ABSTRACT

Using a critical geography approach, the article addresses the evolution of local governance, urban and economic development strategies in Barcelona. It analyzes the gradual reorientation of local policies, from a management and social redistribution approach that began in the 1980s, to a policy dominated by image promotion and capital gains from land development in the 1990s. It identifies the turning point in this process, the characteristics of the agents involved and the decision-making dynamics. It further addresses the changes since 2010 in marketing narrative and planning process, from the city to the metropolitan scale. The article concludes with a statement on the need for more inclusive local governance.

I. INTRODUCTION

While cities have been always the center of civilization as Grange (1999) points out, since the 1990s they have increased their role as crucial actors of economic, social and environmental change. Cities are not only the main centers of production and consumption (Florida, 2004, Florida et al, 2007; Gilbert and Gugler, 1992, Hall, 1998, Sassen 1991, Scott, 2008), but in turn have become areas of pollution directly linked to production processes and consumption patterns (Satterthwaite, 2009). The current economic crisis adds another dimension to the urban problems. The financial crisis that began in 2007 and that was transformed into a fiscal crisis has a strong urban dimension (Harvey, 2011). Cuts in public investment in many Mediterranean cities translates into major budgetary constraints, which require cities to rethink their strategies, both with respect to their public policies and to their lines of development. Urban morphology remains particularly important, as it increases the need to imple-
ment a city model with a good supply and allocation of mixed land-use and activities. But more crucially, there is the need to explore new governance strategies, specifically, to study the characteristics of the agents and processes involved in local policy decision-making.

II. THE DEBATE ON URBAN GOVERNANCE AND ITS REDESIGN PROCESS

One consequence of the restructuring of capitalism since the oil crisis of the 1970s has been the declining importance of traditional state regulatory institutions, transitioning to a position of coordinating multiple interests between economic and social actors (Caravaca and González, 2009; Jessop, 2002). In this process, although large cities and metropolitan areas are still considered hubs of economic activity (Florida et al., 2007), medium-size cities have gained a greater role, as a result of their resilience together with a new reformulation of agents and innovation strategies (Méndez, 2013). Within this new complexity it is important to note the increase of redistribution conflicts between different levels of government (Milio, 2013), forcing policymakers to rethink social representation mechanisms and processes in urban governance (Gerometta et al, 2005; Farinós, 2008, Le Galès, 2002).

The tensions between government levels is exemplified by the presence of political structures above the state, such as the European Union; or trade agreements, such as NAFTA (Hooghe and Marks, 2003), together with claims from regional and local policy scales. Regional and local political demands has increased, advocating the principle of subsidiarity, also articulated from macro-structures such as the European Union. Since the Maastricht Treaty of 1992 and the reformulation of the Lisbon Treaty in 2009, the EU interprets the principle of subsidiarity as the basis of participatory democracy. Linked to this new reformulation of power and attributes, the restructuring of the capitalist model has also brought about a gradual process of economic globalization and a shift in the relationship between the public sector and the citizens, with a gradual imposition of self-organization and self-regulation strategies, both at institutional and individual levels (Jessop, 2002, Hacker, 2006, Hajer, 2003 Moulaert et al, 2007; Swyngedouw, 2005). One of the key elements in this change at the local scale has been the emergence of governing styles in which boundaries between the public and private sectors are blurred, while it becomes apparent a gradual transformation of the welfare state towards a entrepreneurial state, which prioritizes strategies of economic development at the expenses of social policy (Stoker, 1998, Harvey, 2010).

The study of the dynamics between urban restructuring, economic growth and governance in Barcelona allows us to reassess the evolution of the process of the development of local policies in the city. Applying the analytical model provided by Harvey (1989, 2010 and 2011) concerning the gradual role change of public policies, the following sections analyze why and how Barcelona, despite having an image of progressive local politics, has not escaped a gradual transformation of its urban policy towards an entrepreneurial focus. The analysis is drawn from the study of information provided by primary and secondary sources. Primary sources include participant observation and semi-structured interviews. Three case studies related to urban transformation are addressed: the 1992 Olympic Games, the 2004 Cultural Forum, and the 22 @ Barcelona project.
III. PUBLIC SECTOR EVOLUTION: FROM CITY MANAGER TO ECONOMIC ENTREPRENEUR

III.1. The management stage. From neighborhood recovery to city redevelopment

Public sector leadership in Barcelona begins with the first democratic local elections in 1979. After the long Franco dictatorship and with limited financial resources, policy makers consider the reform and streamlining of the administration a priority. From a planning point of view, they gave priority to the recovery of the city centre and the periphery. With regard to social services, the council carried out the creation of new services for specific populations, with special emphasis on youth and seniors. This first stage, which in the terminology of Harvey belongs to the management role of the public sector, ranges from 1979 to 1986, the year in which Barcelona was nominated to host the 1992 Summer Olympics.

III.2. Turning point and learning process in public-private partnership

The inflection point in local policies could be established with the creation of the first public-private partnership agency to implement the Olympic infrastructure in 1988. As noted by informants during field research, led by left-wing parties in power after years in the underground opposition to the Franco regime, local politicians perceived themselves as representatives of working class and grassroots movements. In turn they realized the need to cooperate with the reluctant private sector (Raventos 1998 and 2000). The new partnership dynamics between the public and private sectors generated economic growth and effective urban upgrading, but gradually shifted urban policy decisions towards agents with resources (Casellas, 2003 and 2006). The process of public-private collaboration gradually shaped policy preferences and gave priority to local economic development policies. The ability to execute projects become the result of a recognition of interdependence and mutual respect between local government and private agents, who provided investment capital and implementation experience (Andreu, 2011; Casellas, 2007). Within this process, the private sectors developed a growing risk aversion, transferring the risk to the public sector. It emerged a speculative tendency to capitalize in land development, a process encouraged by the benefit provided by the rent gap theorized by Smith (1987), and supported by a construction bubble, and a national legal framework characterized by deregulation and lose of legitimacy of planning (Burriel, 2008 and 2011).

III.3. Economic growth strategy linked to land development and image creation

Under the pretext of hosting a cultural event of international visibility for several months, the macro-event Cultural Forum 2004 allowed the urban redevelopment of 240 hectares of seafront, next to river Besòs. The event took place in an area of the city historically neglected that combined the presence of sewage infrastructure, a power plant and a poor residential area. The event served as a pretext to mobilize public and private resources and helped transform an area with serious environmental pollution problems. The initial idea, as Borja (2005) notes, was well-intentioned as it modernized the facilities and improved a problematic district. However, the end result of the initiative was questioned, both from an organizational
point of view and as an urban renewal scheme (Acebal Andreu, 2008; Delgado, 2004 and 2007). At the organizational level, the Forum revolved around issues of multiculturalism, sustainability and peace. In 2001 Barcelona Neighborhoods Association (FA VB) proposed to the council collaborate in the organization of the event, starting a bottom-up participatory process to articulate the participation of residents. The council responded first with administrative silence and then rejected the participation of the grassroots movement. The Forum was finally held with the support of multinational companies, public investment and abundant presence of internationally renowned speakers, which generated discontent in some citizens organizations (Delgado, 2004). The quality of the urban transformation was questioned both, the characteristics of the building designed by Herzog and Meuron, as well as the integration of the overall reform with the surrounding neighborhood (Delgado, 2004 and 2007; Borja, 2005).

A project that also illustrates the close relationship between economic development and land development is the 22 @ Barcelona project. Initiated in 2000, the promoters presented the project as the renewal of an obsolete industrial district into a new knowledge economy hub. Planning for mixed land-use, it combines productive, recreational, housing and service uses. Notably, since the beginning, the 22 @ Barcelona has shared economic activities with land redevelopment schemes, which have facilitated the attraction of private capital.

We could argue that in both projects, the Forum and 22@, there has been a transfer of risk from the private to the public sector, which has created attractive conditions for capital. This trend is manifested also in downtown reforms. Civil society and citizens’ organizations have protested the projects, leading to the creation of ad hoc grassroots platforms (Cruz and Martí-Costa, 2010). Among the critical issues questioned there is the shift in urban policy priorities, which undermines social redistribution (Borja, 2010; Delgado 2004, 2005 and 2007); commercial criteria based on abstract values linked to image creation and the destruction of architectonic heritage (Grup Patrimoni the Forum Industrial Ribera del Besòs 2005a, 2005b); the increasing process of socio-spatial segregation (Alabart Vilà, 2010; Montaner 2004; Tapada - Berteli and Arbaci, 2011) and the marginalization of effective citizens’ participation (Unió Temporal d’Escribes, 2004).

IV. THE METROPOLITAN SCALE AS MARKETING TOOL

At the beginning of the second decade of the 21st century, the concept of “Barcelona Economic Triangle” works as a new promotional brand which identifies three clusters of economic activities. Two of these clusters are found along the rivers that delimit the city, Besòs and Llobregat rivers. The third cluster is located west of the metropolitan area of Barcelona, in the Vallès county. Analyzing the characteristics of the new projects of metro Barcelona, we could argue that in a context of economic crisis, the growth model extrapolates governance criteria and policies from the city to the metropolitan scale: public-private partnerships, image creation, provision of infrastructure, land development linked to knowledge-intensive economy schemes, and urban redevelopment projects supported by residential dwellings and offices.

The Besòs Area is the cluster closest to Barcelona center and includes three projects: the 22 @ Barcelona, as described, and now framed in this new promotional cluster; a new uni-
versity campus; and an urban renewal program linked to a high speed train station. Following the model of the Anglo-Saxons technology parks, the new university campus projects specialize in industrial engineering to attract and/or generate spin-off. Nevertheless, still heavily dependent on public investment and public universities, the project is compromised by budgetary constraints imposed on Spain by the European Union. The second project is the redevelopment of a high-speed train station and the restructuring of 164 acres. The project plans for a green area of 48 hectares, 20 hectares of new equipment and improved connectivity between two neighborhoods historically divided by the railway line. The project maintains a strong dependency on land development gains, since it includes 1.7 million square feet of roof, of which 812,000 m² are planned as a residential roof; and 380,000 m² for offices and shops and 55,500 m² for hotel development.

The second major cluster located in the metropolitan area of Llobregat includes projects related to improving mobility and transportation, most notably the expansion of the port and airport of Barcelona. Within this area there are aerospace technology, food, and environmental firms. The port and airport projects have historically been difficult to implement because the political nature of the large infrastructure investments in Spain which, with a centralist character, gives priority to Madrid (Bel, 2011). Budget constraints in infrastructure along with budget cuts in innovation policies resulting from austerity measures further increase the difficulties of these projects.

Finally, the third cluster is located in the metropolitan area of Vallès, and brings together various services related to technology parks and universities. The most important technology center is the Parc de l’Alba, centered on the ALBA Synchrotron opened in 2010. This state of the art synchrotron is planned as one of the Catalonia strategic projects, and aims to become a powerful engine of scientific competitiveness in southern Europe. New budget restrictions, dramatic decline in public investment in R & D in Spain and Spanish research dependence on public resources generates new questions about the feasibility of this third cluster, which also incorporates real estate and housing schemes.

V. FINAL THOUGHTS: ON THE NEED FOR A NEW URBAN AND ECONOMIC VIABILITY

For several decades, the process of public-private cooperation in Barcelona has created interdependence and mutual respect between the public sector and key economic agents. The existence of agents with both, economic resources and knowledge management capabilities, have led to the decision to move towards specific economic growth targets, with a focus on capitalizing on land development. Gradually, the dominant character of these urban policy objectives has influenced the identification of new agents in similar rich resources. As a result, preference formation in local politics has emphasized economic growth above redistributive policies. This dynamic is criticized by community groups, but their ability to influence urban policies has been limited. Since the early 1990s, citizen participation in urban policies has lost the capacity to act and influence the urban agenda. As demonstrated by the nature of the projects in the city, beyond the protocol of the participatory process, citizens´ participatory inclusion does not influence the decisions of policy makers because they lack the capital or technical resources valued by growth coalitions. As a result, community participation has been excluded from the mechanisms that generate the city´s visions and strategies.
The restructuring of the capitalism system re-opens the need to rethink the participation process and the effective inclusion of large sections of the population in local governance. This is crucial in order to identify possible alternatives for economic and urban development in a period of change, which challenges the viability of ongoing projects. After the collapse of “space creation” in Harvey’s terminology, we could return to the necessary “territorial creation.” The new challenges called for changes in production models, addressing environmental and energy issues, and facing growing problems of social cohesion (Casellas and Poli, 2013). The new times require new innovative approaches that incorporate effective citizens’ participation. The need to broaden public participation in governance processes is necessary to transfer the engine of development, from the failed land development process to initiatives rooted in the territory and generated by a broad range of a pluralistic civil society.