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

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# CHAPTER 7: CONCLUSIONS/IMPLICATIONS

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## 7.0 Introduction

This dissertation sought to give an account of how we build for consumption in Northwest Europe. This is hardly a neglected topic. Indeed, consumption has become a rather fashionable subject of inquiry in recent years. The hyperbolic statement below by Rem Koolhaas (in Chung et al, 2002: 1) is not unique, rather symptomatic of this new fascination with consumption:

Shopping is arguably the last remaining form of public activity. Through a battery of increasing predatory forms, shopping has infiltrated, colonized, and even replaced, almost every aspect of urban life... The voracity by which shopping pursues the public has, in effect, made it one of the principal — if only — modes by which we experience the city.

Whether we agree with this statement or not, the evidence presented in this thesis does seem to indicate that public officials are increasingly turning to retail as a means by which to bolster their local economies. All three case studies took place within a setting of economic restructuring — the most transparent being that of CentrO where a shopping mall was built on the ruins of an abandoned steel plant, and used as a catalyst for regeneration. For many, this is a sign of the times as well as an indication of things to come: “there are numerous assertions that postmodern cities are cities of consumption, rather than of production; cities of the shopping mall rather than of the factory” (Glennie, 1998: 927). Despite this level of interest and the topical nature, little in-depth scholarly work has been done on the interface between planning and retail in an international context.

This study addressed this gap by investigating how institutional factors define the playing field and suggest courses of action for actors involved in building new retail spaces. It is partly for this reason that the attention has focused on shopping center development. Shopping malls, especially those built out-of-town — are not only the most visible symbols of consumption-oriented buildings, but they tend to be the most contested politically and are most likely to bring to the surface the latent conflicts between planning ideals and new retail developments. These are precisely the situations that lend themselves well to institutional analysis. Rather than adopting a fatalistic position that the world is necessarily converging towards a generic retail structure, this thesis has continually argued, through an institutionalist lens, that local circumstances and ultimately local actors determine if and how these buildings are built. In so doing, the focus has been on the interaction between structuring parameters (here defined using the dimensions of space, economy and public administration) and actors within the decision-making arena. The intent of this last chapter is to bring together the many insights gained into retail development with the theoretical discussion of Chapter 3. To this end, the chapter will recall the most salient outcomes of the case studies, and make some comparisons and observations between them. Afterwards, some fundamental substantive conclusions will be drawn, and the efficacy of this kind of institutional approach for further retail/urban research contemplated. Before addressing such matters, however, it is necessary to first return to the research questions as stated in Chapter 1 to indicate where they have been dealt with in the thesis, and raise once again the questions/propositions posed at the end of Chapter 3.

## 7.1 Reflection on purposes and methods

### 7.1.1 Research questions and answers

The aim of this section is to deal briefly with the main research question posed in Chapter 1, and the more operational subquestions. Although these questions were useful in guiding the research, the more interesting questions are those posed in §3.2.4, drawing on the substantive insights gained in Chapter 2 and the theoretical ones in Chapter 3. These will be retrieved in the next section (§7.1.2) in order to lead into a discussion of the main findings of the case studies.

The main research question sought to explain how institutional factors influenced decision-making on large-scale retail developments. To direct the search for answers, a number of subquestions were posed regarding possible influences. These were addressed in chapters leading up to the empirical case-study chapters as well as within the particular institutional context of the country being examined. Specifically, the first subquestion — *what institutional conditions (economic, administrative, spatial) exist that impact the retail development sector?* — was discussed in Chapter 2 on retail development, which discussed at length the economic/spatial, spatial/administrative, and administrative/economic relationships of retail development. The next subquestion — *who are the relevant actors and what are their interests?* — received full attention in Chapter 3 (§ 3.2.2) with a description of actors and a rough positioning in terms of centrality in the decision-making process. In addition, this chapter also provided a schematic representation of the last subquestion — *how do these forces (actors and environment) combine to result in certain decisions on large-scale retail projects?* — in the form of a conceptual framework. This provided the basis by which to address the main research question of the thesis: *How do institutional factors influence the decision-making process regarding large-scale retail developments in the Netherlands, Germany and the UK?*

Theoretically, the main research question was dealt with by the construction of the conceptual framework which presented a hypothetical model for understanding large-scale retail developments in the case studies. Substantively, the main research question was addressed in the case study chapters. The first part of each case-study chapter presented the most important institutional attributes of the country and then examined in more detail the interface between retail planning policy and retail development. The second part took a closer look at a single large-scale project to illustrate this relationship, and allow the analysis to take place at a level of scale that the actions of individual actors were more perceptible. Finally, the conclusions of each case reapplied the conceptual framework, showing which factors were most vital in defining the decision-making environment, which actors were most central to the process, what strategies were adopted in the process, and what the final outcome was.<sup>176</sup> Taken together, these three empirical applications of the institutional approach designed in Chapter 3 can thus be seen as comprising the answer to the main research question. However, these were not the only — and certainly not the most interesting — research questions posed in the thesis.

The main research question and subquestions provided direction to the study in general and were useful in a methodological sense by indicating which matters to investigate and how to investigate them. In this narrow sense, they have served their purpose well. More important however in a substantive and theoretical sense are the more specific questions/propositions

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<sup>176</sup> Since the search for answers took place in three open systems, the factors were allowed to emerge from within that system.

posed at the end of Chapter 3. As stated, these could only be put forward after a discussion of retail development in general (Chapter 2) and the presentation of a conceptual framework, and could only be answered by intensive case-study research. The answers to these questions/propositions comprise the main findings of this thesis, and will be treated after a brief analysis and comparison of the conclusions of the three case studies.

### 7.1.2 Propositions and problematics

Proposing a regional shopping mall in a metropolitan area is an inherently controversial enterprise because such developments reshuffle streams of purchasing power across space. Every mall proposal favors some actors and threatens the livelihood of others, particularly neighboring municipalities and established retailers. This problematic is often couched in terms of the out-of-town (or suburban) mall undermining the viability of the central city, and many European nations have implemented planning measures specifically designed to combat it. However, as it is becoming increasingly difficult to discern what is indeed peripheral or central in a polycentric urban region, restrictive measures are increasingly difficult to sustain. Similarly, as established retail interests are increasingly no longer independents but large multiples with a greater mobility of capital, they are less bound to a particular space. A shift from central to peripheral retailing is therefore less a question of survival and more one of geographically redirecting investments. This carries with it an additional risk in that spatial monopolies sustained by planning and/or economic regulation may rapidly lose their meaning (and value) if the rules of the game are changed. A common byproduct is a the creation of a tacit alliance between planners promoting a functional hierarchy, established business interests protecting sunk costs and politicians concerned with the economic vitality of their jurisdiction against new and potentially threatening retail proposals.

This thesis explored how the controversy surrounding a proposal for a peripheral retail project arose and was dealt with in three institutional contexts. Although the main source of conflict was the same in all three cases — see above — the resolution of this conflict and physical outcome were much different. In order to guide the analysis, a number of propositions/questions were posed in §3.2.4 that followed the structure of the conceptual framework. Rather than restate all the questions here, a few of the main issues will be retrieved for consideration.

- Central/local government relations, (de)centralization of authority
- Changes to the retail structure/hierarchy, spatial events/triggers
- Planning policies and their intended and unintended effects
- Actor constellations (games) and modes of interaction
- Degree and effect of public-sector influence on design

These issues (formulated as questions) combined to form a second, more pointed, research question: *how can one produce retail developments that serve both commercial interests (including consumers) and public goals?* Working towards an answer to this question, the next section will summarize the main findings from the case studies, paying particular attention to these points. Afterwards, three binary comparisons will be made in order to highlight how certain institutional differences affected actor behavior in a particular way, what consequences this had on the final product and to what extent the interests of the public were served.

## 7.2 Explanations arising from the case studies

This section briefly examines the most salient lessons that emerged from the three case studies. To expedite comparison, the key issues listed above are applied to the case and a short critique is provided. Afterwards, an overview of the three experiences is displayed in a table (§7.2.4).

### 7.2.1 Conclusions of CentrO Oberhausen

The German case showed that the decentralized nature of public administration in general and a lack of trust between municipalities in the Ruhrgebiet in particular undermined efforts of horizontal coordination. In Germany, rules governing retail development that are usually imposed at higher echelons of government, such as the mandate to locate large shops in central places, are not always heeded at the local level. This is especially true in brownfield conurbations like the Ruhrgebiet experiencing intense competition for economic investment. On the other hand, the strong juridical status of such rules in Germany, combined with the political will to apply them, can produce significant changes in actor behavior and spatial outcomes. In this institutional environment, Ruhrgebiet municipalities did manage to coordinate their efforts negatively to crush a common enemy: a proposed megamall (WTC) in Oberhausen. This was done by using distributional impact reports to demonstrate the potential harm to the central-place structure. A later scheme, prepared and worked out in secret — including substantiating impact reports indicating its adherence to the central place hierarchy — proved successful because it conformed to the letter of the law.

- Context: decentralized state, inflexible planning system, economic malaise, polycentricity
- Spatial event/trigger: Thyssen plant closure/WTC proposal
- Retail policy: increasingly restrictive, CPT-based using maximum size criteria
- Actor constellation: local coordination game within a regional prisoners' dilemma
- Mode of interaction: strategic alliance (mutual dependence) within a conflict situation
- Outcome: modified (scaled-down) proposal commercially successful, public interest concessions made.

Critique: although certainly resulting in many positive spin-off effects in the Neue Mitte, Oberhausen-Alt has been harmed in the process. The successful but Machiavellian strategy followed by proponents has further eroded trust within the region, and with it, increased the likelihood of sub-optimal solutions in the future. Recent attempts at informal coordination via a treaty-structure have collapsed, despite their legal feasibility. Other cities now want to realize their own CentrO, and are bitter that NRW is now adopting a stricter stance towards large-scale retail development.

### 7.2.2 Conclusions of Trafford Centre Manchester

The English case showed how, in centralized winner-takes-all systems, policy can vacillate over time, creating uncertainty and opportunism. British retail policy was comparably strict in the 1970s, with most large retail schemes being forced into the urban fabric of the city center. This policy was largely abandoned in the 1980s and a pro-development stance adopted. In Greater Manchester, the sudden removal of a regional body created a policy vacuum and threw the planning system into disarray. As the region could not adequately deal with the deluge of proposals, these were called in and subjected to a public inquiry thus raising the level of scale of the conflict to the national level. In the process, actors took sides that soon broke down into simple pro/con camps. After nine years of suspense, the House of Lords

finally allowed the project to proceed, giving ample time for other communities in the region (notably Manchester) to brace themselves for the competition.

- Context: centralized state, flexible planning, economic malaise, suburbanization
- Spatial event/trigger: abolition of GMA and 10 out-of-town retail proposals
- Retail policy: vacillates over time, PPG6 uses centrality criterion
- Actor constellation: regional prisoners dilemma after coordination game
- Mode of interaction: zero-sum conflict, unilateral action
- Outcome: full victory of MSC/Trafford, but others had opportunity to react

Critique: in this case, planning clearly took a back seat to politics, and since politics in the UK is unstable (urban and retail policy can change substantially from electoral change), this provides an uneven setting for retail development. Neither planners nor developers can be certain of sustainable rules of the game (in the case of the Trafford Centre, the approval process took longer than it did to instigate major new planning reforms). On a positive note, Manchester did finally discover developmental/entrepreneurial planning in the process, aided by a nine-year grace period of litigation over the Trafford Centre, two Olympic bids, and most importantly, the detonation of the IRA bomb.

### 7.2.3 Conclusions of ArenA Boulevard Amsterdam

As a decentralized unitary state, the Netherlands can be situated between the two extremes of Germany and the UK. Collaboration between government tiers (vertical) and territorially (horizontal) often occurs with a give-and-take fashion. The fiscal centralization of the country coupled with a consensus-driven political culture proved to be highly conducive to sustained spatial planning. A restrictive retail policy established in the 1970s has continually been in force, with intermittent minor relaxations. In this setting, a new retail policy and a new stadium allowed Amsterdam to take the reigns of a bold new development in its troubled Zuidooost district, without having to participate in the financial risk of the project. Opposition was dealt with by: 1) following a sanctioned national-government procedure that included drawing up a regional retail vision (thus granting legitimacy) and 2) incorporating opposing interests into the planning and design process. The result was a peculiar hybrid open-air urban entertainment center that satisfied most stakeholders (except one anchor tenant), but so far has failed to enthrall consumers. The future of this project is now being threatened by a further and more significant relaxation of the retail planning policy.

- Context: decentralized unitary state, multi-tiered planning system, economically vulnerable area in prosperous region, fragmenting metropolitan area
- Spatial event/trigger: ArenA stadium/GDV policy, Diemen multiplex proposal
- Retail policy: gradually liberalizing, mainly uses product-range criteria
- Actor constellation: assurance game under PDV/GDV
- Mode of interaction: consensus, incorporation of opposing interests
- Outcome: Mega-compromise, dubious commercial viability

Critique: the ArenA Boulevard seems to have suffered from the “too many cooks in one kitchen” syndrome. By incorporating opposing interests, Amsterdam may have accelerated the decision-making process, but the final watered-down product may be inadequate to compete with a standard-formula out-of-town shopping mall, which, in a post-PDV/GDV environment, may indeed have a future in the Netherlands. Another route could have been for the city to use its political clout to assist OMC in developing a more commercially viable

product. This would have necessarily entailed some self-cannibalization (city center, Amsterdamse Poort) but would have also placed the ArenA Boulevard in a much stronger position vis-à-vis the region.

**7.2.4 Summary of case study findings**

Case	Attributes	Case study outcome
Germany	<p>Decentralized system, strong municipal level. Legalist approach to planning. CPT is cornerstone of retail policy.</p> <p>Economic restructuring and spatial competition in region, Thyssen vacates Oberhausen in 1989 leaving physical gap in center.</p> <p>Policy backfires: Fachmarkt resulting from maximum size requirements. Restrictions harm independents the most.</p> <p>Other issues: East Germany shows how quickly retail can disperse in the absence of restrictive measures.</p>	<p>Beggar-thy-neighbor attitudes in the Ruhrgebiet intensified with the announcement of the WTC project.</p> <p>Central authority (NRW) intervenes under pressure of other cities in region, refuses rezoning under CPT argumentation.</p> <p>Oberhausen enlists support from foreign developer, NRW Minister of Finance and consultants for a second round to preemptively deal with the opposition.</p> <p>CentrO is approved on the basis of CPT; other municipalities draft their own plans for other large-scale projects in central areas.</p>
UK	<p>Centralized system, no constitutional guarantees.</p> <p>Adversarial political culture in planning as well. Plan just one “material consideration.” Political/electoral shifts produce shifts in retail planning policy.</p> <p>Economic restructuring processes in the North.</p> <p>Policy backfires: restrictive planning under GMA creates pressure cooker for development.</p> <p>Other issues: Haydock Park showed the manipulability of impact reports.</p>	<p>A relatively restrictive GMA (as regards retail policy) is abolished in the mid-1980s producing a policy vacuum and a flurry of proposals for out-of-town shopping centers. This undercut control of local authorities and planners. Slowly being regained under PPG6.</p> <p>MSC and Trafford pursue litigation against a Consortium of municipalities for nine years regarding a retail proposal. Judgments and policy change over time. Advocacy science plays an important role in inquiries and appeals.</p> <p>Trafford Centre is granted permission as Manchester City Center is bombed, allowing it to rebuild and improve its retail core to meet oncoming competition.</p>
NL	<p>Decentralized unitary state with emphasis on bargaining and consensus between levels.</p> <p>Dutch retail policy attempts to safeguard hierarchy by limiting peripheral development, gradual relaxations since 1973.</p> <p>Shift in economic activity from Amsterdam center to southern edge.</p> <p>Policy backfires: concentration of retail into established centers prices-out independents. GDVs may be unable to compete with future out-of-town malls.</p> <p>Other issues: PDV/GDV enjoyed wide support from retail and real estate interests.</p>	<p>ArenA stadium and a failed waterfront project turned the city’s attention away from the core and to Zuidooost as a potential new center. GDV policy enabled retail growth there as well.</p> <p>Amsterdam is supported by ROA/Kolpron reports under certain conditions.</p> <p>Interests of the city and district council are incorporated into the masterplan, while other opposition is incorporated via BAC and concessions like the ArenA Initiative.</p> <p>ArenA Boulevard is developed in a piecemeal fashion. The withdrawal of Endemol creates much uncertainty.</p> <p>The PDV/GDV policy, which had so defined the development, is overturned.</p>

### 7.3 Comparison of cases

So far, the case studies have been considered in isolation from one another. This was necessary in order to maintain the focus in the chapters, and allow the explanation to arise from within the case itself without the danger of “contamination” from other cases. This having been done, the many interesting parallels between the cases can now be discussed freely. The comparison will also prove useful for the next section, which will again reflect on the questions posed at the end of Chapter 3.

#### 7.3.1 Germany and the UK: (de)centralization and spoils mentality

Both the German and British cases resulted in the construction of a classic North American style mall in an economically depressed part of the country. Both cases involved a high degree of conflict, causing significant delays in one case, and considerable compromises on the other. The argument of Basten (1998) that the development of the Neue Mitte must be understood not in terms of planning procedure but a political process is certainly reasonable, but when compared to the Trafford Centre controversy, the German political game was far more circumscribed within the confines of established planning rules. This section will recount a number of interesting parallels and differences between the two cases, concentrating on how institutional differences in administrative structure affected actor behavior.

In terms of public administration, the British and German cases are antipoles: the first is an example of a highly centralized system in terms of both public finance and authority, while the second has a much greater degree of local autonomy in both respects. This fundamentally changes the relationship between developers and local authorities. In Britain, localities have been traditionally wary of large-scale shopping center development, especially outside of established centers. A clear reactionary attitude prevailed in the 1970s, was swept aside or overridden by reforms in the 1980s but is once again reemerging in the 1990s. On the other hand, German municipalities generally welcome new commercial development as it can bolster (or in the case of Oberhausen replenish) local coffers. Municipalities in the Ruhrgebiet in the 1990s were especially keen to attract development as much of the Federal government aid this region had received for economic restructuring was redirected to the new Eastern states. Consequently, while central government in Britain has often intervened in cases where a local authority had rejected an out-of-town shopping center proposal, higher tiers in Germany have generally intervened when local authorities approve them.

As stated, the economic malaise in the German Ruhrgebiet arising from the structural decline of heavy industry had been only partly assuaged by national government injections of finance. The construction of a regional shopping center became a tempting option for many cities in the region, as much of the purchasing power would be drawn from outside their jurisdiction. This territorial prisoners’ dilemma situation, coupled with the lack of enforcement of retail policy at higher echelons of government, may serve to explain the rapid expansion of this retail format during the 1970s (until the introduction of top-down checks in the form of the 1977 BauNVO and later measures, after which the Fachmarkt phenomenon became observable). By the time that Triple Five had expressed their interest, NRW had already become more interventialist in these matters, and more explicit in its support of protecting its designated hierarchy of urban centers. The overwhelming political opposition to WTC supported a strict CPT interpretation, resulting in a denial of the GEP rezoning request.

Like the Ruhrgebiet, North West England, too, was confronted by the imperative of restructuring its economy away from manufacturing. However, in the UK case, there was a

unifying governmental body at the metropolitan level to coordinate development, at least until 1986. At the time that most out-of-town shopping malls were being built in the Ruhrgebiet, intermunicipal competition for retail centers was minimal in Britain, being discouraged by both the centralized fiscal regime and actively held back by the planning authority of the GMC, which had adopted a strict anti-development pro-hierarchy stance towards retail functions. The abolition of the GMC and the subsequent explosion in proposals for out-of-town shopping center development is testament to the swiftness by which the retail sector can react to a policy vacuum. Despite the general conservatism of local authorities (as regards retail, not politically), electoral change at the central government level had a profound effect on retail development policy. This situation helps to explain the observation by Schiller that “it is often said in criticism that the British system of government is over-centralized ... despite this, it is noticeable that Britain has found it harder to crack down on out-of-town development than most continental countries” (2001: 11).

The difference in legal systems also had an impact in the two countries. As the German planning system is highly codified, Oberhausen had a fairly clear idea of what would be considered acceptable for a second round in terms of official rules. The situation was much less clear in Manchester, where economic impact had recently been declared to be no longer a material consideration. Because of this, scaling down the Trafford Centre proposal or offering public concessions would not necessarily increase its chances for approval, and anyway the winner-takes-all structure of the adversarial procedure (i.e. planning inquiry and courtroom appeals) which had framed the situation in terms of whether to approve or deny the permit did nothing to encourage compromise either. With trained eyes, the effect these institutional factors had on the development strategy can easily be read in the final product. CentrO is smaller than the Trafford Centre (officially only half its size) and has more auxiliary functions as well since only retail space was capped. Interestingly, the promenade is probably as successful in drawing crowds as the mall itself, and its effects on Oberhausen-Alt were unexpectedly great. Although not public in a strict or formal sense, the promenade does seem to be taking on some functions normally associated with town center plazas, and might be evolving into a public domain of sorts (Hajer and Reijndorp, 2001). Whereas one can ponder whether CentrO is integrated into the urban fabric or not — there are express public transport connections to the other districts, the Neue Mitte is attracting development (but no housing) nearby — the Trafford Centre lives up the appellation out-of-town: the project is inward-looking, public transport connections are minimal, and besides the new adjacent retail park, there is little else in the direct environment. Whereas some attempt had been made in Germany to use material in the design that reflected local sensibilities, the Trafford Centre features themes of Paris, New Orleans, China, Ancient Egypt, but nothing of Manchester. It might be more lavish or outlandish than CentrO in appearance, but the Trafford Centre is ultimately a monofunctional building for consumption, watched over by hundreds of CCTV cameras and security guards.

### **7.3.2 The Netherlands and Germany: centricity and the politics of information**

Arguably, the dominant discourse in Dutch geographical and planning literature in recent years has been that the monocentric metropolitan area is giving way to a polycentric urban network. Although different terms (and hence different nuances) are used to denote this process, this thinking has found its way into official policy statements such as the (recently deceased) Fifth Report. Indeed, some areas in the Netherlands already seem to be functioning in such a manner, particularly the “coalmine region” in the Southeast of the country and around Rotterdam. Even the Dutch capital Amsterdam, once the bastion of monocentricity, is now displaying polycentric tendencies as well. In specific, it can be typified as a gradually

fragmenting metropolitan area, symbolized by the new structure plan that for the first time acknowledges the importance of the region for the city (Salet, 2003). This structural spatial change will have far-reaching effects for the capacity of Amsterdam to continue to plan for retail development. Monocentricity had allowed Amsterdam to conduct spatial policy on its own terms, using its clout within the region (especially at the provincial but also the national level) to thwart competing developments that could potentially threaten or undermine its status. Examples include the renovation of Amstelveen's city center or the realization of a multiplex in Diemen, but even the PDV/GDV policy clauses restricting the development of GDVs to "urban nodes" and supported by a regional "retail vision" can be seen as institutional factors powerfully supporting the hegemony of the Dutch capital in its metropolitan area. Amsterdam succeeded in gaining so much influence over the ArenA Boulevard because it could offer OMC (and OMC in turn could offer occupants) a spatial monopoly secured under the PDV/GDV regime. Unfortunately, the dismantling of the protective measures as a result of the MDW operation has exposed this highly artificial product to the perils of free-market competition. Paradoxically, the question that had so occupied Amsterdam in the 1990s, namely how to protect other centers from the new ArenA Boulevard may well be turned on its head: how to protect the ArenA Boulevard from other new centers.<sup>177</sup>

Polycentricity in the Ruhrgebiet was never a topic of debate. Despite various attempts to establish an effective regional authority, parochialism has continued to characterize the administrative culture of the Ruhrgebiet, and there is no one large city to unify it by force (i.e. via annexation or administrative coercion). Essen is the largest (and arguably most central) city in the Ruhrgebiet, but there are several other large and established cities in this area. Given this, Essen could never convincingly make the kinds of assertions that Amsterdam could about the centrality of its retail structure for the region. Nor did it have the sovereignty — official or not — to do so. (It would be unthinkable of a municipality like Diemen proposing a development like CentrO, let alone succeeding in getting it built. This would be tantamount to a declaration of war with Amsterdam, which most surely would be lost. Therefore, the conflict strategy is simply not a viable option). So, in the Ruhrgebiet, opposing interests had little direct political leverage over Oberhausen's intent to convert the Thyssen site to retail. Instead it was a question of whether the proposal conformed to the official planning rules: the WTC proposal had demonstrated the limits to these rules, allowing a carefully reconsidered proposal two years later to obtain official sanction.

Another interesting contrast between the two cases regards the role played by distributional studies. In both cases, economic impact was a major consideration in the evaluation process, and therefore the issue of how to measure this impact was very important.<sup>178</sup> Here we can again discern a marked difference between the two cases. In Germany, ex ante impact analyses of the WTC proposal played an essential role in justifying the refusal of planning permission to rezone the Thyssen site. The informational resources were not distributed evenly, as opponents had mounted a sophisticated campaign that convincingly argued that the

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<sup>177</sup> Amsterdam has already indicated in its new structure plan that it intends to set forth the PDV/GDV policy. This may seem surprising given the recent abandonment of the policy at the national level, but since this structure plan is directly incorporated into the provincial regional plan, it is probably intended as a safeguard from other cities in the province from "defaulting" and approving out-of-town retail. This however does not seem to have stopped Muiden from approving the conversion of the Maxis hypermarket into a shopping center.

<sup>178</sup> This had also been crucial in determining the fate of the Haydock Park proposal in the UK, but once the Thatcher Administration had declared economic impact to no longer be a material consideration, it could play no part in the Trafford Centre controversy (see §5.2.3).

centrality of neighboring communities would be severely compromised. In the second round, the roles were reversed and Healey and Oberhausen could produce figures arguing that CentrO would only return to Oberhausen the purchasing power it had “lost” to its neighbors before opponents could adequately respond. Oberhausen therefore argued successfully that it was just asserting the “centricity” it was due — ironic, however, in an area that so epitomizes polycentricity. Thus, we can see that studies can be manipulated to suit particular ends — even the supposed innocence and impartiality of Christallerian CPT. In such a conflictual situation, even the results of purely academic or independent studies (carried out for whatever reason) will always become part of the political power plays between proponents and opponents of a particular scheme.

Given this, it seems understandable that Amsterdam would wish to defuse such conflict before it had a chance to escalate into a costly battle of consultants. In keeping with its approach to the ArenA Boulevard development in general, Amsterdam allowed the issue be treated via official channels, and only the official “retail vision” of ROA/Kolpron would be considered in the debate. That the report concluded that the retail impact would be minimal is unsurprising given the fact that Amsterdam had limited the GDV space beforehand to the rather modest 20,000-25,000m<sup>2</sup> for the first phase. Of course, the impact of the other facilities such as the envisioned Endemol theater and the multiplex fell outside the GDV policy, and thus did not require impact studies of their own. Similarly, the Villa ArenA was officially PDV and so this 80,000m<sup>2</sup> furniture mall too could escape GDV scrutiny. In all, Amsterdam seems to have excelled at following the rules of conflict avoidance: pre-negotiation tactics, incorporation of interests and agreement on information. Unfortunately this had a side effect of stifling commercial viability, which will be discussed in the next section comparing the ArenA Boulevard and Trafford Centre cases.

### **7.3.3. The Netherlands and the UK: planning restrictions and conflict resolution**

Unlike Germany, retail planning policy in the Netherlands and the UK is administered at the national level. Both countries have a long and proud planning history, and both are generally seen as forerunners in this regard. In the early 1970s both countries had introduced policy intended to restrict the growth of out-of-town retail formats based upon the idea of preserving the retail hierarchy: new centers had to be complementary, that is, not directly compete with existing centers. Despite this initial similarity, the policy history of the two countries is remarkably divergent.

The Netherlands largely retained its restrictive stance over the decades, introducing minor relaxations in product range definitions as the pressure for peripheral development increased. Hence, diffusion in the Netherlands has been rather gradual, and there is no out-of-town shopping mall (yet), although a market for such a scheme has certainly existed for some time. The restrictive policy has generally fulfilled expectation of preventing unwanted development, but it also has produced a couple of side effects. The first is that city center locations — as areas sanctioned for retail by planning — have become so sought-after that multiples have effectively crowded out independents. Thus, planning policy seems to have unintentionally exacerbated the market trend towards *filialisering* and favored property owners in prime locations. A second side effect is that by creating spatial monopolies, either in city centers or at GDV locations, retailers and property owners are protected from the furies of true free-market forces. This may have fostered a degree of docility and nonchalance, which over time could prove to be a liability if such protective measures are suddenly removed. The peril is even greater in cases where developments rest on unsound

market principles, sacrificed as a compromise for planning permission (i.e. the Arena Boulevard).

The retail policy history of the UK is much more turbulent. Whereas both nations had pursued policies to maintain the retail hierarchy with equal rigor in the 1970s, this was abandoned completely in 1980s Britain. Discontinuing the Census of Distribution removed an important source of information for evaluating out-of-town retail proposals, and later the removal of economic impact as a material consideration was crucial for shifting the balance towards a pro-development stance. This disposition could then be effectively carried through by calling in contested development proposals for a planning inquiry, and via institutional reforms such as the instigation of Enterprise Zones, UDCs and the abolition of the metropolitan councils. At once, all the pressure that had been accumulating for out-of-town development was released, causing havoc in areas like the Manchester conurbation.

In retrospect it may be argued that the postwar wave of reconstruction sowed the seeds of later collapse. The immediate years of postwar boom made Manchester complacent before the onslaughts of postwar economic competition, and the haste to build anew resulted in laying down a social structure in the inner core that was to prove vulnerable to the economic changes of later decades (Bristow, 1994: 117).

Within ten years, the Conservative government had reevaluated its position on out-of-town retail, and by the mid-1990s PPG6 and PPG13 had formalized the Secretary of State's proclamation of banning all new out-of-town shopping malls following the fateful 1994 DoE report. Since this time, it has become virtually impossible to gain planning permission for such a megaproject (recently completed shopping malls such as Bluewater Park and the Trafford Centre were already in the pipeline before the policy came into force). In all, the UK's lack of political continuity is not conducive to long-term planning nor does it offer the security needed to assure market forces to play by the rules. In this sense, the Dutch example of gradual policy adaptation seems a more reasonable approach. Ironically, the Netherlands is now contemplating a major change, namely a full-scale abandonment of its national restrictive policy. Given the UK experience, it is not astonishing that the Netherlands is now confronted with a wave of out-of-town shopping center proposals, fuelled by the decades of pressure accrued during the PDV/GDV era. Obviously, if the current proposals in the Netherlands in Geldermalsen, Sassenheim and Muiden were made in the UK they would certainly be struck down under PPG6.

Another interesting contrast between the two cases regards the mode of interaction of the proponents and opponents of the retail schemes. Like Amsterdam, Manchester under the GMC had antagonistic relationships with its surrounding communities. It had exported its population to surrounding new towns, largely through council housing, causing ill will between the city and its suburbs, especially Warrington. Like Amsterdam, the GMC had also blocked suburban retail projects, in accordance with its policy of concentration in Manchester city center. With respect to the case itself the *modus operandi* could not be more different. From the beginning, Amsterdam and OMC had chosen for conflict-avoidance and collaboration whereas the proponents of the Trafford Centre (MSC and Trafford Council) adopted a winner-takes-all strategy. This requires further elaboration.

MSC was forced into the position to play the all-or-nothing game for several reasons. First, as argued in §3.2.3, the adversarial system of the planning inquiry/appeals system itself tends to foster a winner-takes-all mentality. Second, because the criteria for planning approval were unclear (unlike Germany, for example) given the flexible British planning system, it was not clear what kinds of changes should be made to increase the chance of gaining planning

permission (size certainly did not seem to play a role, due to the elimination of economic impact as a material consideration and the fact that most smaller proposals failed to make it past the first round at the public inquiry). Finally, during the appeal process, the question had become not whether the Trafford Centre proposal was desirable or not but whether it could be evaluated according to current (emerging) policy. Revision and resubmission by MSC at that point would have effaced all doubt on this subject, and the proposal would be most likely be rejected on the grounds of PPG13 and PPG6.

Meanwhile, in the Netherlands, aside from a latent long-term rivalry and some relatively minor border skirmishes with Ouder-Amstel (ArenA Stadium and Woontoren) and Diemen (multiplex), there was no real overt conflict with the neighbors in the development of the ArenA Boulevard. As stated above, there were no conflicting impact reports, and by adhering to official national policies and procedures, Amsterdam also defused possible challenges beforehand. The most striking conflict-resolution methods however was the instigation of the BAC which even allowed competitors to have a say in the project retail mix, and the establishment of the Arena Initiative as a concession to the Zuidoost district. This is not even mentioning the implicit yet profound compromises/concessions made in the design sphere by constructing the project around public space designed to break down the barrier between Amstel III and the Bijlmer. In Amsterdam it was retail development as urban regeneration rather than profit generation. Thus, in terms of outcome, the two cases could not be more different. The Trafford Centre is a total vision of the developer carried out to its market extremes. The other was so much the product of the public sector that the very masterplan was drawn up by the DRO.

Another point to make is that the often-criticized “sluggish” Dutch manner of decision-making based on consensus, collaboration and compromise is relatively swift when compared to the British adversarial winner-takes-all style. The Trafford Centre took nine years to obtain planning permission, as opposed to a couple years in Amsterdam. This is not necessarily a result of case selection. The planning and design phase of the decision-making process was completed within a few years for all three Dutch GDVs, while Bluewater Park (the largest out-of-town shopping center) had a similar lengthy history of public inquiries and appeals.

### **7.4 Implications**

This institutionalist study of retail development focused on how certain large-scale shopping centers came to be built in a few selected European countries. It identified how certain structuring parameters had influenced the realm of possibilities for action for a specific constellation of actors involved in retail development. It then chronicled the subsequent modes of interaction between the players in the retail development arena, showing how this interaction ultimately determined the nature of the outcome, i.e. the physical product. In this institutional exploration of the causal mechanisms behind retail development, and more specifically large-scale peripheral shopping center development, some general observations can be made that merit further investigation. The purpose of this concluding section is to reflect back on some of the major themes that manifested themselves in the course of the study and discuss some of the implications this may have for further research in retail development issues in Northwest Europe and/or further institutionalist research.

#### **7.4.1 The Christallerian conundrum**

It seems rather paradoxical that to this day, despite repeated denunciations and an overwhelming consensus of its obsolescence, it is impossible to theorize about retail development without first having to confront the legacy of Christaller. Perhaps one of the

reasons for this is that it is one of the only (or perhaps the only) general unifying theories of geography and economics for retail location. Whatever the case may be, this institutional account of shopping center development has shown that, even if the empirical validity of CPT may be absent it remains a formidable institutional force to be reckoned with. A reoccurring theme in the thesis is how the various interests have promoted, disparaged, distorted, subverted, co-opted or otherwise dealt with CPT to suit their own purposes. The box below summarizes how CPT played a role in each of the case studies.

<b>The role of CPT in the case studies</b>	
Germany	CPT remains the dominant paradigm in retail geography, even if only as a straw man. In practice, it continues to be the most important and widely applied concept in German retail planning. This is especially true in NRW where both the LEP and Decree specifically prescribe this. It is highly doubtful that the Trafford Centre could ever be built under these conditions (or the East German out-of-town malls for that matter). On the other hand, employing a maximum size threshold as an instrument does have its weaknesses in steering development into CPT-sanctioned locations. Still, the history of CentrO Oberhausen owes itself to CPT: the original WTC proposal was rejected because it was perceived to undermine the urban hierarchy, while the CentrO proposal was based on the argument that, in view of substantial retail drain to surrounding communities, Oberhausen required an extra 70,000m <sup>2</sup> to maintain its rightful position within the urban hierarchy.
United Kingdom	Although never attaining the status it had in Germany, CPT was also influential in the UK for drawing up local plans and evaluating applications for planning permission. The concept of a retail hierarchy was held in high regard by planners, and used to justify the concentration of shopping malls in town centers in the 1960s and 1970s. As established rules of the development game, “retailers found a way of using the hierarchy to their own ends” such as building in village centers rather than on greenfields (Schiller, 2001: 12-13). However, the order by central government in the 1980s that economic concerns no longer constituted material considerations for the consideration of building applications put a swift end to the directive power of CPT. It is for this reason that opponents to the Trafford Centre used arguments related to traffic congestion, as appeals to the preservation of the retail hierarchy were no longer considered valid. The desire for a more (local) plan-led approach in the early 1990s may have paved the way for the reintroduction of CPT as a planning concept, bolstered by PPG13 and PPG6 mid-decade. The victory of the “class of goods” over the “format” interpretation of PPG6 gave further weight to CPT proponents. However, the overt return of CPT was to come in the Urban Task Force’s <i>Urban Renaissance</i> report at the end of the decade and in the subsequent white paper. On the other hand, given the politicized nature of this issue, and the spoils system of British politics, a new election with a Conservative victory could make this a moot point.
Netherlands	As was the case in Britain and Germany, CPT offered the basis for postwar urban extensions and new towns, being seamlessly translated from its descriptive origins to prescriptive ends. Despite repeated announcements of its demise, CPT continues to be debated in academic circles and actively applied by local governments. Indeed, the long-lasting PDV/GDV policy seeks to preserve the retail hierarchy. In its use of product ranges rather than size, it seems to be more successful than Germany in guiding development (also suggested by the adoption of similar measures by NRW). Today, its retail structure is much more hierarchical than that of either Germany or the UK. Like CentrO, the ArenA Boulevard GDV development was limited in size according to an economic impact study. The further disfigurement of the center resulted from the additional PDV/GDV restrictions and compromises between conflicting parties.

**7.4.2 The risk of restrictions**

Another reoccurring theme throughout the case studies regards the relative restrictiveness of policies aimed at curbing peripheral retail developments, based on CPT or otherwise. In some instances these policies were effective in achieving their aims, other times less so. Restrictions can also produce some unintended byproducts by altering the payoffs in the market (i.e. banishment of independents from high street locations) and through the strategic exploitation of loopholes by developers. More important than the immediate effect, however, is the administration of restrictions over time. If too rigidly applied for a number of years and then too quickly relaxed, the pressure that had accumulated can be more than the planning system can bear and can bring about an explosion of exactly the kinds of developments that the policy had intended to prevent. Seen in this way, the effectiveness of the restrictions in the short-term could later prove to be its downfall. It should also be added that with the increased involvement of the EU in promoting a free and transparent internal market, the capacity of member states to impose restrictive planning measures for retail might become constrained in the future.

<b>The variegated products of restrictive policy</b>	
Germany	The most extreme example of rapid out-of-town expansion is to be found in East Germany shortly after the fall of the Iron Curtain. The DDR had imposed a far stricter limit to shop size and location than anywhere else in the case study regions. Not only was peripheral retail banned, the centers that were allowed were small and uncompetitive. The rapid transformation from city center retailing to out-of-town has led some (Jürgens, 1995, Blotevogel, 2000) to argue that the East German retail structure resembles the US more than it does West Germany. In West Germany, size restrictions, rather than stopping peripheral development, had led to the advent of a new shop format: the Fachmarkt. Another example regards the recent tightening of restrictions in NRW during the 1990s. This has not dampened the enthusiasm to copy CentrO, but forced municipalities to locate new shopping center proposals at the center of the hierarchy, usually at rail stations.
United Kingdom	The conservatism of planning departments in evaluating applications for large-scale retail in the Manchester conurbation until the 1980s is viewed by Stocks (1989) as a direct cause of the chaotic development after the abolition of the metropolitan authority. Had some development been permitted, this would have reduced the frenzy, uncertainty and confusion. The reintroduction of restrictions in the 1990s can therefore be viewed as a reactionary measure to developments spurred on by the removal of similar restrictions.
Netherlands	Since the introduction of the PDV policy in 1973, relaxations have occurred at various intervals in order to relieve the pressure for new development. In this sense, it can be viewed as less prone to creating a free-for-all situation as in 1980s Britain or 1990s East Germany. One byproduct of the assortment-based policy was the creation of the meubelboulevard. With the last generation of policy-laden shopping centers already struggling commercially, the imminent liberalization at the central government level may prove to be the coup de grace of Dutch restrictive policy.

The implications of this research are rather paradoxical thus far. Although the dominant paradigm of retail development (CPT) is viewed by most as substantively bankrupt, it continues to be wielded as a weapon by various parties as it suits their needs. At the same time, there seems to be a general consensus in Northwest Europe about the need for some kind of regulation in the retail development market in order to prevent market failures and minimize the many externalities out-of-town brings. Usually this regulation takes the form of restrictions on new shops, and usually this is grounded in some kind of Christallerian notion of retail structure. Proportionally to the degree of severity of these regulations and the length of time they remain in place, tension mounts like a pressure cooker for development in

proscribed areas. If the restrictions are abruptly removed, either through a conscious choice for liberalization or an administrative reform, an eruption of out-of-town development can ensue. Lulled into complacency by the restrictive policy, existing centers are not always prepared or equipped to face the competition, and thus may be harmed more severely than would have been the case otherwise. The consequences of this may cause the pendulum yet again to swing towards adopting new restrictive measures and a cynical revival of CPT. Obviously this is not the most strategic way to conduct a long-term retail policy that has the best interests of consumers and the public (urban environment) in mind. This begs the question, therefore, how further?

### **7.4.3 A search for solutions**

The purpose of this section is to reflect on the question posed at the end of Chapter 3 about how to produce retail developments that serve both commercial interests and public goals. In dealing with this question, the institutional approach has proven useful in providing an answer. An advantage of the approach constructed and applied in this study is that it has eschewed the all-too-frequent one-dimensional Darwinistic conceptualizations of retail change. What the research has shown in the empirical section is that local and national social, economic and administrative factors play a great role in determining actor behavior and hence the spread of shops. Like the myth of convergence with regard to retail structure, there is no one single solution to the creation of a healthy retail structure that benefits both consumers and serves public goals. Instead, the answer lies in creating a level playing field (outside game) in the region by staving off unwanted developments (e.g. via restrictive planning) and becoming actively involved (inside game) in realizing desired ones (e.g. via entrepreneurial planning). These two strategies are not mutually exclusive but mutually reinforcing.

The fact that the problem of shopping center development is inherently locally defined does not imply that retail policy should be dealt solely at that level of government. Higher tiers serve as powerful allies for ensuring that a level playing field exists between players through the introduction of uniform standards, closing off escape routes for potential free riders, and ensuring that decisions are made at least at the level of their effects. If done well, these “outside” strategies can assist the local bargaining process between the developer, municipality and other parties, and correct for the attractiveness of out-of-town development vis-à-vis city centers. If done poorly, however, such measures can frustrate reasonable attempts to introduce new retail concepts or distort the retail market by creating de facto spatial monopolies or oligopolies. As argued above, they can also be counterproductive in the long run if abruptly discontinued. It is therefore imperative that when a regulatory retail policy is put into force, this is backed by the necessary commitment (jurisprudence) to ensure its effectiveness over time. If authorities fail to do this, the policy will not be taken seriously by the various local parties, who, rather than working within the new framework, may simply wish to find ways around it or bide their time until the next policy change emerges.

As higher echelons of government are more suited to guaranteeing a level playing field, so too are municipalities better equipped than regional or national authorities to enhance the attractiveness of town centers. Each municipality has its own unique set of characteristics that can be exploited by local parties to create an attractive shopping environment. A generic solution dictated by a higher tier of government is in this case misplaced. Depending on the local situation, therefore, some municipalities will opt for urban renewal while others for urban preservation. Similarly, some may opt for large-scale retail functions on the periphery — within the bounds established via “outside game” measures of course — while others

concentrate on retaining a more traditional shopping environment. Another issue regards the degree of public involvement in the project. Here, a similar division is perceptible in terms of roles. Retail developers, due to their knowledge of the market, stake and experience are generally better equipped to determine the retail mix, which has been honed to a science in the shopping center development field (Anikeeff, 1996). It is also safe to assume that, when left to their own devices, developers will do little to defend public goals themselves.

Bearing these general caveats in mind, how do the three case studies fare in terms of delivering a commercially viable product while remaining true to public goals? Beginning with the last case, the Trafford Centre is an exemplary case of non-coordination at the regional level following a period of relatively strict retail planning. Each municipality was busy with its own inward-looking “inside game” strategy, mostly out of fear of the arrival of the Trafford Centre. In the regional policy vacuum that existed after 1986, overarching public goals played little or no role in decision-making on the Trafford Centre. The developer was therefore completely free to decide the design and retail mix of his product. The outcome was a commercially strong but rather generic shopping center, virtually indistinguishable to ones in North America and elsewhere, with substandard public transport access and no real attempt at integration into the regional urban structure.

The ArenA Boulevard represents the opposite end of the spectrum. Here, the very design of the development and its occupants was dictated by the public sector via the “outside game” strategy of the PDV/GDV policy and the hegemony of Amsterdam within the region. It also played an “inside game” of assisting development in Zuidoost, especially with respect to the ArenA stadium. In this case, it seemed that the goal of urban integration transcended that of commercial feasibility. In fact, public goals dominated so much that the main anchor abandoned the project, leaving both the physical structure and commercial future in disarray. This is also the only case where the retail mix was decided by a committee. The product thus far is a bizarre mix of retail and entertainment facilities on either side of a gigantic paved area and an ever-present noise of construction work. Since the government decided to abolish the protective “outside” restrictive retail policy, the position of the ArenA Boulevard may become threatened before it is fully complete.

In terms of public goals and commercial viability CentrO appears to reside between the two extremes. Here, certain public goals were exchanged for commercial viability. In appearance, the mall is not unlike the Trafford Centre: it is an enclosed structure with semi-public space (foodcourt and mall), and rows of handpicked specialty shops between anchor department stores. On the other hand, the mall is smaller and better integrated into the urban fabric than the Trafford Centre and has excellent public transport accessibility. It is highly unlikely that these public goals could have been achieved without the support of the “outside” restrictive policy conducted by NRW. CentrO has been extremely successful, and acted as a catalyst for further development in the immediate area. In this sense one can say that — although the old city center was sacrificed for the Neue Mitte — the German case seems to have the best balance between public goals and commercial feasibility.