhausen (Duitsland), Trafford Centre bij Manchester (Verenigd Koninkrijk) en de ArenA Boulevard in Amsterdam-Zuidoost (Nederland).

Hoofdstuk 2: context

Dit hoofdstuk gaat in op de ruimtelijke spreiding van winkels. Te vaak wordt de spreiding van winkelvoorzieningen in stadsgewesten gezien als de resultante van een ‘natuurlijk’ proces. Grootschalige perifere detailhandel wordt in de literatuur vaak onkritisch opgevat als een ‘modern’ verschijnsel, waarbij sprake is van verschillende ‘golven’ van opeenvolgende perifere ontwikkelingen. Als eerste waren er supermarkten, vervolgens meubel- en doe-het-zelfzaken, daarna grootschalige winkelcentra en ten slotte – op dit moment – zijn er fabriekswinkels. Vooral West-Europa laat echter een grote verscheidenheid zien die niet zomaar te verklaren is aan de hand van dit moderniseringsproces. Er is meer aan de hand. De locatiekeuze van winkels wordt door verschillende factoren bepaald. Het probleem zit in het middelpunt van economie, ruimte en politiek.

Economie: De meest voor de hand liggende manier om dit te onderzoeken is vanuit ruimtelijk-economische invalshoek. Ruimtelijk-economische literatuur verklaart de spreiding van winkels in de ruimte op basis van afstand (transportkostenmodellen), het soort product (centrale-plaatsentheorie) en de mate van concurrentie (zwaartekrachtmodellen). Verder zijn er economische trendverkenningen die detailhandelsovergangen proberen te verklaren, waarbij (bedrijfseconomische en ruimtelijke) schaalvergroting de belangrijkste trend is. Hoewel ruimtelijke economische redenering de basis vormt van veel beleid en onderzoek (effectenrapportages) is het duidelijk dat andere factoren zeer bepalend is.

Ruimtelijk ordening: Ook als een bepaalde (perifere) locatie op basis van economische overwegingen zeer geschikt is, kan het onmogelijk zijn om daar een winkel te vestigen omdat er simpelweg geen bouwvergunning wordt verleend. In veel West-Europese landen worden, met wisselend succes, perifere detailhandelsvestigingen bewust tegengehouden. Overheden beogen hiermee ongewenste effecten op de mobiliteit en het milieu en aantasting van de vitaliteit van (binnen)stedelijke gebieden te voorkomen. Dit beleid wordt vaak gerechtvaardigd met een beroep op de centrale-plaatsentheorie van Christaller. Het feit dat de centrale-plaatsentheorie in toenemende mate als anachronistisch wordt beschouwd en het opkomst van ontwikkelingsplanologie maken het steeds moeilijker om zulke restricties te legitimeren. De keuze om een restrictief beleid los te laten, kan echter ingrijpende gevolgen
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hebben voor verdere detailhandelsontwikkelingen. Het betreft zowel een politieke als een technische keuze.

Politiek: Winkels bepalen voor een groot deel het gezicht van een stad. Afhankelijk van het fiscale systeem kunnen detailhandelsvestigingen ook een belangrijke bron van inkomsten voor gemeenten zijn. Een voorstel voor een nieuw perifeer winkelcentrum kan veel weerstand oproepen van gevestigde belangen (die omzetverlies vrezen) en intergemeentelijke conflicten veroorzaken. De politieke taferelen die spelen rondom het goedkeuren of afwijzen van een voorstel kunnen bepalend zijn voor de verdere detailhandelsontwikkelingen in de regio. Bestuurlijke factoren, zoals beslissingsbevoegdheid en (fiscale) centralisatie, kunnen in zulke conflicten van doorslaggevend belang zijn.

HOOFSKSTUK 3: THEORIE EN HET CONCEPTUELE RAAMWERK
Het vorige hoofdstuk maakt duidelijk dat detailhandelsontwikkelingen zowel door contextuele factoren als door de handelingen van actoren bepaald worden. Dit is ook het uitgangspunt van het nieuwe institutionalisme. Hoofdstuk 3 gaat verder in op het vraagstuk van de wisselwerking tussen actor en context en ontwerpt een passend conceptueel raamwerk voor de empirische analyse (hoofdstukken 4 tot en met 6). Allereerst wordt een eenvoudig figuur van Elinor Ostrom besproken:

De verschillende stromingen in het nieuwe institutionalisme doen uitspraken over hoe het besluitvormingsproces plaatsvindt. Sommige theoretici gebruiken een soort speltheorie om de relaties tussen actoren te beschrijven waarbij instituties de spelregels bepalen (hard institutionalisme), terwijl anderen meer oog hebben voor de onafhankelijke macht van instituties zelf (zacht institutionalisme). Om de actor-arena verder te kunnen uitwerken ontleen ik aan het werk van Fritz Scharpf het onderscheid tussen actorenconstellaties (hoe actoren zich tot elkaar verhouden) en interactiewijze (het gedrag van actoren). Vervolgens wordt het conceptuele kader gepresenteerd.
Besluitvormingsomgeving

Langdurige randvoorwaarden
Economisch: intrinsieke kenmerken van detailhandel
Bestuurlijk: basiswaarden m.b.t. concurrentie en de rol van de overheid, (grond)wettelijke structuur
Ruimtelijk: stedelijke structuur en detailhandelsstructuur in grote lijnen

Ontwikkelingen
Economisch: marktcondities, consumententrends, economisch beleid
Bestuurlijk: houding tussen bestuurslagen, fiscale reglementen
Ruimtelijk: ruimtelijke ordeningsbeleid, nieuwe ruimtelijke ontwikkelingen

Actorenconstellatie

Detailhandelsontwikkeling arena
ontwikkelaar
financier
leverancier
belegger
banken
detaillist
adviseurs
grond.eigenaar
aannemer
Kamer van Koophandel
architect
provincie
ontwikkeling
nationaal
versch. belangen
media
regionale planners
nationale planners
andere organen
versch. belangen
nationaal

Interactiewijze en uitkomsten

Strategisch handelen
Onderhandeling
Eenzijdige beslissingen
Coalitievervorming

Beslissingen en overeenkomsten
Vastgelegd als regels, vrijmaken van middelen en plannen

Uitkomsten
(detailhandelsontwikkelingen)
SAMENVATTING

Het conceptuele kader is geen theorie die verklaringen geeft; het is bedoeld als hulpmiddel in de zoektocht naar verklaringen. De besluitvormingsomgeving is grotendeels gebaseerd op de discussie in hoofdstuk 2 over drijvende krachten in detailhandelsontwikkelingen. Het onderscheid tussen meer en minder variabele randvoorwaarden is ontleend aan het werk van Paul Sabatier. Om de ac torenconstellatie te kunnen bepalen, zijn verschillende studies over het ontwikkelingsproces geraadpleegd, waar mogelijk over winkelcentraontwikkeling. Er is een algemeen onderscheid gemaakt tussen actoren die centraal staan in het proces en actoren die van buiten druk uitoefenen op het proces. Deze constellatie is slechts bedoeld als hypothetisch voorbeeld, gebaseerd op winkelcentraontwikkelingen in Noordwest-Europa en dient als vertrekpunt voor het casestudy-onderzoek. Of het past bij de empirische werkelijkheid zal blijken uit de casestudies. Het hoofdstuk eindigt met een aantal vragen die verder als leidraad zullen fungeren voor het empirische deel van het proefschrift.

Hoofdstuk 4: CentrO Oberhausen

Hoewel soms onjuist aangeduid als de grootste shopping mall op het Europese vasteland, is CentrO de belangrijkste ontwikkeling in de stad Oberhausen in de jaren ’90. Als een motor voor stedelijke ontwikkeling in het gebied, staat het symbool voor het economische herstructureringsproces van het laatste decennium van de twintigste eeuw. De realisering van CentrO heeft een aanzienlijke inspanning gevorderd van het stadsbestuur en andere actoren om de weerstand van de buurgemeenten te overwinnen.

Context: Duitsland kent een federaal systeem waarbij gemeenten een grote verantwoordelijkheid hebben voor ruimtelijke planning en belastingheffing (met name bedrijfsbelasting is een belangrijke bron van inkomsten). De deelstaat Nordrhein-Westfalen (NRW) heeft vele pogingen gedaan om weidewinkels te verbieden, maar is hier maar zeer ten dele in geslaagd. In principe moeten alle nieuwe grootschalige detailhandelsvestigingen in aangewezen winkelgebieden liggen overeenkomstig de centrale-plaatsentheorie.

Interactie van actoren: In 1989 stelde een Canadese ontwikkelaar voor om het grootste winkelcentrum ter wereld te bouwen in Oberhausen (ruim 250.000m²) op een verlaten industrieterrein in het geografisch middelpunt van de gemeente. Als gevolg van de werkloosheid in Oberhausen, die opliep tot bijna 20 procent, heeft het niet lang geduurd voordat het stadsbestuur instemde met het voorstel. Onmiddellijk kwamen de buurgemeenten in opstand. Zij lobbyden bij de deelstaat om de ontwikkeling te blokkeren. De deelstaat had de ontwikkeling kunnen tegenhouden door geen toestemming te verlenen voor een bestemmingswijziging. De tegenstanders hanteerden als eerste argument dat het winkelcentrum tot onacceptabele koopkrachtavloeiing zou leiden en zo de overlevingskansen van de bestaande winkelkernen in de regio sterk zou doen verminderen. Een tweede argument was, dat de mall niet geïntegreerd zou worden in de stedelijke structuur. De lobby bleek effectief. De deelstaat NRW weigerde de bestemmingswijziging.

Hierna ging Oberhausen op zoek naar een nieuwe ontwikkelaar, maar deed dit niet in het openbaar. In de onderhandelingen met deze nieuwe ontwikkelaar werden de bezwaren van de buurgemeenten vooraf meegewogen. Zo is distributieplanologisch onderzoek uitgevoerd in opdracht van de ontwikkelaar en de gemeente. Dit onderzoek, naar een afgeslankte mall van 70.000m², liet een geringe impact op bestaande winkelkernen zien. De kavel werd (in het geheim) aan de ontwikkelaar verkocht. Daarbij kwam er meer aandacht voor openbaar vervoer en integratie in de bestaande stedelijke structuur. Pas nadat alle plannen en
impactstudies klaar waren en een ontwikkelingsmaatschappij was opgericht, is het voorstel bekendgemaakt. Deze strategie heeft ervoor gezorgd toestemming te krijgen van de deelstaat voordat de tegenstanders een kans had zich te mobiliseren.

Gevolg: Achteraf bleek dat CentrO wel degelijk effecten op de omgeving had. De koopkrachtavloeiing bleek echter het meest zichtbaar in het oude stadscentrum van Oberhausen, dat haar positie aan de top van de hiërarchie moest inleveren. Het was het offer waard gezien de vele andere ontwikkelingen rondom CentrO in de Neue Mitte. Een wellicht belangrijker gevolg is dat andere actoren in de regio een reeks vergelijkbare voorstellen voor een mall presenteerden en dat het detailhandelsbeleid van NRW nog restrictiever is geworden.

Hoofdstuk 5: Trafford Centre, regio Manchester
Ongeveer anderhalf keer groter dan CentrO en zeker niet geïntegreerd in de regionale structuur is het winkelcentrum Trafford Centre in een gemeente enkele kilometers ten westen van Manchester. De geschiedenis van dit winkelcentrum staat bol van conflicten: er zat twaalf jaar tussen het voorstel en de opening en er zijn miljoenen ponden gespendeerd aan proceskosten en effectenrapportages.

Context: In vergelijking met Duitsland is het bestuurlijk stelsel van het Verenigd Koninkrijk zeer centralistisch. Gemeenten kunnen weliswaar hun eigen beleid voeren, maar instructies van de nationale overheid in de vorm van zogeheten ‘Planning Policy Guidance Notes’ moeten gevolgd worden bij het toetsen van bouwaanvragen. Bovendien kan de minister er voor kiezen om zelf over een bepaald geval te beslissen (call-in). In tegenstelling tot in Duitsland en Nederland, is er geen coalitievorming in de politiek: de winnaar van verkiezingen kan alles bepalen. Veranderingen in de politiek op nationaal niveau kunnen daarom ingrijpende gevolgen hebben voor de ruimtelijke ordening.

Interactie van actoren: In de jaren ‘60 en ‘70 van de vorige eeuw hebben Britse gemeenten een vrij conservatief beleid gevoerd met betrekking tot perifere detailhandel. In deze periode zijn veel grootschalige winkelcentra in steden gebouwd, vergelijkbaar met Hoog Catharijne in Utrecht. Met de komst van de regering Thatcher (1979) is er begin jaren ‘80 veel veranderd om de bouw van shopping malls mogelijk te maken. Economische criteria (d.w.z. impact op bestaande centra) waren bijvoorbeeld niet meer voldoende om het voorstel voor een mall af te wijzen en er werden instructies gegeven om ontwikkelingen in principe toe te staan. Voor de regio Manchester was het echter de afschaffing in 1986 van de door links gedomineerde regionale bestuurslaag (Metropolitan Council) waarmee het hek van de dam ging. Tot dan toe heeft dit bestuur een tamelijk restrictief beleid gevoerd ten aanzien van detailhandel. Binnen tien maanden na verdwijning van de council zijn er tien voorstellen gedaan voor grootschalige winkelcentra in de regio. Elke gemeente was vóór haar eigen project en fel tegen die van andere gemeenten. Nadat de minister Trafford heeft gekozen als de meest veelbelovende plaats voor ontwikkeling vormden alle andere gemeenten een coalitie tegen dit plan. De planningsprocessen en juridische procedures die volgden, hebben ongeveer tien jaar geduurd totdat uiteindelijk in 1996 de House of Lords het groene licht gaf voor de bouw van het winkelcentrum.

Gevolg: Uiteindelijk bleek de schade voor buurgemeenten beperkt te zijn. Dit heeft waarschijnlijk veel minder te maken met de omvang van de mall en meer met het feit dat de andere gemeenten ruim de tijd hadden om zich te kunnen voorbereiden op de nieuwe
concurrentie. Zo heeft de stad Manchester na een IRA-bomaanslag haar centrum weer opnieuw opgebouwd en kon daardoor de concurrentie met het Trafford Centre aan.

**Hoofdstuk 6: ArenA Boulevard, Amsterdam**

Tot op heden is er geen echt winkelcentrum buiten de stad in Nederland. Wat er het dichtst bij in de buurt, komt zijn de zogenaamde grootschalige detailhandelsvestigingen (GDVs). De GDV in Amsterdam-Zuidoost wijkt af van de andere bestudeerde winkelcentra: het is niet als één geheel ontwikkeld en het is niet overdekt.

**Context:** Nederland heeft een driehelige bestuurlijke structuur, die aansluit op het planningstelsel voor de ruimtelijke ordening. Het stelsel kent zowel top-down als bottom-up elementen. Gemeenten zijn verantwoordelijk voor het opstellen van juridisch bindende bestemmingsplannen, maar deze moeten goedgekeurd worden door de provincie en mogen niet in strijd zijn met het rijksbeleid.

Begin jaren ‘70 heeft Nederland op rijksniveau een restrictief perifeer detailhandelsvestigingsbeleid ingevoerd. In principe was het hierna verboden om een winkel te bouwen buiten een bestaand of gepland centrum, tenzij er sprake was van grote goederen (auto’s, boten e.d.). Dit beleid is in de jaren ‘80 enigszins versoepeld wat betreft perifere meubelzaken en tuincentra en begin jaren ‘90 nog minder strikt gemaakt door winkels voor huishoudelijke artikelen (i.v.m. Ikea) toe te staan. In 1993 besloot het rijk om onder bepaalde voorwaarden grootschalige detailhandel zonder branchebeperkingen toe te staan: het GDV-beleid. Om in aanmerking te komen moest een locatie in een van de stedelijke knooppunten gelegen zijn, het moest dichtbij een hoogwaardige openbaarvervoeraansluiting en de locatiekeuze moest ondersteund worden door een regionale detailhandelsvisie.

**Interactie van actoren:** In hetzelfde jaar dat het nieuwe beleid werd ingevoerd, besloot de gemeente Amsterdam om een GDV te ontwikkelen. De keuze viel op Zuidoost, een stadsdeel met (net als Oberhausen en Manchester in die tijd) een hoge werkloosheid en een slecht imago. Conform de eisen van het rijksbeleid is er een regionale visie opgesteld en werd deze het officiële kader voor ontwikkeling: geen rivaliserende studie werd in beschouwing genomen. De gemeente en de ontwikkelaar hebben vanaf het begin samengewerkt bij de invulling van het gebied. Het ontwerp diende niet alleen om omzet voor de winkels te genereren maar tevens om sociale, economische en zelfs stedenbouwkundige problemen (het overbruggen van de kloof tussen de twee kanten van Zuidoost) in het gebied op te lossen. Het consensusvormingsproces ging zo ver dat zelfs de branchenmix niet door de ontwikkelaar bepaald werd maar mede door een commissie (waarin ook concurrenten zaten) en er een opleidingscentrum opgericht werd voor werkloze bewoners uit Zuidoost. Dit proces heeft geleid tot snelle besluitvorming (weinig conflicten en iedereen krijgt een beetje zijn zin) maar kwam tegelijkertijd de samenhang van de voorzieningen in het project niet ten goede.

**Gevolg:** De ArenA Boulevard heeft sinds haar oplevering in 1996 het karakter van een bouwput en dat zal nog een tijd zo blijven. De impact van de GDV op andere winkelcentra is nog niet gemeten, maar zal waarschijnlijk niet al te groot zijn. Interesseranter is dat het restrictief detailhandelsbeleid dat een sterk stempel heeft gedrukt op het project wordt afgeschaft. De mogelijkheid voor de ontwikkeling van echte shopping malls is gecreëerd. Het is maar de vraag of de ArenA Boulevard in staat is om die concurrentie te overleven.
SAMENVATTING

Hoofdstuk 7: conclusies
Perifere shopping malls zijn niet alleen de meest opvallende gebouwen voor consumptie maar betreffen vaak zeer politiek gevoelige detailhandelsontwikkelingen. Een voorstel voor een mall roept meteen weerstand op van potentiële verliezers zoals detaillisten en investeerders in bestaande centra en buurgemeenten. Om deze reden is het thema grootschalige perifere winkelcentraontwikkeling uitermate geschikt voor een actor-georiënteerde institutionele analyse. Het doel van dit hoofdstuk is om de inzichten verworven in de empirische hoofdstukken samen te brengen met de theoretische discussie in hoofdstuk 3.

Allereerst is het belangrijk aan te geven waar de verschillende onderzoeksvragen beantwoord zijn. De eerste deelvraag (over condities) is in hoofdstuk 2 behandeld terwijl de tweede deelvraag (over actoren) in hoofdstuk 3 is beantwoord. De derde deelvraag (interactiecondities en actoren) is impliciet met de ontwikkeling van het conceptuele kader beantwoord. De hoofdonderzoeksvraag is in theoretische zin beantwoord in hoofdstuk 3 en inhoudelijk in de casestudies (hoofdstukken 4 tot en met 6). Aan het eind van het theoretische hoofdstuk is een aantal aanvullende vragen geformuleerd, die samengevat kunnen worden in de volgende thema’s:

- bestuurlijke relaties, met name (de)centralisatie;
- de directe aanleiding van het winkelcentrumvoorstel;
- ruimtelijk beleid en haar (on)verwachte gevolgen;
- actorenconstellaties en interactiewijzen;
- mate van publieksector invloed op het ontwerp van het winkelcentrum.

Deze thema’s vormen het uitgangspunt voor de vergelijking van de casestudies in hoofdstuk 7.

Duitsland en het Verenigd Koninkrijk: (de)centralisatie en alles-of-niets houding
In zowel Duitsland als het Verenigd Koninkrijk zijn winkelcentra gebouwd die volledig in de internationale stijl passen (warenhuizen als trekkers met daarbinnen winkelgalerijen). Ook zijn beide winkelcentra gerealiseerd in een gebied dat kampt met de overgang van zware industrie naar nieuwe economische dragers en hoge werkloosheid. Geen van beide landen slaagde erin om perifere detailhandelsvestigingen tegen te houden. Dit ondanks grote verschillen in de organisatie van de staat (het federale Duitsland tegen het centralistische Verenigd Koninkrijk). Het gebrek aan coördinatie in Duitsland wordt gezien als het belangrijkste struikelblok voor de implementatie van het restrictieve beleid. Van gebrek aan coördinatie was in het Verenig Koninkrijk geen sprake. Daar zorgde het centralisme ervoor dat het detailhandelsbeleid ingrijpend kon veranderen na verkiezingen op nationaal niveau. Bovendien heeft het alles-of-niets karakter van het Britse planningsysteem geen prikkel gegeven om tot compromissen te komen, zoals in Duitsland wel gebeurd is.

Nederland en Duitsland: (poly)centriciteit en informatiepolitiek
Zowel in de Nederlandse als de Duitse casus is er sprake van winkelcentraontwikkeling binnen een polycentrische stedelijke omgeving. Hoewel het Roergebied vanaf haar ontstaan bestaat uit een verzameling steden is Amsterdam een stad die langzaam haar monocentriciteit verliest. Vooral in een polycentrische omgeving is het moeilijk om geloofwaardig beleid te voeren gebaseerd op de centrale-plaatsentheorie. Wat ‘centraal’ is, is immers niet eenduidig. Amsterdam werd echter geholpen door haar machtige positie binnen de regio en door de formele status van de regionale detailhandelsvisie. Amsterdam kon conflicten vermijden door binnen de marges van de detailhandelsvisie te blijven. In Oberhausen (en ook in het Verenig Koninkrijk) daarentegen moesten verschillende effectenrapportages met elkaar concurreren.
Nederland en het Verenigd Koninkrijk: restricties en conflictbemiddeling

Zowel Nederland als het Verenigd Koninkrijk hebben een lange traditie van (detailhandels)planning en in beide landen wordt het proces vooral op nationaal niveau bepaald. In de jaren ‘70 hebben beide landen een restrictief beleid ingevoerd om weidewinkels tegen te gaan. Dit is in Nederland tot ongeveer 2000 grotendeels doorgezet (wel heeft er geleidelijke versoepeling plaatsgevonden) maar in het Verenigd Koninkrijk is het beleid in de jaren ‘80 geheel omgekeerd en in de jaren ‘90 opnieuw ingevoerd. Doordat het planningproces van grootschalige winkelcentra vele jaren duurt, hebben de relatief snelle veranderingen in het beleid in het Verenigd Koninkrijk geleid tot onrust bij marktpartijen.

De twee casestudies verschillen verder wat betreft de interactiewijze tijdens het ontwikkelingsproces. In Amsterdam waren alle belangen vertegenwoordigd (ook die van de concurrentie) in het proces. Dit resulteerde uiteindelijk in een megacompromis. Iedere partij kreeg een beetje zijn zin maar de totale samenhang ontbrak en de hoofdstad kreeg een winkelcentrum waarop niemand zat te wachten. In schril contrast hiermee staat de situatie in Manchester. Hier heeft een consortium van belangengroepen tevergeefs – bijna tien jaar – tegen de gemeente Trafford en de ontwikkelaar gevochten om het winkelcentrum tegen te houden. Ten slotte is een fantasieloze out-of-town shopping mall gerealiseerd volgens het standaardrecept. De aansluiting op het openbaar vervoer is gebrekkig en het concept is niet geïntegreerd in de stedelijke regio.

Conclusies

In dit proefschrift is door middel van een institutionele analyse een vergelijking gemaakt van de wijze waarop perifere winkelcentra worden ontwikkeld in verschillende Noordwest-Europese landen. Een aantal opvallende conclusies kan getrokken worden. Een eerste conclusie betreft de centrale-plaatsentheorie van Christaller in relatie tot de winkelplanning. Hoewel er consensus bestaat over het feit dat de centrale-plaatsentheorie achterhaald is, blijft de theorie nog steeds belangrijk in de politieke discussie rondom planningsprocessen. In alle drie van de onderzochte landen vormde de centrale-plaatsentheorie de basis voor het detailhandelsbeleid, althans in aangepaste vorm. Dit blijkt onder andere uit de verschillende effectenrapportages, die moesten laten zien dat het voorgestelde project het systeem van centrale plaatsen niet zou ondergraven. Daarbij is de centrale-plaatsentheorie echter meer een wapen in de strijd dan een allesomvattend planningconcept.

Een tweede observatie betreft het restrictieve beleid ten aanzien van perifere ontwikkelingen. Dit is in alle drie de landen in meer of minder mate aanwezig (geweest). Het meest succesvol is het Nederlandse beleid. Het beleid werd mondjesmaat aanpast op momenten dat de druk vanuit de markt te groot werd. In het Verenigd Koninkrijk (en ook in Oost-Duitsland) leidde een snelle afschaffing van het restrictieve beleid tot ongewenste ontwikkelingen en verwarring onder de verschillende betrokken actoren die niet langer wisten wat de spelregels waren. Hierna zijn opnieuw restricties ingevoerd met alle geloofwaardigheidsproblemen van dien.

De laatste conclusie betreft het eindproduct – het consumptiegebouw. Wat dit betreft kan opgemerkt worden dat CentrO het beste scoort in termen van zowel commerciële haalbaarheid als het dienen van publieke doeleinden. Het Trafford Centre is niet goed bereikbaar met het openbaar vervoer en slecht geïntegreerd in de regio. Aan de andere kant heeft de ArenA Boulevard tot op heden nog weinig interessants te bieden voor de consument.

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