Dealing with Peripheralisation in Urban Development – the Case of Pirmasens

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1 ABSTRACT

Peripheries cannot be defined through such spatial categories as location, accessibility and population density alone. Peripheries are to be found these days in both high-population areas with well-developed infrastructures and in less-developed sub-regions, as well as in certain city districts. New centres and peripheries are emerging on all spatial levels as a result of economic globalisation, worldwide migration patterns, new communication and mobility media, and cosmopolitan lifestyles, supplemented and overlaid by various forms of political governance. In contrast to the term "peripheral area", that has a connotation of being static, the term "peripheralised area" highlights the process involved, i.e. how peripheries are created and re-created. This process has economic, politico-normative and symbolic aspects to it. The term "peripheralisation", as the antonym of "centralisation", also includes an angle highlighting the actors involved and what they are doing. This in turn raises the question whether there are ways of influencing peripheralisation processes by proactive city-level action. In the context of a research project currently taking place, six medium-sized German cities outside the metropolitan regions are being analysed, looking at what peripheralisation processes are doing to these cities and what strategies local policy-makers adapt to proactively position their constituencies, competing with other cities for visibility, business investment and attractiveness as a place to live and work.

This paper looks at peripheralisation processes and how local policy-makers are dealing with them, using Pirmasens as an example. It will focus on three aspects for analysing local action: The integration of the city in horizontal and vertical political networks, cooperation between private and public actors on a local level, and policy-makers’ understanding of their governance role.

2 RESEARCH DISCOURSE: PERIPHERALISATION

Spatial characteristics such as location or population density are only able to explain today's peripheries to a certain extent. Peripheries or isolated sub-regions can be found in well-developed metropolitan regions, just as new centres of business activity can develop in hitherto peripheral locations. An understanding that peripheries are constantly being created and re-created as part of economic, social and cultural processes, opens the door to a more adequate analysis of today's peripheries. This process of "producing" peripheries can be termed as "peripheralisation". To use the term “peripheralisation” puts emphasis on the process character of the creation of peripheries, and it points to the role of actors and driving forces behind. For an analytically precise view on the factors and rationales underlying peripheralisation, the different processes of continuing out-migration, infrastructural or economic disconnection, economic or political dependency or stigmatisation can be distinguished (Bernt et.al. 2010).

The flexible creation of centres and peripheries, often located very close to each other, is a significant feature of current regional development, characterised by the simultaneity and dialectics of spatial assimilation or differentiation processes on a global scale (Smith 1984; Moulaert, Swyngedouw 1990; Harvey 2000). Such economic restructuring processes are mediated and often enhanced by political governance. Germany's designated metropolitan areas are an attempt to underpin the economic advantages of agglomerations with ways of political governance, mobilising internal resources in the competition for global visibility and connectivity. Neil Brenner (2004) has been observing the substitution of income redistribution and welfare policy by policies focused on growth since the early 80's. Here, both national policies (including, in Germany, the designation of metropolitan regions as growth and innovation areas) and local politics are contributing, under the pressure of increasing competition between cities in attracting new investment, to

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1 Examples taken from Germany include on the one hand sub-regions with a relatively central geographic location, such as the Emscher area, Southern Lower Saxony (Südniedersachsen) or North Hesse (Nordhessen), regions hit by continuing out-migration. On the other hand, we find boom areas in geographically peripheral regions such as the Emsland or the region around Lake Constance (Bodensee).
uneven regional development, with new peripheries emerging and calls for offset policies disappearing from the national political stage.

Centralisation and peripheralisation processes go hand-in-hand with each other (Keim 2006). In the discussions on the role of metropolitan regions as innovation drivers at the source of increased employment and international competitiveness, the regions outside such metropolitan regions are often overlooked, even though they contain a large number of "hidden champions" (Simon: 1998) and are important for the overall vitality of regions and nations (Mayer, Knox 2010: 1563). In the recent past middle-sized cities and regions away from agglomerations are being rediscovered and researched in Germany as areas with their own development dynamics and as growth drivers in their own right (Köhler 2007; Troeger-Weiß et al. 2008).

But what are the strategies being used by middle-sized cities in regions with shrinking populations and far from the major agglomerations to guarantee jobs and retain in particular young and highly-qualified inhabitants? What positions are they taking in the face of political and economic upheavals? Are there ways of countering and/or escaping peripheralisation? Such questions were at the base of a research project looking at the positioning of middle-sized cities in peripheralised regions. In this context the city of Pirmasens was studied.

3 THE RESEARCH PROJECT AND THE ISSUES INVESTIGATED

From January 2009 onwards, the IRS – Leibniz Institute for Regional Development and Structural Planning, Erkner b. Berlin and the ILS – Research Institute for Regional and Urban Development, Dortmund, have been working together on the project "City Careers in Peripheralised Areas" ("Stadtkarrieren in peripherisierten Räumen") The focus of this research project is on analysing the development of middle-sized cities outside major metropolitan regions and what is being done to proactively position such cities in the (global) competition for people and employers. The spotlight is on the strategies of cities whose regional catchment area has been hit by peripheralisation. A total of six middle-sized cities in West and East Germany are being studied within the project, looking at how they have developed and how they are positioning themselves strategically. The cities selected for the study are Eschwege and Osterode in North Hesse (Nordhessen) and Lower Saxony (Niedersachsen), Sangerhausen and Eisleben in Saxony-Anhalt, and Pirmasens und Völklingen in the Palatinate (Pfalz) and Saarland. The issues to be researched include specific urban developments and strategies in the areas of business, planning, social affairs, culture and tourism. This is being done using a combination of quantitative and qualitative methods used in empirical social research.

The Pirmasens case study (Beißwenger, Weck 2010) is analysing peripheralisation processes, using the project-defined criteria as out-migration, disconnection, dependency, and stigmatisation, and looking at how local actors view the problems, via more than twenty semi-structured expert interviews with actors from politics, business and civil society. Pirmasens' response to the peripheralisation challenges facing the city since the 1970's features a number of interesting strategic approaches adopted in particular in the 1990's and later.

One of the project's top issues (Bernt et al. 2010) is the question of how peripheralisation influences and possibly limits the options local actors have at hand to deal with the problems, or whether peripheralisation opens the door to completely new and innovative urban development strategies. Comparing the six case studies with each other, we see a wide range of views on peripheralisation and which strategies local actors take to deal with it. One significant feature of Pirmasens' way of dealing with peripheralisation is the high level of concordance between politicians and businessmen on defining the problems and finding possible solutions.

4 PIRMASENS: A MIDDLE-SIZED CITY BETWEEN CENTRALISATION AND PERIPHERALISATION

Pirmasens, a town in the Palatinate close to the French border, with a population of about 41,000 inhabitants today, for decades has been dominated by a single industry, the shoe industry (Schuster 1940; Bender 1979), experiencing over time economic boom and bust periods. The way local politicians are dealing with current trends towards peripheralisation can only be understood in the context of the history shaping this development. Specific features such as the city's industrial structure or what Pirmasens is doing in the way of marketing the city are dependent on or only understandable in the context of an analysis of the city's development over a longer period.
The origins of shoe production in Pirmasens can be traced back to the 18th century. The cottage production and selling of shoes was one of the only ways of making a living in an area with few natural resources and far from established trade routes. The development of industrialised shoe production in the city from 1840 onwards led to a geographical expansion of markets, with shoes from Pirmasens being sold throughout Europe and overseas. Alongside smaller production facilities, major shoe factories emerged in this industrialisation period, and Pirmasens' population grew by 43% between 1871 and 1905 (Bender 1979: 66). The two World Wars saw a collapse in shoe production, but nevertheless Pirmasens was back as Germany's leading shoe-producing city by 1954. Pirmasens developed into a "shoe metropolis", with visitors from the whole world flocking to the international shoe fairs held in the city. Even in that era of economic centrality however, Pirmasens remained located peripheral and was by-passed by the main national transportation systems.

In the early 1960's the first negative effects of the industrial monostructure were being felt, with competition from such European countries as Italy and Portugal growing and the domestic industry becoming increasingly hit by market downturns. The 70s saw competition with Asian producers growing, forcing domestic shoe manufacturers to offshore their production. By the middle of the 1990’s, Pirmasens was showing signs of a major crisis. The demise of the shoe industry and its effects were amplified by the announcement of the American military forces, one of the city's major employers, to shut down a number of its bases in the Palatinate and in Pirmasens itself. In the words of a businessman interviewed, by the middle of the 1990ies, it was a feeling of “pure misery”.

Most of the largest shoe factories closed over the last decades. Today, there is only one shoe manufacturer left that is still producing to some extent locally; a few other manufacturers kept their design, administration or marketing departments in Pirmasens, but are producing offshore. While in the 1960’s, a workforce of some 30.000 was employed in the shoe industry in the region of Pirmasens, in 2008 it was less than 1.000 [see chart 1]. However, there are specific characteristics of the shoe industry in Pirmasens that prove
beneficial for facing peripheralisation processes today. Company buildings, some of them of impressive turn-
of-the-century architecture, are spread all over the city, there was no single industrial district, and a relatively
clean production process enabled a close mixture of production, housing and business areas, which is
favourable today for re-using and re-vitalising the old building fabric. Typical for the Pirmasens shoe
industry was the mixture of different sizes of production sites: Alongside and in close co-operation with the
larger companies, small and smallest shoe and components manufacturers were working. Shoe production is
not intense in energy nor in capital. Experienced workers used to leave their employer and set up their own
small business, and contemporary observers state the existing entrepreneurial spirit and culture of and in the
city (Schuster 1940: 20; Pemöller 1964: 112). With the mono-industrial shoe cluster boom coming to an end,
some of the small and medium-sized components manufacturers successfully managed to re-orientate
themselves; they managed the crisis leaving the industry, but staying in the region (Schamp 2005).

![Employees in shoe production in the region of Pirmasens 1984-2009](chart)

Chart 1: Development of employees in shoe production in the region of Pirmasens. Source: ILS on the basis of data of the German Federal Employment Office (Bundesagentur fuer Arbeit).

To date, as interviews with local stakeholders show, there is a feeling of Pirmasens slowly catching ground
and having broken the downward-trend. Within the city sample studied, it is the city where most of the local
stakeholders see little spurts of hope. As economic actors are stating, “I personally believe that the prospects
for Pirmasens are a bit higher than the risks, so that the way forward politics has defined [...] will show
positive effects”, or, as another businessmen puts it, “[...] so that there is a sense of hope, although the
general framework remains critical.”

Among the most important challenges are, to change low educational aspirations among local families,
where grandparents and parents were formerly employed in the shoe industry, and to “invest into every
child”, as well as qualification of the existing workforce. The city of Pirmasens has been continuously
loosing population, due to outward migration, low birth rates and suburbanisation processes in the last years
[see chart 2]. In the view of experts interviewed, a disproportionately high level of well-educated, young
people is leaving the city and the region, for reasons of qualification or work, and not coming back. Some of
the local companies, and especially technology-oriented ones, are experiencing difficulties to recruit highly
qualified employees. The local unemployment rate is high, but there is a gap between the locally available
(low-qualified) workforce, being made redundant by the shoe industry, and the profile of workforce local
companies today are looking for.

The city is debt-ridden, which limits the scope of action for local policy-makers to a certain extent.
Nevertheless and within this framework, local policy-makers have managed to cope with challenges
presented by peripheralisation processes in a locally strategic way.
5 DEALING WITH PERIPHERALISATION IN PIRMASENS

Governance in Pirmasens in dealing with peripheralisation is defined in greater depth using the following three aspects: The position of the city in networks in the sense of re-scaling strategies; cooperation between private and public actors on a local level; and the governance understanding of policy-makers and their capacity to manage change.

5.1 Multi-level policies in Pirmasens

Cities far away from growth regions see themselves especially challenged with the difficult task of proactively attracting external resources, and/or capitalising on the internal resources, while at the same time finding answers and solutions for dealing with inner-city peripheralisation processes. Against such a background, Neil Brenner (2004) sees a range of re-scaling strategies emerging: "downward re-scaling", with urban policy dealing with inner-city fragmentation and the emergence of disadvantaged urban neighbourhoods; "outward re-scaling" through the development of networks linking cities together on various (and possibly cross-border) levels; "upward re-scaling" through policies targeting metropolisation or becoming part of an existing metropolitan region.

An attempt at "up-scaling", with Pirmasens trying to gain access to the advantages of the nearby Rhine-Neckar metropolitan region, turned out to be a failure. There was insufficient interest of the metropolitan regions’ stakeholders in Pirmasens joining the network.

Pirmasens is involved in some (trans)national city networks, for example in the context of EU networking initiative INTERREG, aimed at sharing information and knowledge about common challenges and ways to deal with them. However, inner-regional co-operation plays a minor role. Pirmasens' relations with the regional authority (Landkreis) mirror the usual conflicts between a city and the surrounding area. Within the territorial region, competition dominates, for example in the retail trade (the outlet centres in Zweibrücken and Hauenstein). Even so, there are a few putative attempts at regional cooperation, as witnessed by the so-called Westpfalz (West Palatinate) strategy. In contrast to the project's starting hypotheses (cf. Bernt et al. 2010), burden-sharing (e.g. strengthening infrastructure and the region's long-term survival via cooperation in networks linking towns and cities) is not seen as a way of dealing with peripheralisation. Each of the cities studied is looking for its own individual solution strategy, with regional structures such as the establishment of new associations for specific purposes or regional decisions on future retail or leisure parks playing little or no role. The interest in common issues, involving discussions with towns and cities of a similar size and facing similar challenges in supra-regional city networks, is much more of an impetus for cooperation with other cities than any territorial affiliation.
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In Pirmasens, as in all cities studied, interviews have revealed that, generally speaking, the city has good access to state (non-federal) resources and maintains good contacts with state authorities. Evidence of this is to be found in Pirmasens in the wide-ranging support provided by the state in converting the former military base in Husterhöhe or in the decentralisation policy for the University for Applied Sciences Kaiserslautern, that led to a local branch being established and adapted in its profile to the needs of local business interests in Pirmasens. The federal level is important as a source of subsidies for developing urban sub-regions. In the sense of a multi-level political discussion on various challenges (e.g. the Social City, inner-city revival, urban renovation), urban renewal programmes provide a platform for debate, inspiration and innovation, with actors profiting from each other's knowledge. The European level can be seen in a similar context, providing access to subsidies and a platform for sharing information and knowledge. Politicians and administrators in Pirmasens tend to be very selective when accessing national or supra-national funding programmes. When doing so, they work strictly according to the priorities defined in the context of local governance, i.e. the city master plan and the city development blueprint.

5.2 The steering abilities of local authorities

It took time for local politicians to react to the demise of the shoe industry's growth and success model, and even then, their reactions were hesitant. It wasn't until the mid-1990’s, when the signs of crisis had become all too evident in Pirmasens, that a change of policy took place, embracing a new understanding of governance and politics. Beginning in the late 1990’s, an increasing ability of politicians and administrators to shape and steer policies could be discerned. The city marketing agency, initiated in the mid-1990’s as a forum for local policy-makers, business and civil society representatives, and led in the first years by a prominent local businessman, played an important role in commonly defining the problems and challenges faced and looking for adequate answers. The vision for “Pirmasens 2010” elaborated back then is, as stated in the interviews with experts, still guiding and strategically orientating urban development actions today.

Backed by a master plan and a city development blueprint, urban development in Pirmasens is dependent - to a much greater extent than in other cities studied - on an understanding of strategic governance including a much targeted use of state subsidies. One example characterising the city's strategy of building on its strengths is its decision to maintain Pirmasens’ competence as a "shoe city". This core competence, dominating growth and employment in Pirmasens over a long period, is to be expanded and further developed in the context of a shoe competence cluster. The nodes of such a competence cluster are formed by the remaining shoe companies and the city's long-established research facilities (Pirmasens campus of the Kaiserlautern University for Applied Sciences, and the Test and Research Institute Pirmasens - PFI), together with new drivers such as the recently founded International Shoe Competence Center (ISC).

In doing this, the local policy-makers show an orientation towards creating and promoting an adequate infrastructure for start-ups and established businesses, rather than investing time, money and energy on trying to attract investors and businesses from the outside.

5.3 Private business engagement

In comparison to other cities under study, the local business community took an active part in dealing with the crisis by the middle of the 1990’s. The reasons and motives behind any businessperson’s social commitment are subject to their own laws and not to be influenced by any appeals. Why are companies in Pirmasens involved in marketing the city? What motivates individuals to use their standing and resources to influence public debates? Why is it profitable for them to invest locally in Pirmasens rather than relocating to regions with lower unit costs or to the innovative metropolitan regions?

There are a wide range of motives governing companies' social commitment (Borgmann 1998; Frey 1999; Braun, Backhaus-Maul 2010). Their origins can be found in the world the business(wo)men live in, as part of the cultural fabric of local society where it is taken for granted that a business(wo)man invests time, energy and money in activities benefiting the local community. "Power, gratitude, distress, education, image, selfishness and praise" - all these were cited as potential motives for individual patronage in a speech by Arend Oetker (quoted in Frey 1999: 216). A basic positive attitude of individual top managers and a willingness to take on social responsibility must be present. Collective forms of civic patronage are also dependent on arbitrary structures. When public budgets are at an ebb and when divisive trends become increasingly apparent in a society, opportunities arise for social involvement. These can be very beneficial,
especially when other parties are not able at all or only partially to tackle evident problems. Last but not least, whether a community of socially committed companies emerges is also dependent on the local business structure. In cases where a local "entrepreneur" gets replaced by a corporate supervisory board, where sponsoring decisions are no longer taken locally but in the headquarters of a (multi-)national company, local business involvement is often found to no longer fit in with corporate policy.

Quite a few of the factors favouring civic involvement found in the relevant literature apply to Pirmasens. Local companies are for the most part owned by local families, with interviews with local business(wo)men underlining the responsibility of companies for promoting local development. It is interesting to note that local responsibility is not for the most part shouldered by the old dynasty of shoe manufacturers (though there are a few exceptions such as the Rheinberger family), but by the new generation of components manufacturers, marketing service providers, and other established companies. Investing time and money in activities supporting the community requires an initial impetus. In Pirmasens, this came from a local businessman, who was able to captivate other businessmen with his visions and actions, and initiated the city marketing agency, at a time, when local political stakeholders were only slowly coming up with suitable remedies to the ongoing crisis mid of the 1990’s.

Forums such as Pirmasens' city marketing agency or the recently founded Pact for Pirmasens, in both of which private and public actors work together, profit from the competence, resources and problem-solving capabilities of private business. However, there are limits to the praise of such involvement. As generally found in debates on the transparency of different forms of governance, there are democratic deficits with regard to private business involvement in the form of participation in foundations, in the third sector and in the context of cooperation between private and public actors (cf. Giersig 2008: 58-61; Frey 1999: 229). The question remains, whether and how such democratic deficits can be offset without negatively impacting the investment in time and money of civic and private actors. The active participation of as many citizens as possible in local decision-making processes, the involvement of business resources, the encouragement of a common interest to improve local neighbourhoods are examples of factors favouring sustainable urban development.

6 CONCLUSIONS

Innovation and economic development in Pirmasens has never been and probably will never be dependent on the geographical location of the city. It is much more dependent on the population's existing entrepreneurial spirit. The development of Pirmasens as a single-industry city and the decline of the shoe industry were undoubtedly the causes of the city's crisis. However, the shoe industry cluster was formed not only by big factories, but also many small and micro companies not only in the shoe industry itself but also in industries supplying components. With start-ups in the shoe industry generally requiring little start capital, in most cases such companies have been set up by workers from the shoe industry, i.e. the business innovation drivers come mainly from the existing workforce. During the shoe industry crisis, companies operating especially in components industries were successful in adapting to new markets, with internal restructuring a prominent factor for such success. A number of these firms are now leading middle-sized companies. At the same time, the city has been able to retain its core competences and know-how in the design, production and sales of shoes. The city's top management wants to leverage these as the city's unique selling point, using this knowledge for developing a high-performance technology cluster.

Challenges deriving from the city's development up to now include the fact that the city's single-industry structure has led to a dearth of highly-skilled workers. Competences previously high in demand (shoe production skills) are now worthless and educational aspirations remain internalized (factory work in preference to training). Company diversification was made more difficult by the fact that the region in which the city is situated has no specific locational assets, with companies wanting to set up operations in the 1950’s preferring to go elsewhere. Such framework conditions mean that the only feasible way of successfully improving the city's employment and economic situation was to base development on the city's own potential.

The first signs of success in dealing with peripheralisation are now being registered by the experts interviewed in Pirmasens. Dominant features of the way Pirmasens is dealing with peripheralisation include the consistency of strategy-building over the last 15 years, the city's trust in its own strengths, the
involvement of private business in urban development, and the wide range of initiatives in the areas of education and social affairs.

Overall, we should view locations away from metropolitan areas as locations with a dynamic topology as regards economic development and politics. The case of Pirmasens illustrates that it is not location nor accessibility only that defines a central or peripheral status of a city. The peripherality or centrality of Pirmasens in the future is to a lesser degree dependent on accessibility or locational factors, and more dependent on how the local stakeholders will manage to capitalize on their own resources, to promote the shoe competence cluster, to qualify the local work-force, and to retain or attract highly qualified young professionals. Also, how successful local policy-makers will be in marketing its other potentials, such as the historic treasure of the former shoe manufacturer buildings, or its embeddedness into an area of great natural beauty. Centres and peripheries are not mutually exclusive terms. Much more they are turning out to be overlapping designations of cities, regions and individual districts within cities, designations capable of changing over time. This heterogeneity and the way policy-makers and local stakeholders are dealing with peripheralisation were studied using Pirmasens as an example.

7 BIBLIOGRAPHY


