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

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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.

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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 impediment 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.

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

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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

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$^{52}$ 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. 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

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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: “permited 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

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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 (3,000m² 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 (1,500m²) 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 500,000m² 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.
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).

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.

#### Location of retail development in Germany, in percent

<table>
<thead>
<tr>
<th>Date</th>
<th>Inner city</th>
<th>District center</th>
<th>Out-of-town</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964-1990</td>
<td>51</td>
<td>41</td>
<td>8</td>
</tr>
<tr>
<td>1991-1995</td>
<td>23</td>
<td>30</td>
<td>47</td>
</tr>
<tr>
<td>1996-1998</td>
<td>44</td>
<td>41</td>
<td>15</td>
</tr>
<tr>
<td>1999-2000</td>
<td>63</td>
<td>31</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: EHI, Köln in HDE

#### Location of retail development in Ruhrgebiet, in percent

<table>
<thead>
<tr>
<th>Date</th>
<th>Inner city</th>
<th>District center</th>
<th>Out-of-town</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987</td>
<td>38</td>
<td>23</td>
<td>39</td>
</tr>
<tr>
<td>1997</td>
<td>28</td>
<td>18</td>
<td>54</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 (73,000m$^2$) with 104 shops, Rhein-Ruhr in Mülheim (71,000m$^2$) 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 development 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 (73,000m$^2$) with 104 shops, Rhein-Ruhr in Mülheim (71,000m$^2$) 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 development 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 (73,000m$^2$) with 104 shops, Rhein-Ruhr in Mülheim (71,000m$^2$) 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

\(^{57}\) 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 100,000m$^2$ which is 30,000m$^2$ 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(^{58})</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(^{59})</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(^{60})</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>59</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>58</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(^{61})</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.

\(^{59}\) Expansion of entertainment function in 1998.

\(^{60}\) Retail space. Renovation and expansion in 1993/1994.

\(^{61}\) Retail space integrated in train station.
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Super-Municipal/Regional Level (Spatial Planning Effects)

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

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. 1,500m² prior to 1985, 1,200m² 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 1,200m² were developed with a limited range of products (1995: 85).

As an additional irony, it is generally only
CHAPTER 4: CASE STUDY OBERHAUSEN

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).62 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\textsuperscript{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.

\textbf{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

\textsuperscript{63} Ironically, Oberhausen-Alt is actually the \textit{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).

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.

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

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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 (Hoefs, 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 Grundstücksentwicklungsgesellschaft 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, 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.\footnote{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.}

### 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...
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.70

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 Schorzm ann 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.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?

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 70,000m² retail space for the mall, and 76,000m² 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)
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 Dresher, 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.

Centro on a Tuesday evening in March 2001
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 cafe 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.\footnote{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.
### Completed projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td><strong>CentrO</strong></td>
<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>
</tr>
<tr>
<td><strong>Gasometer</strong></td>
<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>
</tr>
<tr>
<td><strong>Arena</strong></td>
<td>A multifunctional stadium for pop concerts and small sporting events (e.g. ice hockey, but not football).</td>
</tr>
<tr>
<td><strong>CentrO park</strong></td>
<td>A mini-theme park including some attractions and rides. Entrance fee is about € 10.</td>
</tr>
<tr>
<td><strong>Neue Mitte station</strong></td>
<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>
</tr>
<tr>
<td><strong>Theater</strong></td>
<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>
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### Planned projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Description</th>
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<tr>
<td><strong>Aquarium</strong></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>Ovision Future Park</strong></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>Homeworld</strong></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>Family-Entertainment-Center</strong></td>
<td>Another site of about 25ha to contain various things like a ski hall and a hotel.</td>
</tr>
<tr>
<td><strong>Transparent Airplane Factory</strong></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>Yacht harbor</strong></td>
<td>For 400 boats to the Northeast of the site.</td>
</tr>
</tbody>
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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
CHAPTER 4: CASE STUDY OBERHAUSEN

often part-time, resulting in an aggregate 10% drop in average wage levels for the city in the 1987-1995 period (Stadt Oberhausen, 1997: 6,7). 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 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 unconvinced 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. 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 foreground 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 cafes 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.

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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%.\textsuperscript{77} 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).

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).

\textsuperscript{77} Centrality, or \textit{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).
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).

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.
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

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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.
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 protagonist 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
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) Matthijsse 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)](image)

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 away.

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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 70,000m$^2$ 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).
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 750,000m² 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 90,000m² 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 30,000m² to 10,000m² (Taz 20 July, 2000). Düsseldorf also has plans for a 30,000m² 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\(^{81}\) center in Mülheim and the Ruhrpark\(^{82}\) 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).\(^{83}\)

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).\(^{84}\) 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

\(^{81}\) 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 Dussburg 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.\footnote{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).}

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.
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**

**Strategic action**
- Privately, Oberhausen and Stadium negotiate on design specifics, commission studies before going public

**Outcomes**
- State rules in favor of Oberhausen that “did its homework”
- Thyssen site rezoned to allow shopping center
- CentrO built

**State**
- NRW state planning agency
- Other Ruhrgebiet cities
- Oberhausen (Drescher)
- Stadium (Healey)
- Minister of Finance (Schleußer)
- Consultants
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).
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
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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. 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; Vößebürger 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.

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.