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

Evers, D.V.H.

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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

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 behaviorist 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 Selznick, 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 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).[32] 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).[33] 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

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[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 regards 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.[34] 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).
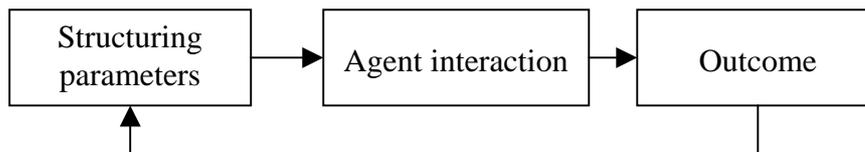
Figure 11: Basic structure/agency model, adapted from Ostrom (1999)

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 "reframing" 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.[35] Obviously, knowing which game one is playing is highly

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[35] 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

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.
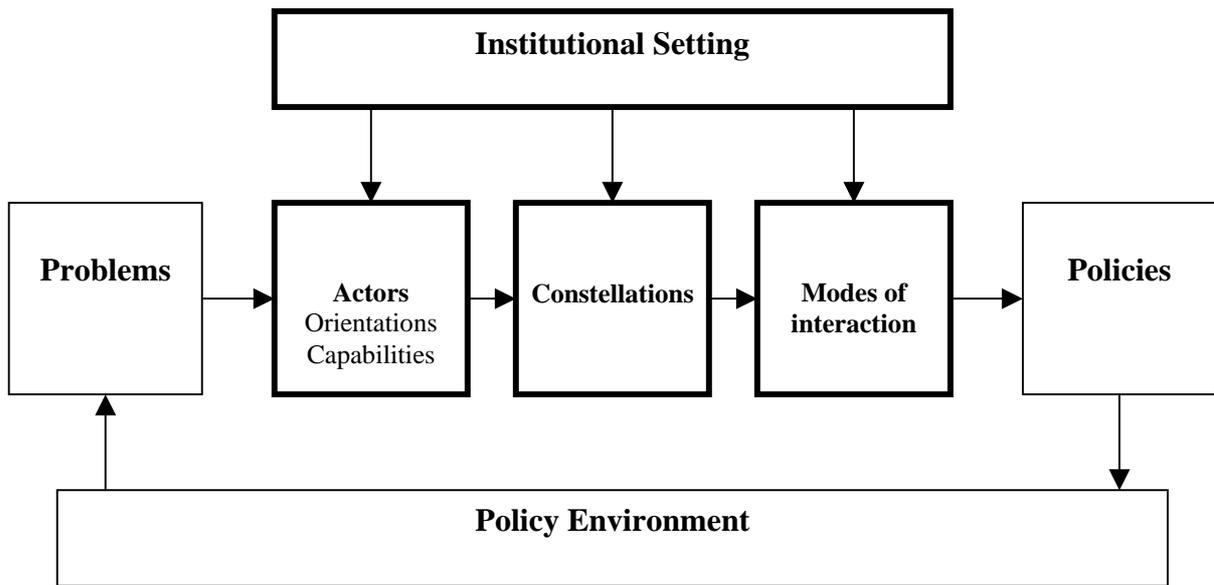

Figure 12: Expanded structure/agency model (Scharpf, 1997: 44)

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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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).

	Prisoner #1	
Prisoner #2	Silence	Confession
Silence	3,3	1,4
Confession	4,1	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
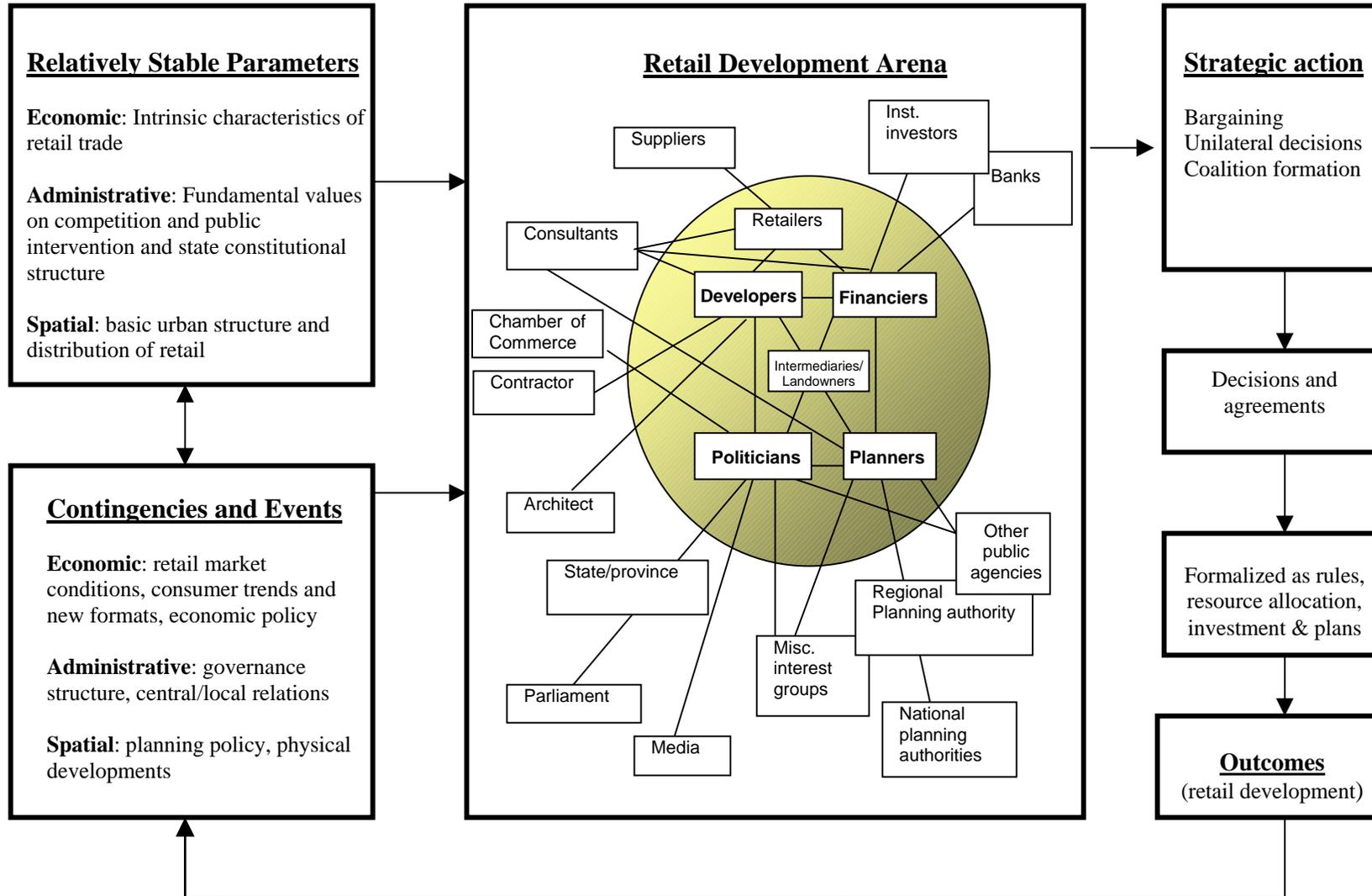
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[36] Despite the strong resemblance, some fundamental differences exist between the two approaches, arising mainly from the incompatibility of the advocacy coalition model to retail development. Advocacy coalition scholars usually deal with issues 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.

Decision-making
Environment

Actor constellation

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

Suppliers

Inst. investors

Banks

Consultants

Retailers

Developers — **Financiers**

Chamber of Commerce

Contractor

Intermediaries/ Landowners

Politicians   **Planners**

Architect

State/province

Other public agencies

Regional Planning authority

Misc. interest groups

Parliament

National planning authorities

Media

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.[37] 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.[40] 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.[41] 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

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[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.[43] 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.[44] The relationship between retailers and their livelihood varies: some are

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[43] In their much-read essay "The city as a Growth Machine" Logan and Moloch 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.

[44] 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

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.)[45]

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

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,[46] 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.[47] Cross-cultural emperical 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

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[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?

- 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.