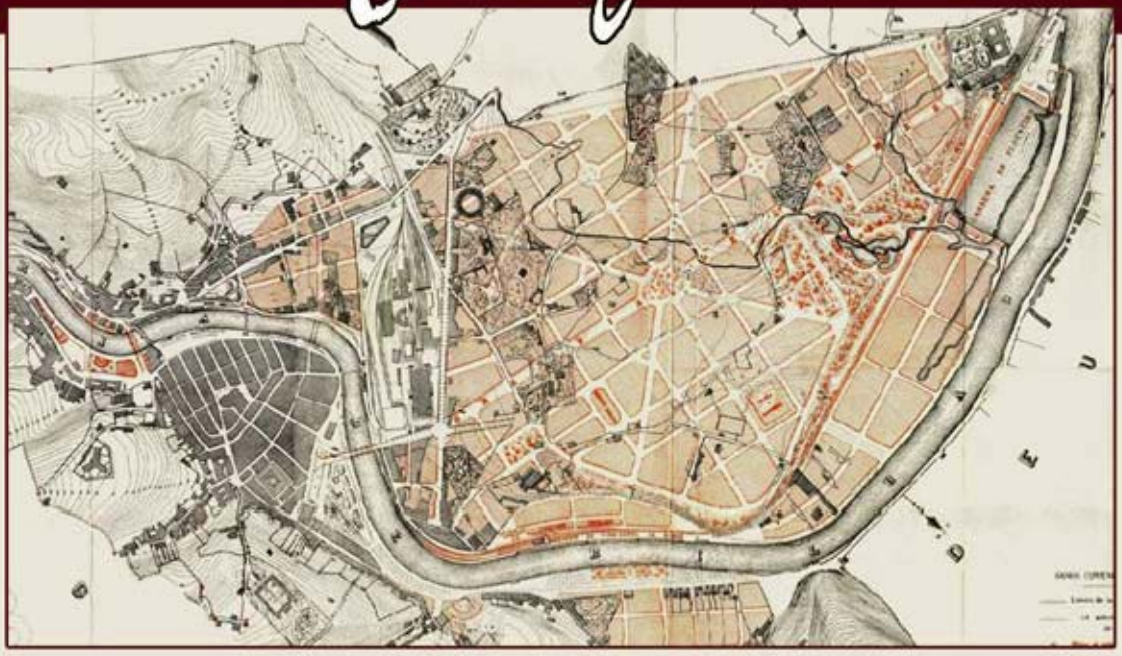
Transforming Cities



OPPORTUNITIES AND CHALLENGES OF URBAN REGENERATION IN THE BASQUE COUNTRY

EDITED BY
ARANTXA RODRÍGUEZ AND JOSEBA JUARISTI

Center for Basque Studies

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In memory of Sir Peter Hall,
inspiring scholar of urban transformations

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Cover image: 1876 Extension plan for Bilbao designed by Achucarro and Hoffmeyer architects. In black ink the plan shows the city as it was in 1876. Red ink shows the project to build the extension. Via Wikimedia Commons.

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Introduction

Arantxa Rodríguez and Joseba Juaristi

Urban renewal policies enjoy a prominent place in contemporary urban planning. The term encompasses a constellation of various activities, programs, and strategies promoted by cities for the purpose of reversing physical, economic, and social decline in particular areas or neighborhoods—or in the entirety of an urban area. In general, urban renewal is associated with intervention in consolidated areas of the city that have lost dynamism and functionality as a result of crises and restructuring processes experienced during the past thirty years. In the cities of Europe and North America that underwent early industrialization, changes in the productive base, specialization, and urban structure resulting from these processes have been particularly intense, and have in turn led to serious social and economic problems, and to a yawning urban void that is both physical and functional in nature. Renewal policies are thus associated with a reaction on the part of the public sector to problems in urban decline that involve the development of new economic activities and functionalities by means of the recovery of those urban voids, and their transformation into dynamic and attractive areas (Rodríguez et al. 2001; Oatley 1998; Roberts and Sykes 2000; website http://www.ifresi.univ-lille1.fr/PagesHTML/URSPIC/URSPIC, 2001).

Yet, even though urban renewal is commonly identified with strategies designed to remedy the problems caused by industrial crises and decline, the origin of these policies can be traced back to the 1800s and the response to severe urban problems resulting from the initial industrialization of cities.[1]

1. Intervention in distress for low income families was, in many countries, initiated by wealthy philanthropists who rallied for laws and regulations to improve unsanitary housing conditions and infrastructure and raised funds for the construction and rehabilitation of housing for the poor.

It is specifically in these early initiatives in which the birth of modern urban planning can be found. However, it was not till the 1930s and 1940s that distressed neighborhoods as such became the focus of governments' deliberate intervention in places like the United Kingdom and the United States. Since then, urban regeneration policies have been an essential part of urban planning schemes in cities on both sides of the Atlantic.

Urban Renewal: The Origins and Validity of Concept

Industrialization, Modernization, and Urban Reform

Urban renewal was initially conceived as a specific domain of urban planning concerned with actions undertaken in response to the deterioration of urban areas resulting from industrial development and rapid demographic growth in cities during the industrialization process. The intense growth generated by the industrial revolution, and the pressing need for cheap housing near industrial centers, radically altered the nature of cities, transforming old neighborhoods into expanding slums and ghettos. Demand for inexpensive housing made the construction of units designed to be rented to workers a highly profitable activity—one engaged in by speculators who, as a result of transportation constraints, sought to maximize the number of housing units within reasonable distance of production sites. Both increasing density and low standards characterized the new worker housing, as did a lack of basic sanitation provisions (namely, light, ventilation, bathrooms, garbage collection, free spaces, and so on). All these factors, together with the poor maintenance of the property, led to the spread of infectious diseases such as tuberculosis and cholera. The cholera epidemics that devastated European cities during the first half of the nineteenth century made the risks associated with these conditions all too evident, and cast a spotlight on the need to improve the sanitary conditions of cities and of life in working-class neighborhoods by adjusting the available urban space to the demands imposed by industrialization. This was to be accomplished by means of legal, public health, and urban planning reforms (Hall 1999). This situation led to the approval of public health reforms that established the legal responsibility of local authorities in providing the infrastructure and services necessary to guarantee public health, and improve the living conditions of workers. In addition, specific regulations were crafted regarding the construction and maintenance of cities and housing units, and measures were instituted to promote the publicly funded construction of housing for the working class (Frampton 1998).[2]

2. In Great Britain, the turning point was the 1833 creation of the Poor Law Commission headed by Edwin Chadwick for the purpose of investigating the origins of an outbreak of cholera in Whitechapel, a neighborhood of London. The activities of this commission in turn led to the creation of the "Royal Commission on the Health of Towns" (1844) and the Public Health Act (1848). In France, approval of the law promoting the hygiene of unhealthy dwellings (the Melun Law of 1850) provided the legal basis for carrying out extensive public restructuring projects in the central area of Paris under the leadership of Georges-Eugène Haussmann (between 1853 and 1870). Along the same lines, the proposal to widen Cerdá in Barcelona was also motivated in part by a desire to improve

All this led to the new urban problems resulting from industrialization, poor sanitation, crowding, density, and so forth, becoming the key focus of social reforms, and of urban transformation and modernization during the nineteenth century. The increasing prominence of public sanitation concerns promulgated by doctors and social reformers reinforced the perception of industrialized urban spaces as environments conducive to the development of a number of pathologies and diseases, establishing a causal link between the physical characteristics of a space (especially a housing space) and the development of all kinds of infections and epidemics. This perception would transform the restructuring of the habitat, and especially of housing, into the main objective of urban reform by means of improving the supply of water and sewage systems, water treatment, waste management, ventilation, the creation of open spaces, and so on.

The public hygiene arguments for urban reform were reinforced by pressure exerted by changes in transport technologies. Thus, the easements resulting from new modes of transport, especially the railroad and tram, also demanded important solutions with regard to the mapping and the reorganization of urban structure, such as the creation of new streets and the destruction of medieval walls. Such infrastructure transformations acted collectively as a second spur that motivated urban transformation and restructuring processes during the nineteenth century. Together, the two elements catalyzed the modernization and rationalization of cities, leading to the reforms that, during the period from 1830 to 1850, marked the birth of modern urban planning.

The profound transformation of the physical conditions of the urban landscape promoted by health and urban-planning reforms during this period also required important changes in the political structure and the forms of public activity. The stimulus of the investment—and the financing of that investment—that was needed for the construction of the new urban landscape was developed by means of designating projects as "publicly useful," and by the expansion of administrative processes facilitating the expropriation of property in order to enable the execution of these projects. The regulation of the obligation and rights of owners was established on the basis of regulations that defined private property rights for the purpose of allowing public intervention for the reorganization and systematizing of urban space (Castrillo 2001).

Meanwhile, the rhetoric of poor hygiene and the decay of industrial cities (and especially of their historic centers) also served as a justification for a profound reorganization of social and urban space for the dominant social groups (Benevolo 1993). Concerns about social and urban problems resulting from industrialization, and the goal of improving living conditions of workers and public health thus became enmeshed with the particular interests of the emerging social classes with ties to industry and commerce. These latter interests were reflected in administrative and political reforms, as well as in the creation of specific regulations for factories, commerce, and so on.

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public health in the city and in housing by lowering density levels and establishing a set of criteria (e.g., regarding localization, orientation, ventilation, materials, and installations) for the construction of hygienic residential units (Choay 1974).

The paradigm for the planned and systematic reordering of urban space in accordance with the demands of the new economic and social order is the comprehensive restructuring of central Paris carried out under the direction of Georges-Eugène Haussmann between 1853 and 1870, which led to a radical transformation of the city that included the reorganization of technical and administrative services, followed by large projects involving the construction of roads, buildings, and public facilities, the installation health facilities, and the creation of public housing.

The large-scale transformation of the central area of Paris had a decisive influence on the urban reforms undertaken by other European cities in the nineteenth century, such as Vienna, London, Brussels, and Barcelona. These reforms generally aimed for a comprehensive reshaping of urban space that included tearing down walls, opening new streets within the existing urban framework and, on occasion, the physical destruction of extensive zones of the city prior to embarking upon a planned reorganization of the urban fabric in accordance with the needs of industrialization. The interior reform of cities was conceived as a means for improving an urban environment that had been degraded by industrial development—an environment that, once renovated, was to serve as a base for the new economic and residential activities.

In the industrial city of the twentieth century, the notion of urban regeneration transcended the objectives of the interior urban reforms undertaken with the aim of improving health and mobility, and took on new meaning in the context of emerging urban problems—specifically the problems of deteriorating city neighborhoods. But policies specifically designed to address the spatial concentration of poverty and the physical deterioration of certain areas of the city were not enacted until well into the twentieth century, with the launching of programs aimed at demolishing marginal neighborhoods in the United Kingdom (in the 1930s) and in the United States (in the 1940s) (Short 1982; Roberts and Sykes 2000). Since then, urban renewal policies have followed a long and tortuous evolution in which, following the periodization proposed by Carmon (1999), three important waves or *generations* of neighborhood intervention can be distinguished. The first of these is the "*Bulldozer Era*," in reference to both its bias toward physical change and the massive demolition undertaken of deteriorating areas. The second stage, characterized by the incorporation of social and cultural criteria, is known as the "*Rehabilitation Era*," while the third stage, associated with the prominence of economic and strategic considerations, is known as the "*Era of Revitalization*."

The Bulldozer Era

Urban renewal (re)emerged as a specific aspect of urban policy at the end of World War II in response to the challenges posed by the new economic conditions of the postwar period. In European cities, urban renewal was marked by reconstruction and modernization efforts, and was conceived as a group of actions designed to eradicate the slums and deteriorated areas of cities by destroying sub-standard housing and relocating low-income fami-

lies to public housing projects or publicly subsidized housing.

In the United Kingdom, massive slum removal was launched in 1930 with the approval of the Greenwood Act, which charged local authorities with the legal responsibility to relocate families that were displaced as a result of the demolition of housing. This was a program that sought to resolve the problem of rundown areas of British cities over the course of five years. The outbreak of World War II brought to a standstill the policy of clearance and relocations until the mid-1950s, when the government legally sanctioned such actions by integrating different measures then in effect into a single piece of legislation, the Housing Act of 1957. It was at that time that the term "urban renewal" replaced the phrase "demolition of disadvantaged areas" in an attempt to endow the initiative with a greater degree of coherence (Short 1982). The 1950s witnessed rapid suburban growth, spurred in part by the construction of social housing projects known as "Council Housing Estates." This tendency, along with the trend toward decentralizing industry, had a dramatic impact on the central areas of cities. It was this period that saw the emergence of the problem of "inner cities," namely, dysfunctional zones that had become enclaves characterized by poverty and physical deterioration (Roberts and Sykes 2000).

Similarly, in the United States, urban renewal policies originated in public-sector initiatives that began in the years following the end of World War II in response to the decline of central urban areas and the resulting proliferation of socioeconomic and urban-planning problems. The problem of deterioration, impoverishment, and disinvestment in inner-city and downtown areas emerged full force at the end of the war, reflecting the impact of the economic crisis of the 1930s and the progressive displacement of the highest-income sectors to the new suburbs that had begun to emerge on the outskirts of cities such as New York and Los Angeles beginning in the 1920s (Hall 1988). Efforts to arrest the decline of urban centers at the local level were futile in the face of the overwhelming trend toward suburbanization, the closing of industries, and the relocation of commercial and service activities to other metropolitan areas. Within this context, and in the face of a growing demand on the part of various social sectors, from social activists calling for dignified housing to real estate lobbies, there was a demand for federal intervention to revitalize urban centers. In response to this groundswell, in 1937, the US Congress passed the Low Rent Housing Bill a Housing Act that consisted of a series of measures that aimed at slum clearance and constructing housing for low-income families. The system of subsidies and loans established by this initiative made possible the construction of the first public housing projects in the United States (Carmon 1999). The typical urban renewal project consisted of a large-scale operation involving the demolition of old residential areas that were generally inhabited by minority groups—especially African Americans. Afterward, a slow process of re-urbanization began that involved the use of the newly vacant land for new infrastructure, roads, commercial spaces, and sometimes also for housing. But rarely was this newly constructed housing used to relocate the population displaced by the demolition that had been carried out. In most cases, it was instead designed to accommodate those in the middle- and upper-income

sectors. As a consequence, this urban renewal policy contributed to the destruction of the housing and means of support of hundreds of thousands of low-income persons without any guarantee of relocation in new public housing facilities being provided in return.

The Neighborhood Rehabilitation Era

The strategies of physical renewal and demolition of low-income housing promoted by the industrial cities of Europe and North America in the name of modernization, reconstruction, the production of low-income housing, development of infrastructure, and the recovery of urban centers remained in vogue until the mid-1950s. From that point until the beginning of the 1970s, clearance and slum demolition programs were gradually abandoned and replaced by a focus on promoting rehabilitation and renovation of existing housing and neighborhoods. The physical bias implicit in demolition policies gave way to an approach characterized by an emphasis on social issues and the perverse effects of socio-spatial inequality patterns provoked by rapid economic growth and urbanization. During this period, important anti-poverty programs were developed, as were programs involving housing rehabilitation, community development, and comprehensive regional strategies. Such initiatives were carried out in inner cities as well as in peripheral urban areas, as well as in housing projects that had previously been constructed.

In American cities, the recognition of the minimal or negative impact of programs that grew out of the Housing Act of 1949 involving the creation of dignified public housing projects or the socioeconomic betterment of residents of the areas to be renovated contributed to a reappraisal of the strategic assumptions of the renewal strategy, regarding the need not only to link urban renewal and social housing together more closely but also to expand the geographical area of intervention. In the United Kingdom, the 1960s was a time of radical change in urban renewal strategies as a result of the very poor results of urban renewal policies with respect to their capacity to alleviate the problems of inner cities and have a positive tangible impact on the physical and social decline of those areas. The creation of the Urban Programme in 1968 consolidated the change of orientation in renovation strategies for depressed areas, creating the possibility to obtain resources from the central government for the purpose of reinforcing social-service and urban programs. However, the impact of this new policy continued to be negligible, a phenomenon that led numerous analysts to characterize postwar urban policy as a total failure (Lawless 1989).

The turning point in urban renewal policy—in both the US and the UK—took place when the problem of poverty and its urban dimension were rediscovered following both the publication of a number of studies of this phenomenon and its expansion even within the context of the intense economic growth of the 1950s and 1960s. This perception paved the way for a profound reassessment of intervention criteria and housing programs. The most important difference between this second wave of renewal policies in crumbling neighborhoods and those that had previously been enacted was a

more comprehensive approach that included actions aimed at solving both physical and social problems in specific areas.

The Era of Revitalization

Beginning in the late 1970s, urban policies took into account the end of the processes of metropolitan expansion and growth. The economic slowdown and concomitant subsiding of population growth demanded a reconsideration of strategic objectives. Under the impact of the urban development and urban expansionism of the 1970s, the urban industrial crisis led to an austere approach toward urban development (Campos Venuti 1981). The new urban strategies were articulated within the context of three interdependent change trends: a reordering of urban intervention priorities in ways that favored growth and competitive restructuring; a reorientation of the predominant managerial and regulatory approach to urban policy toward a more proactive and entrepreneurial approach; and changes in the instrumentation of intervention, and the emergence of a new urban governance.

Austerity became the order of the day as a result of a crisis involving both tax revenues and private investment. Priorities changed, and the goal was no longer one of constructing a new consensus with far-reaching implications, but rather of efficiently managing an urban planning without any further capacity for growth. The organization and management of growth in the 1970s gave way in the 1980s to an approach to urban planning that focused on recovering urban space, and on consolidating and reorganizing the existing city. The demands of austerity translated in practical terms into the abandonment of proposals to structurally renovate cities, and a marked tendency toward narrowly focused physical rehabilitation projects. In this "postmodern" urban planning phase characterized by one-off interventions, (Terán 1984), design and morphology became supremely important. Deprived of any social justification, and with global objectives of equality and urban social justice relegated to secondary importance (Harvey 1973; 1988) esthetics took center stage in urban planning—in a veritable *raison d'être* of urban planning activities (Leal 1989).

The overwhelming emphasis on the urban project and the crisis in planning exemplify the approaches to urban planning throughout the 1980s (Campos Venuti 1985). Once again, physical rehabilitation stood at center stage in an approach focused on the resolution of concrete urban planning problems and on improving the urban esthetic. Curiously, this reformulation of the objectives of urban planning, which to a large extent resulted from the economic crisis, and the processes of urban decentralization and decline, barely took these instigating factors into account. Except for a few isolated contributions, urban planning gave short shrift to economic reorganization processes, to the role of the city as a productive space, and to the articulation of a regional economic dynamic. Instead, the city was conceptualized in a manner that isolated it from its regional surroundings.

The crisis of modern statutory and regulatory planning and the consequent shattering of the hegemonic view of planning as an instrument of prediction and control over urban production resulted in urban megaproj-

ects becoming one of the indispensable components of post-Fordist urban planning. Transformed into a paradigm of urban intervention in European cities since the mid-1980s, the new generation of megaprojects is intimately tied to urban renewal and urban revitalization policies. These megaprojects reflect a new understanding of urban production based on large-scale emblematic interventions that act as engines of a strategic urbanism; and of a valuation in which the identification and exploitation of (urban planning) opportunities (technically) serves the purpose of organizing a constellation of urban proposals aimed at improving the competitive position of the city and generating new business opportunities and maximization of profitability of urban space. Within this schema, emblematic and iconic architectural projects, star architects, and international mega-events play a propagandistic and urban marketing function, serving to shape both internal consensus as well as a new urban image whose purpose is to attract investment and/or consumers, and to usher in a new phase of economic growth. The urban mega-projects of this period thus spearheaded a radical innovation in the formulation and instrumentation of a new policy, incorporating new priorities of the political agenda and a new interventionist logic characterized by flexibility, profitability, and opportunistic spontaneity all ultimately placed in the service of the imperatives of the value of real estate. The widespread scale of this tendency reflects not only a redefinition of the relationship among architecture, planning, and the city, but also the growing transformation of the world into a global urban planning project.

On the other hand, the readjustment of priorities and the greater degree of local involvement in the management of the crisis have radically transformed the bases of public intervention in the city, and have forced a reconsideration of the role and scope of urban policy. The new urban agenda incorporates not only the priority objective of growth and competitiveness, but also the mobilization of local policy for the purposes of economic regeneration. The growing importance of the role of local and urban governments thus leads to their greater involvement in economic promotion in both quantitative and qualitative terms, and their adoption of a dynamic, proactive, and entrepreneurial style. The entrepreneurial approach in local public intervention refers to an "enterprising" orientation in the Schumpeterian sense of creating and identifying innovative opportunities for investment and assimilation on the part of the public sector of modes of private-sector functioning. The notion of proactivity suggests that market and private-sector leadership is actively sustained by the local public sector by means of more direct forms of support for private-sector participation. In this way, decentralization of responsibilities at the local level and growth priorities march in lockstep with the gradual replacement of the regulatory and management approach to urban management dominant in the 1960s and 1970s by a proactive and entrepreneurial urban policy oriented toward economic growth and the mobilization of local resources and actors for the purpose of maximizing the attraction of the city. It is no longer a matter of minimizing the negative consequences of urban growth by means of redistribution, but rather of maximizing opportunities within a context of diminished resources and under conditions of growing competition among cities.

Large urban planning projects are the material expression of this reorientation of the urban political agenda toward the search for growth, competitiveness, and efficiency in urban public intervention. Such projects constitute the manifestation of a renewed developmentally oriented logic that views them as leverage that can spur new growth and functional urban transformation. As such, these projects operate at the intersection between physical planning and developmental policies. However, the predominance of physical bias and the spurning of socioeconomic dynamics is one of the most salient characteristics, and one of the main limitations of this revitalization. The predominance of project formalism, design, and morphology is part and parcel of a model of urban planning based on one-off, fragmented, and emblematic images—a "postmodern" urban planning largely bereft of a social purpose, in which esthetics is the principal *raison d'être* of its activity. The gradual abandonment of proposals for a comprehensive structural renovation of cities and the focus of planning on one-off emblematic projects thus revalidates the predominance of physical aspects, and transforms economic regeneration into a quasi-automatic effect of physical renovation.

Cities in Transformation: Opportunities, Threats, and Challenges of Urban Renewal in the Basque Country

The chapters that comprise the present volume approach the problem of urban renewal as an opportunity to reorient urban dynamics on the basis of multidimensional strategic interventions that incorporate physical-morphological, economic, functional, cultural, and residential elements. Yet these opportunities may well involve the possibility of undesired collateral effects, and even important threats and challenges to the construction of more dynamic, cohesive, and sustainable cities.

The contributions of Rodriguez, Abramo and Vicario, and of Juaristi, discuss urban regeneration or revitalization taking Bilbao as a case study. Rodríguez, Abramo and Vicario present a critical reading of urban renewal strategies carried out in Bilbao during the past two decades, highlighting the close relationship between the politics of renewal and the gentrification processes emerging in various city neighborhoods. By means of an analysis of three different areas of the city (namely, Abandoibarra, Olabeaga, and Bilbao La Vieja), the authors show not only the extent to which gentrification forms an integral part of the "renewal" or "rehabilitation" initiatives of certain strategic zones of the city (the so-called "opportunity areas") but also the diverse forms and specific dynamics that this process has involved in particular instances.

Juaristi, meanwhile, presents a comparative analysis of change processes in two metropolitan areas in northern Spain during the first thirty years of the autonomy period. He analyzes the demographic and spatial changes, the physical growth of these areas, as well as their policies geared toward economic revitalization and urban renewal on the basis of local and regional power scales. Juaristi concludes that, despite the common circumstances of industrial crisis at the beginning of this period, both metropolitan areas have grown in accordance with different models due to the different objec-

tives of strategic territorial planning and urban planning.

The processes of urban renewal are, in legal terms, sustained within a regulatory and juridical framework in which urban intervention, organization, and (if applicable) recovery constitute part of the basic content of urban planning as a public function. Garrido introduces this dimension in a discussion of changes in the forms of public intervention on the constructed city and its increasing role in both the Spanish state and the Basque Country in recent years. Garrido contends that these activities involve a number of hurdles that public authorities attempt to clear by means of the drafting of urban rehabilitation and regeneration policies that place a special emphasis on clarifying concepts related to different urban intervention strategies and their implementation for the purpose of identifying which aspects of these policies have succeeded, and which have failed. Yet another characteristic of these policies is, in Garrido's view, an emphasis on the challenges and opportunities that emerge on the horizon with respect to the recovery of cities—especially as civic spaces and as the framework within which most citizens' rights are exercised.

Rodríguez and Peribáñez discuss urban renewal within the context of challenges faced by cities as a result not only of the crisis but also of processes of restructuring and recomposition of the socioeconomic model that the development of a new global knowledge-based economy has driven. These authors view the appearance of "the knowledge society" as a general context that helps explain the new economy and processes of technological change, and the relationship of these processes to the development of new sustainable and intelligent territorialities within the frontiers of the Basque Autonomous Community.

Subsequent chapters focus on one of the central dimensions of the politics of urban renewal in recent decades: culture as a strategic element for the reactivation, renewal, and development of new urban models. Plaza contends that cultural events and infrastructure have in recent decades constituted a basic component of the urban renewal projects initiated by cities that underwent industrialization at an early stage, and that they have taken the form of urban mega-projects that include the prominent presence of iconic public facilities and flagships that act as catalysts with considerable marketing and urban-branding potential. But Plaza argues that the effects of such infrastructure have been mixed, and that its potential to act as an engine of urban economic reactivation depends on a set of conditions that needs to be satisfied.

A striking example of the role of cultural heritage as a factor in urban regeneration is the case of Vitoria-Gasteiz analyzed by Azkarate and de la Fuente. Taking as a point of departure a broad-based, flexible, and dialectical conception of "heritage," these authors see this variable not only as an indispensable tool for historical knowledge, but also as a crucial high-level socioeconomic resource for the sustainable development of contemporary societies. The restoration of the Santa María Cathedral, the recovery of the walls predating the founding of the city, and the design of a project for Vitoria-Gasteiz characterizing it as "the city of three cathedrals" serve as the framework for a discussion on ascribing value to cultural heritage as a key

element in the revitalization of the Old Town specifically and the Basque capital as a whole.

Along these same lines, Agoues identifies a number of legal problems involved in the expropriation of cultural assets as part of urban renewal or urban improvement processes. On the basis of a case resolved by the European Court of Human Rights (ECtHR) that addressed the question of whether compensation for expropriating a cultural asset should take into account the cultural nature of the asset as an intrinsic value, she considers a number of legal aspects of the relative weighing of general interest that could be attributed to such assets, their individual utility, and the social function that they serve. In varying systems of carrying out urban renewal, consideration of such factors might lead the owner of such assets to see them as limited by their inherent purpose and general usefulness. In certain instances, this might also involve the abrogation of urban development rights themselves.

Aparicio and Charterina offer a detailed discussion about the collaboration between public and private agents for promoting commercial activity in districts and cities as part of urban renewal strategies. Focusing on the case of Bilbao, these authors highlight the importance of forming and consolidating cultural clusters in the neighborhoods, districts, and zones of the city in which they operate in order to catalyze renewal dynamics. On the basis of a public-private collaboration that is expanded and enriched by contributions of the creative economy, the new model of governance that reigns in these clusters is presented as promoting the inertia that is necessary to bring about the emergence of other intangible factors that might "naturally" potentiate the dynamics of collaboration between public and private entities toward the goal of developing the vitality and viability of the city.

Finally, Ahedo and Telleria discuss the role of culture in urban transformation processes in the context of the tension between two different and counterpoised kinds of logic vis-à-vis urban development in relation to the strategies, objectives, and interests that sustain them. On the basis of the history of the Okupado Kukutza Social Center in the Rekalde neighborhood of Bilbao, the authors analyze two models: on the one hand, an institutionally driven model focused on "spectacle" and based on a citizen-centered approach that attempts to minimize the contradictions inherent in any city (for example, inequalities, conflicts, and exclusion) and, on the other, a model that, by way of highlighting pervasive urban sprawl, is based on the idea of bolstering neighborhoods, and theoretically grounded in a movement-based approach that claims fundamental citizens' rights (namely, including the right to beauty, marginality, centrality, and culture). This second approach thus sees the locus of the conflict in urban dynamism itself.

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1

A Model of Regeneration? Urban Redevelopment and Policy-led Gentrification in Bilbao

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The Changing Nature of Gentrification

In recent years, there has been considerable debate over the contemporary nature of gentrification. An increasing body of research has convincingly argued that gentrification is fundamentally different today from what it was before; that it has changed clearly since the term was first coined in 1964 (Hackworth 2002; Lees 2000; 2003a; Slater, Curran, and Lees 2004; Smith 2002; Wyly and Hammel 1999). First, the very definition of gentrification has changed. Following on the tracks of Ruth Glass's (1964) classic work on gentrification, previous definitions of gentrification had focused almost exclusively on the displacing effects of residential rehabilitation (Smith 1982). However, through the 1980s and 1990s, this view gradually expanded toward a more comprehensive understanding that considered new-build developments from large-scale urban renewal operations as an integral component of the gentrification process, blurring away the narrow distinction between the rehabilitation of existing residential stock and urban redevelopment (Smith 1996; Zukin 1991). Since then, gentrification has expanded both geographically and across the urban hierarchy, resulting in a new geography of gentrification or "gentrification generalized" (Smith 2002). Second, the emergence of new forms of gentrification —"brownfield," "newbuild," "rural," "suburban"— has not only challenged traditional definitions, prompting a reappraisal of the notion of gentrification (Davidson and Lees 2005; Hackworth 2002; Lees 2003a; Slater, Curran, and Lees, 2004), but has also raised critical questions as to whether gentrification remains a useful concept at all (Lees 2000). And finally, recent debates have suggested that the changing nature of gentrification is closely tied to increasing state involvement in the process, with a larger role being played today by urban governments under the influence of neoliberal urbanism (Hackworth 2002;

Hackworth and Smith 2001; Leitner, Peck, and Sheppard 2007; Lovering 2007; Slater 2005; Smith 2002; Wyly and Hammel 1999; 2005).

In a context in which, in the words of Loretta Lees (2003a: 572), "the process of gentrification seems to have mutated so much that traditional definitions no longer seem apt," analysts have been calling for a new approach to the concept and the need for more inclusive and flexible definitions of gentrification. Jason Hackworth (2002, 815) proposes a definition of gentrification as "the production of urban space for progressively more affluent users" while Tom Slater, Winifred Curran, and Loretta Lees (2004, 1145) interrogate: "how can we think of gentrification as anything else but the production of space for —and consumption by— a more affluent and very different incoming population?" In the same vein, Eric Clark (2005, 258) defines gentrification as "a process involving a change in the population of land-users such that the new users are of a higher socio-economic status the previous users, together with an associated change in the built environment through a reinvestment in fixed capital."

In this chapter, we adopt this broader approach to the analysis of gentrification dynamics in Bilbao for two related reasons. First, because it is inclusive of other, non-"standard" processes of neighborhood change that can be appropriately considered as forms of gentrification such as state-led brownfield redevelopment and new-build developments in city centers (Badcock 2001; Davidson and Lees, 2005, 2010; Smith, 1989; Smith, 1996), which are of particular relevance for our analysis. The crucial point here is that gentrification, whether in the form of renewal of existing stock or of new-build developments promoted by the government, involves the class remake of the central urban landscape (Slater, Curran, and Lees, 2004; Smith 1996; Wyly and Hammel 1999). And, as research evidence suggests, each class transformation carries with it the potential for direct or indirect displacement either at the neighborhood or the city level (Atkinson 2003; 2004). Second, this general definition allows for a better understanding of the nature of contemporary gentrification by including broader processes of urban transformation generally referred to by more politically neutral terms such as "urban revitalization," "urban regeneration," and "urban renaissance" (Badcock 2001; Lees 2003b; Smith 1996). And this leads us to one of the critical features of contemporary gentrification: the crucial role played by the (local) state in the process as gentrification is turned into a strategy for regeneration within the new urban policies (Lees 2003a; Slater 2005 and 2006; Smith 2002; Wyly and Hammel 2005). We briefly discuss this point in the next section before presenting the aims of the chapter.

Urban Regeneration and Municipally Managed Gentrification

As mentioned above, some of the key changes in the process of gentrification since the 1990s are closely tied to changes in urban policy (Lees 2003a). In fact, various authors have pointed out (Hackworth 2002, Hackworth and Smith 2001; Smith 2002; Wyly and Hammel 1999; 2005) that contemporary "third-wave" gentrification is characterized by more interventionist governments working along with the private sector to facilitate gentrification. And,

while the role of policy in assisting gentrification can hardly be considered as new (Smith and Williams 1986), in recent years there has been mounting evidence that gentrification, far from an unintended outcome, is now the intended consequence and an integral component of numerous urban policy initiatives (Slater 2005; Smith 2002). To a large extent, this renovated state involvement in the process of gentrification is related to the transition from "roll-back" to "roll-out" neoliberalism (Peck and Tickell 2002; Wyly and Hammel 2005) and the shift from urban managerialism to entrepreneurialism (Harvey 1989; Hall and Hubbard 1998), both at the national urban policy as well as the local scale (Hackworth 2002, 822). The role of national urban policy in supporting gentrification has been discussed extensively in recent research, particularly in British and North American cities (Atkinson 2004; Hackworth 2002; Hackworth and Smith 2001; Lees 2000, 2003b; Smith 1989; Wyly and Hammel 1999). At the local scale, "municipally-managed gentrification" (Slater 2004; 2005) has become a popular term to describe the increasing involvement of local government in encouraging gentrification dynamics in cities throughout the world.

The rise of urban entrepreneurialism has been accompanied by the spread of an orthodox policy perspective (Cox 1993). This perspective argues that changes in the global economy and the increasing mobility of capital have radically transformed the context in which cities are making decisions. In the new context, cities need to position themselves relative to the changing requirements of global capital and find new ways of attracting and securing investments in an environment of intensified inter-city competition. Against this background, the task of urban governance is to create the conditions necessary to attract global, footloose capital (Boyle and Rogerson 2001). As a result, city governments have been persuaded to adopt a more proactive, "entrepreneurial" stance to promote local growth and economic development, typically in close partnership with the private sector (Hall and Hubbard 1998; Harvey 1989; Leitner, Peck, and Sheppard 2007). This entrepreneurial model of governance has entailed the development of an array of boosterish policies from enhancing the city's economic attractiveness through provision of tax and regulatory inducements to the restructuring and reimagining the city through manipulation of the city's image (through aggressive place-marketing campaigns, for example), reorganization of its soft infrastructures (cultural and leisure facilities, for instance), and the radical transformation of its built environment (through flagship mega-projects, for instance).

In North America and Europe previously affluent industrial cities, coping with widespread disinvestment and deindustrialization, were among the first to adopt entrepreneurial strategies in an attempt to reverse urban decline (Hall and Hubbard 1998). The language of "urban regeneration" soon became a leitmotif of the new urban governance and the entrepreneurial strategies mentioned above "were trumpeted under the friendly banners of regeneration, renaissance or revitalization" (Wyly and Hammel 2005, 36).

The perverse effects of entrepreneurial regeneration strategies have been discussed extensively in the literature (Hall and Hubbard 1998; Harvey 1989; Swyngedouw, Moulaert, and Rodríguez 2002) and we do not intend to

review them here. However, we will take up here a question of fundamental significance for many gentrification researchers: the adoption of gentrification by urban policy as a regeneration strategy. For Neil Smith (2002, 440), gentrification has evolved "into a crucial an urban strategy for city governments in consort with private capital." Likewise, Lees' research into recent British urban policy (2003b, 62) has shown that "government's urban renaissance initiatives can be read as gentrification initiatives." And, more recently, Rowland Atkinson and Gary Bridge (2005, 2) have argued that: "There is a trend towards urban governments around the world, of whatever political complexion, adopting gentrification as a form of urban regeneration policy broadly connected with an entrepreneurial style of urban governance."

In sum, in the New Urban Policy context, gentrification has become a strategy for regeneration openly supported by city governments by means of a wide array of "urban regeneration" projects. The friendly, class-neutral language of regeneration now disguises gentrification at the same time that "its legitimacy is anchored in the 'necessity' to become a 'global city', a 'competitive city', an attractive city, in competition with other cities" (Clark 2005, 260). However, in the European context, not all regeneration strategies can be condemned "as Trojan horses for gentrification" (Smith 2002, 446) and it remains debatable whether urban regeneration initiatives and programs designed to encourage urban revitalization—from large, flagship redevelopment projects to arts and tourism-based regeneration proposals— represent an explicit, purposeful strategy of gentrification (Atkinson 2003; Shaw 2005). In the following sections, we seek to provide some insights into this issue by examining the case of Bilbao, a European city that over the last decade has launched an ambitious regeneration scheme.

Urban Regeneration and Variegated Gentrification in a Model City

In this chapter, our analysis of gentrification in three neighborhoods in Bilbao—Abandoibarra, Olabeaga, and Bilbao La Vieja—takes on three neglected issues in urban regeneration research. First, by discussing critically urban regeneration strategies implemented during the last two decades in derelict sites and deprived neighborhoods, we attempt to expose the crucial links between urban regeneration and gentrification dynamics. Is Bilbao an example of what Smith (2002, 437) calls "the generalization of gentrification as a global urban strategy"? Second, by examining the role of urban policy in promoting gentrification in Bilbao, we attempt to highlight the role played by local government in contemporary, "third-wave" gentrification (Hackworth 2002; Hackworth and Smith 2001; Lees 2003a; Smith 2002; Wyly and Hammel 1999). Does the case of Bilbao provide evidence of the ascent of "municipally-managed gentrification" (Slater 2005)? Third, by assessing the contextual specificities of gentrification in Bilbao as well as the similarities and differences in the process of gentrification in two different neighborhoods in the city, we seek to provide some insights into the "geography of gentrification" (Lees 2000; Butler and Robson 2001; Slater 2004). If it is clear from the literature that gentrification plays out differently in different places, and that its dynamics are strongly influenced by local contexts (Lees 2000;

Butler and Robson 2001; Slater 2004), is it possible, then, to identify local variations in policy-led gentrification in Bilbao?

The neighborhoods discussed in this chapter have been selected for three reasons. First, all were (and one still is) derelict sites and obsolete quarters that have been defined as "opportunity areas" for the development of the new Bilbao. For this reason, the analysis of the various regeneration plans and initiatives proposed by local government is considered extremely fruitful for uncovering the links between urban regeneration strategies and gentrification processes.[1] Second, the three areas also exhibit important differences (the socioeconomic characteristics of the population, type of neighborhood, degrees and forms of resistance to gentrifying dynamics, and so on), making it possible to identify the contextual specificities of the gentrification process. Finally, rather than gentrified, both neighborhoods are undergoing (or under threat of) gentrification. If gentrification is to be understood as a process of change (Slater 2004), then the selection of these neighborhoods should be interpreted as an opportunity to discuss the process of gentrification as it was (or still is) happening. Moreover, observing the process from its early stages also makes it possible to adopt an approach more concerned with the social groups and/or low-income communities who are being severely disrupted by gentrification, contributing to recent calls for new research into "the true nature of the consequences of gentrification for people living in the neighborhoods experiencing it" (Slater, Curran, and Lees 2004, 1142).

Urban Regeneration in Bilbao

With close to a million inhabitants, metropolitan Bilbao is one of the main urban industrial centers within Spain and the largest in the Basque Country. A traditional port city, Bilbao has been, and still remains, an industrial heartland, highly specialized in heavy manufacturing, notably, steel and shipbuilding, metal products and basic chemicals. Over the last two decades, the dynamics of socioeconomic restructuring have radically transformed Bilbao's urban economy and environment. The remaking of the city has followed two distinct stages. From the mid-1970s until the late 1980s, urban change was driven primarily by deindustrialization and productive reorganization processes. Bilbao, like many other manufacturing agglomerations of the more industrialized economies, suffered intensely the consequences of these processes that left behind a trail of economic, social, functional and physical dereliction (Rodríguez, Martínez, and Guenaga 2001).

However, the beginning of the 1990s marked a turning point in the

1. The data and insights provided in this chapter are the result of analyzing secondary sources (census data, planning documents, community groups publications and manifestos, media reports, and so on) as well as qualitative research, including interviews with politicians, city planners, community activists, and residents of the neighborhoods. In the case of Olabeaga, participant observation was also carried out through direct involvement, as both collaborators and consultants, with Olabeaga Bizirik (Olabeaga Alive), the local association that leads a protest campaign against the Planning Department's regeneration plan.

city's evolution as the active search for new sources of growth and advantage opened up a new phase of transformation in Bilbao. This new phase was grounded on the deployment of numerous regeneration initiatives and projects aimed at reorganizing the physical and socioeconomic profile of the city and create the conditions for urban revitalization. Urban policy played a key role in this process, as the search for urban regeneration became the basis for a new consensus on the need to intervene actively and strategically in the metropolitan area. As a result, in less than a decade Bilbao went from being an archetype of a declining metropolis to become the new "Mecca of urbanism" (Masboungi 2001), the symbol of which was the Guggenheim Museum that opened its doors in 1997.

Bilbao's "miracle" regeneration has been marketed internationally as a success story, a unique example of "best practice" and a model for other metropolis similarly affected by deindustrialization and urban decline. Mesmerized by its own achievements, the city is only too eager to export the model that has catapulted to the urban hall of fame. And yet, Bilbao's regeneration strategy can hardly be considered as innovative or genuinely original. On the contrary, Bilbao has been rather a latecomer to the revitalization arena following on the tracks of the strategic path established by cities on both sides of the Atlantic since the 1970s. Indeed, urban revitalization strategies had been implemented ubiquitously as cities everywhere were coming to terms with the consequences of economic reorganization, a trend that had placed regeneration at the core of urban intervention (Fox-Przeworski, Goddard, and De Jong 1991; Moulaert, Rodríguez, and Swyngedouw 2003).

In Bilbao, local and regional authorities have relied heavily on emblematic large-scale urban development projects to lead the process of revitalization. But Bilbao is no exception. In recent decades, these mega-projects have become the most celebrated instrument for cities attempting to reposition themselves on the map of globally competitive metropolises. Dotted all over the urban and regional landscape, these emblematic projects are the material expression of a developmental logic that views them as major leverages for generating future growth and attract capital investment and consumers.

In the 1990s, large-scale urban redevelopment projects aimed at the physical and functional transformation of cities through the reconversion of vast derelict sites into carefully designed mixed-used areas integrating productive, residential, retail, cultural, and leisure infrastructures. These schemes were commonly tied to radical image reconstruction and city marketing strategies supported by a combination of flagship projects, emblematic architectures, museums, exhibition halls and parks, theme parks, art festivals, fairs, and other hallmark international events that provided the initial development impetus and played a propagandist role to attract further investment (Ashworth and Voogd 1990). Hardly an innovation, the new generation of large-scale urban redevelopment projects takes up the reconversion of derelict sites left behind by industrial closures or rationalization of obsolete infrastructure as an opportunity to create the physical conditions necessary to launch a new phase of development. In a context

marked by changing conditions of demand and production globally and increasing competition among cities and territories, these mega-projects have become a key component of revitalization and strategic management of cities spearheading a model of opportunistic, efficient, and entrepreneurial urbanism (Swyngedouw, Moulaert, and Rodríguez 2002). This project-led urbanism is accompanied by critical innovations in policy implementation driven by the breakdown of the hegemonic vision of planning as the principal means for urban prevision and regulation and the rise of a new urban governance including new policy tools, financing mechanisms, institutional configurations, and agencies.

Project-led regeneration was launched in Bilbao in the early 1990s when local and regional authorities adopted the first initiatives to reconvert derelict sites left behind by the collapse of industry and reorganize port and other transport facilities throughout the metropolitan area. The potential for development of derelict sites had been brought to light by the drafting of the new Master Plan for Bilbao presented in 1989. Indeed, redevelopment of derelict sites was the leitmotif of the plan's proposals as well as its primary means for urban regeneration. The plan identified a number of so-called "opportunity areas" throughout the city, designating them for redevelopment. Two of them—Abandoibarra and Zorrotzaurre—were singled out to play a strategic role by linking their redevelopment to the production of highly qualified spaces for the location of new dynamic tertiary sectors and capital city functions. These "new centrality" areas were, therefore, projected to become directional business centers at a regional scale as a means to enhance the city's competitive position in the changing urban hierarchy.

Urban regeneration was also the driving force of a metropolitan-scale planning scheme that was being drafted almost in parallel to the new Bilbao Master Plan. This metropolitan plan emphasized physical and spatial restructuring as a necessary condition for regeneration through the exploitation of the new development opportunities offered by over 600 ha of derelict sites located along the banks of the river.

On the other hand, a growing awareness about the distinctly urban dimensions of decline and the interdependence between urban/metropolitan dynamics and regional development, located the "economic revitalization of metropolitan Bilbao" at the center of a strategic debate on the region's future prospects and development policies launched by the regional government at the end of 1988.[2] From these debates emerged a series of proposals for promoting metropolitan revitalization including the need to develop new territorial planning and policy tools to guide the process. Notably, recommendations pointed to the adoption of strategic planning to fix a coherent set of short- and medium-term objectives that could provide a framework of consensus, coordination between public institutions and partnership with the private sector for carrying out different initiatives and projects. These recommendations lead to the commissioning of a Strategic Plan for the Revitalization of Metropolitan Bilbao that was finalized

2. Not surprisingly given the fact that metropolitan Bilbao represents around 45 percent of the population and approximately 50 percent of the region's GDP.

in 1992. At the same time, a public-private partnership, Bilbao Metrópoli-30, was set up to implement and give continuity to the process of strategic planning.

The third pillar of Bilbao's urban regeneration strategy has been massive investment in large-scale transport and other infrastructure projects. These projects have played a fundamental role in regeneration, making it possible for important redevelopment operations to be carried out along the river and estuary. They are, indeed, the skeleton of regeneration as well as the forerunners of a new model of intervention in the city that rests firmly on exploiting redevelopment opportunities created by the dismantling of manufacturing to launch the process of regeneration.

A critical component of Bilbao's regeneration strategy was the setting up of Bilbao Ría 2000 in November 1992 to carry out urban redevelopment initiatives, giving a fundamental thrust to the new urban policy model and effectively opening up a new phase in the management of revitalization in metropolitan Bilbao. Set up as a private firm but made up exclusively of local, regional, and central government representatives, Ría 2000 acts as a form of public-public partnership to carry out strategic projects in a concerted manner in cases where the property or the decision-making capacity is shared among several institutional bodies. While these operations are determined through standard planning procedures, Ría 2000 retains de facto considerable planning powers regarding priorities for intervention, disposal of land and other property, building characteristics, and the management of public funds for redevelopment. Indeed, this agency has tended to subordinate the municipal planning departments to a secondary role, maintaining the executive control of most strategic projects in the city, a source of considerable tension between the two institutions. Redevelopment initiatives managed by Ría 2000 are required to be self-financed, a constraint that introduces the need for internalizing a value capture mechanism to guarantee financial feasibility of all investments. This constraint imposes a logic of profitability and short-term financial feasibility characteristic of entrepreneurial urbanism.

In sum, regeneration strategies in Bilbao have been at the core of urban intervention during the last decade. However, in contrast to prevailing discourses about Bilbao's model, these strategies are fully in line with dominant trends in urban policy. The city has enthusiastically embraced a project-led regeneration strategy to launch a radical reconstruction of physical, socioeconomic, political, and symbolic urban space. Emblematic mega-projects are the critical instruments of a model of regeneration predicated on the maximization of redevelopment opportunities and entrepreneurial management yet strategically supported by massive direct public investment (Esteban 2000; Rodríguez 2002). Emblematic architectures and flagships contribute decisively to this strategy maintaining an intense urban marketing campaign—fueled by Gehry's celebrated design for the Guggenheim Museum—aimed at strengthening the city's capacity to attract investors and consumers. From the ruins of industrial decline and dereliction a new urban landscape emerges, made up of exclusive waterfronts, avant-garde museums, conference centers, and luxury housing, which comes to stand for the city as a whole.

"Opportunity Areas" and Policy-led Gentrification in Bilbao

As mentioned above, urban regeneration in Bilbao is inextricably tied to the reconversion, rehabilitation, or renovation, since the 1990s, of derelict or run-down areas that because of their strategic location were viewed as "opportunity sites." Problematic physical or functional "holes," derelict industrial sites, obsolete transport infrastructures such as port or railroad facilities, or even degraded low-income neighborhoods, were suddenly recast as unique opportunity areas for the deployment of large-scale urban projects and restructuring operations. Placed at the core of the new urban policies, their reconversion and transformation into new centrality areas was also purposefully linked to the attraction and generation of economic activities and the launching of a new phase of urban development in Bilbao.

The various "opportunity sites" classified in Bilbao are marked by striking differences in terms of their physical, social, and economic characteristics, current dynamics the strategies and projects proposed for their reconversion, the discourses employed to justify and legitimize specific intervention schemes, the barriers and degree of complexity in their implementation, and potential consequences of those regeneration strategies. But, despite their substantial differences, all these areas are, nevertheless, prone to suffer from similar policy-led gentrification threats associated with the Bilbao model of regeneration (Vicario and Martínez 2003, 2005). Given their contrasting situations and processes, gentrification pressures would display, in case of materializing, distinct gentrification effects. In the following sections, we discuss ongoing gentrification dynamics in three very different neighborhoods that reveal the variegated patterns of this phenomenon in Bilbao. The following figures provide a summary of the three opportunity areas analyzed.

Figure 1.1 Bilbao City Center and selected neighborhoods

Table 1.1 Socioeconomic characteristics of the population: Abando, Olabeaga, Bilbao La Vieja, and Bilbao, 2001

	Abando-Indautxu	Olabeaga	Bilbao La Vieja	Bilbao
Population	51,498	1,051	13,985	349,972
Upper SEGs (employers, managers, professionals)[a]	39.5	6.1	10.5	18.6
Lower SEGs (skilled and unskilled manual workers)[a]	12.6	45.7	39.4	31.0
Unemployed[b]	11.4	17.9	26.8	14.9
Professional and managerial[c]	51.7	8.1	18.6	27.0
Unskilled workers[c]	4.5	15.1	13.7	9.0
High education levels (university)[d]	48.1	11.1	15.5	26.2
Low education levels (primary and below)[d]	24.3	58.3	61.2	45.7
Retirees[d]	25.4	27.6	26.0	23.1
Senior citizens (60-years-old and over)[e]	29.2	28.4	26.3	25.3
Registered foreigners[e]	3.4	6.1	12.1	6.0

Source: Eustat, the Basque Statistics Office.

Table 1.2 Bilbao's "Opportunity areas": A comparative perspective

Characteristics	ABANDOIBARRA	OLABEAGA	BILBAO LA VIEJA
	35 ha. derelict industrial and port area (non-residential). Strategic location: situated in the Abando waterfront, the central district of the city (middle- and upper-middle class residential district). Publicly owned land (Bilbao Ría 2000)	A 25 ha. working-class district (1,100 inhabitants). Strongly rooted and organized local community. Strategically located on the waterfront: designated as an "area of opportunity" (AB 2002). Historically "overlooked" by urban renewal programs and schemes.	A 38 ha. area including three neighborhoods: San Francisco, Bilbao la Vieja, and Zabala (population 16,000). Bilbao's red-light district, historically: high unemployment, physical decay, criminality, poverty and social exclusion, prostitution, and high concentration of immigrants (19%). Central strategic location: designated as an "area of opportunity" (AB 2002). Old and "attractive" buildings, "multiculturalism," "bohemian," "ethnic," etc.

Projects	Large scale emblematic project promoted and implemented by the public sector (Bilbao Ría 2000): Master Plan by Cesar Pelli (1995–2006). Estimated investment in the area: 243 million euros (mostly public). Initially designated primarily as a productive enclave, a new CBD for advanced services (including eight hundred luxury apartments, offices, hotel, retail, etc.)	Initial project (2003–2005). Large-scale public project involved expropriations, relocations and demolitions to make way for construction of new higher income housing and an extension of the city's waterfront (two thousand housing units.)	Special Plan 2005–2009: regeneration through art, culture, and tourism. Objective: bring new residents to the area (young inhabitants such as artists and creative and talented profiles), new activities (entertainment-art-culture-fashion-technology), and new visitors (tourists and other consumers). Public investment in basic urban services and infrastructures, housing, and commercial real estate, as well as urban marketing campaign geared to remaking the area's image.
Discourses	"Urban renaissance," "The jewel in the crown," "flagship" of the new Bilbao.. The new CBD, business district of postindustrial Bilbao. Enclave of the projection of Bilbao as a "global" and "competitive" city.	"Low-income neighborhood," "devalued image," "opportunity to take-back and renovate-rejuvenate." The new Ensanche.	From "Ground Zero" to "Soho," "Montmartre," the "Borne" of the new Bilbao. "Creative city," "Bohemian" district, "creative space," "A culture making machine." "Social inclusiveness," "sociological regeneration" (sic), "new knowledge," "regeneration," "normalization."
Location	Removal from the initial project (2005) due to local opposition to the project. New projects (Zaha Hadid) do not include demolishing buildings, but recommend 1,100 housing units in obsolete land and do not contemplate the rehabilitation of the existing neighborhood. At present, the project is on hold due to the current economy and housing crisis.	Problems and obstacles during the transformation process: delinquency and conflict; bad image; "unexpected" immigrants. Regeneration process/gentrification incipient and limited to the lower district BLV (the "golden triangle").	

Effects (Probable)	"Indirect" or "exclusionary" displacement: public housing is transferred to lower price areas. New, exclusive and non-inclusive areas. Revalorization of the central district: re-gentrification. "Gentrifugal" pressures over surrounding industrial and working-class areas (Olabeaga, Zorrotzaurre). Bilbao: "two gear" regeneration (City center vs. City periphery; "barrios bajos-barrios altos".) "State-led, new-build gentrification."	Initial project: Destruction of the historic neighborhood, local community disintegration, new residential area of higher status (state-led, new-build gentrification). Zaha Hadid. Project: Uncertainty, revalue / revalorization, and speculative activities ("Hadid effect"), new residents, "social displacement" and "social tectonics" ("do not bring the yuppies!").	Reinvestment and revalorization (public and private). Socio-spatial segregation within BLV: most valued gentrified areas vs. public housing of the city's outskirts. Social tectonics: conflictive and polarized social structures ("tectonics") in the interior (center?) of BLV. Process of retail and residential gentrification: "state-led, arts-led & commercial gentrification."

Abandoibarra, "A New Luxury Area in Bilbao"

Without doubt, the flagship of urban regeneration strategies in Bilbao is Abandoibarra, a derelict manufacturing and port enclave turned into an exclusive "citadel" and the most conspicuous symbol of the city's drive to reinvent itself.[3] Strategically located on the riverfront and adjacent to the business center and the upper-income residential district of Abando, Abandoibarra's fortune runs parallel to the city as a whole (see Figure 1). The origins of this 35 ha enclave go back to the last quarter of the nineteenth century when the process of industrialization was transforming Bilbao into a thriving manufacturing and financial center. Abandoibarra emerged then on the riverfront fringe of the *Ensanche*, the planned expansion of the city, where manufacturing firms could gain ready access to transport routes. During the 1970s, Abandoibarra entered a phase of rapid decline following the transfer of dock activity to outer port locations and especially the crisis of manufacturing that reached its zenith after the closure of the Euskalduna shipyards in the late 1980s. The demolition of the shipyards in 1992 signaled the end of an era and the turning point for the future transformation of Abandoibarra into a so-called new centrality area and the emblem of the new Bilbao.

The guidelines for Abandoibarra's redevelopment were initially spelled out in the Draft of the General Urban Plan of Bilbao in 1989. This plan identified the site as one of the key "opportunity areas" within the city and assigned it a strategic role by proposing its conversion into a new business center that could lead the regeneration of Bilbao. Significantly, the plan cancelled the site's industrial designation but ratified its essentially productive

3. Deia, January 27, 2007. For a more detailed analysis on the elite nature of Abandoibarra, see also Rodríguez (2002) and Rodriguez and Martínez (2003).

character projecting it as a new directional area capable of reasserting Bilbao's position as a leading regional financial and tertiary center within the European Atlantic Arch (AB 1989).

The translation of the new General Urban Plan guidelines into a detailed redevelopment scheme for Abandoibarra began with a Call for Ideas by the Bilbao City Council and the region's Architects Professional Association in 1992 that led to the selection of Cesar Pelli's proposal for a Master Plan, signaling the incipient internationalization of the city's urbanism. By then, Abandoibarra had been designated for the location of two emblematic projects: the Bilbao Guggenheim Museum and the Euskalduna Conference Center and Concert Hall, both in December 1991.

Following closely the original guidelines, Pelli projected Abandoibarra as an extension of the central district grid toward the riverfront adopting a standard waterfront lay out of the type developed by a variety of port cities both sides of the Atlantic. The project fixed the directional and strategic character of Abandoibarra designating over 200,000 m^2 of "high level" tertiary space, retail and leisure areas, university facilities, a hotel, and a number of housing units and green and public spaces. However, the precise terms of this scheme were soon subject to revision in view of the perceived difficulties on the part of managing institutions to valorize Abandoibarra's land on the basis of strategic office developments and the greater financial opportunities offered by the residential and retail real estate markets.[4] The financial feasibility of the project was secured by a substantial increase of the proportion of (luxury) housing and retail space. By the time the first draft of the detail Master Plan was approved, in 1995, Pelli's original project had been downsized and the tertiary and strategic focus of the Abandoibarra operation had been severely undermined shifting the balance away from productive activities and toward residential and more consumption-oriented functions. Considerable reformulation and discussion continued until the new Master Plan was finally approved in April 1999. By then, the two emblematic infrastructures, the Guggenheim Museum and the Euskalduna Conference Center and Concert Hall, were already operating, the shopping mall had been allocated, and the first housing lots sold.

The approval of the new Master Plan provided a new impetus for Abandoibarra's redevelopment, coinciding with the turning economic cycle of the second half of the 1990s and the regained dynamism of real estate markets. Moreover, the land valorization effects associated with the location of both the Guggenheim Museum and the Euskalduna Conference Center and Concert Hall were now fully underway. The conditions for redevelopment improved dramatically as a result of rapid increase of land values that resulted in exorbitant revenues for Bilbao Ría 2000. Between 1993 and 1999, residential land prices in Abandoibarra's urbanized lots increased fivefold; these increases have been transferred to the final price of housing fuelling

4. The 1995 Master Plan estimated that land prices for office development were about one third the price of land prices for the housing market. The price differetial contributed to a redistribution of land uses toward residential and rental functions. Thus, the area assigned by the 1995 Master Plan to residential (72,450 m2) and retail (28,000 m2) uses almost double the area allocated for tertiary uses (57,290 m2).

the speculative spiral of real estate markets both in Abandoibarra as well as in the adjoining neighborhoods. This process has effectively locked the exclusive and exclusionary character of Abandoibarra, transforming it into the third most expensive location in the city – and into one of the three most expensive residential areas in Spain (Tecnitasa 2005). However, this trend has been only partly market-driven; the management model adopted by Bilbao Ría 2000, the consortium in charge of Abandoibarra's regeneration, has also played an important role. Constrained by the self-financing imperative, Bilbao Ría 2000 went along with the real estate market maximizing revenues obtained from the sale of redeveloped lots and real estate bubble. As prices in Abandoibarra skyrocketed, exclusive citadel bias for the new urban elites was drastically reinforced. Bilbao Ría 2000 actively assisted this process of "elitization"—a synonym for gentrification—in close agreement with the local authorities. Indeed the critical role played by the public sector in Abandoibarra's regeneration makes it a unique test case for policy-driven gentrification in new-build areas in Bilbao.

Figure 1.2 "Abandoibarra: Master Plan de Cesar Pelli."

Figure 1.3 Abandoibarra: More Luxury Housing? No, It's Urban Regeneration!

The gentrification effects of rising housing prices in Abandoibarra have been extended well beyond the original site to other neighboring districts, particularly Abando, one of the most exclusive quarters of the city. And, while direct displacement effects in Abandoibarra are inexistent because of its industrial and port enclave character, residential displacement tensions, price shadowing, and other policy effects can be observed in neighboring districts. Thus, in the district of Abando, in which Abandoibarra is located, gentrification processes have been at work as a result of rehabilitation and renewal operations that tend to displace less affluent residents, such as renters, to other districts and attract progressively higher-income sectors (see table 1.1). At the same time, increasing real estate values in the central district and adjacent neighborhoods also contributes to rising prices throughout the city's real estate market as less solvent demand moves on to more peripheral neighborhoods. The overall effect is therefore a process of class displacement at the level of the city as a whole. Moreover, the "success" of Abandoibarra has transformed other waterfront locations in the city into new "opportunity sites" ready to follow the steps of regeneration-gentrification. A redevelopment project for Zorrotzaurre, an 80 ha peninsula, designed by "star architect" Zaha Hadid and the renovation plan for Olabeaga (discussed below) have both been prey to the winds of gentrification-driven regeneration.

In the meantime, the original goal of transforming Abandoibarra into the embryo CBD of an emerging post-industrial urban economy, a cluster of advanced services and strategic, directional, functions, has irretrievably drifted away. Abandoibarra's emblematic office tower, a lasting symbol of the original productive and directional vocation of the area, has been finally sold to Iberdrola, the Basque utilities firm, after a deal with the provincial government of Bizkaia failed to go through. Yet, despite claims and efforts on the part of local authorities, the potential of this iconic facility to act as a magnet for international investments and new economic activities has not materialized. So far, its influence has only been felt locally as already existing firms have chosen to relocate to the new more glamorous quarters leaving behind an increasing number of vacant central office and retail space. Likewise, two other smaller buildings adjacent to the tower, originally intended for tertiary use, were also reclassified as residential, increasing the total number of housing units in Abandoibarra to 1,000 (almost double the original amount). Thus, far from its original profile of a business and directional center, the area has been firmly reestablished as a consumer-oriented and residential enclave catering to the demands of the new urban elites.

Bilbao La Vieja: From "Ground Zero" to Bilbao's "SoHo"

The district of Bilbao La Vieja (BLV) is made up of three distinct neighborhoods: San Francisco, Zabala, and Bilbao La Vieja, totaling a population of 16,000 inhabitants.[5] Extending over approximately 38 ha, BLV is the oldest

5. For more information about Bilbao La Vieja, see Vicario and Martínez Monje (2003, 2005).

neighborhood in Bilbao and, as such, strategically located at the core of the city. Nevertheless, it has been traditionally segregated due to the effect of various physical barriers that encircled it such as the railroad tracks, the Miribilla mines, and the river. During the 1970s and 1980s, this area suffered severe economic, social, and physical decline adding up to the NE neighborhood's poor reputation as a red-light district, drug trafficking spot, and dangerous location. Since the 1990s, a high concentration of immigrants from various ethnic backgrounds has introduced yet another critical dimension in reshaping the dynamics of BLV. Institutional neglect further contributed to make BLV a depressed, isolated, and secluded district from the rest of the city. Not surprisingly, this neighborhood has come to be labeled as Bilbao's "ground zero" by the local press (*El Correo*, November 16, 2001).

During the 1990s, efforts to fight back deprivation and encourage neighborhood regeneration led to the approval and implementation of a series of ambitious projects and plans that combined physical, social and economic targets.[6] However, planning initiatives have overwhelmingly focused on physical renovation and urbanistic schemes, neglecting, or failing to address effectively, social and community issues. Moreover, citizen participation in the process, a key element in the regeneration strategy, was limited and convoluted and failed to meet the local's expectations. As a result, problems of social exclusion, community, and neighborhood safety have seen little improvement and, in many ways, have even worsened.

Yet, despite its characterization as a deprived neighborhood, BLV also presents a number of mutually reinforcing attributes that underwrite it as a potentially *gentrifiable* neighborhood. First, BLV is strategically located on the border of Abando, the most affluent district of the city, and at a relatively short distance from the flagship projects of Bilbao's new waterfront. Second, as mentioned before, BLV is the oldest of the historical quarters of the city and it holds a significant stock of deteriorated—therefore, less pricey—but highly attractive buildings and housing units, remnants of the more prosperous nineteenth-century period. These two "attraction" factors have created the conditions for a third element to emerge: the establishment in specific locations of the neighborhood of a basic core of "urban pioneers" (artists, designers, freelance professionals, teachers, and so on) whose presence has contributed to mutate the neighborhood's landscape and give it a certain artistic and "bohemian" character. And, fourth, the settlement of a large immigrant community has given BLV a multiethnic quality, reinforcing its cultural diversity and the atmosphere of a "special" and "authentic" quarter. These neighborhood traits have been repeatedly highlighted, in recent years, as the most sought after by the more bohemian sectors of the so-called "creative class" (Florida 2003; Gertler 2004). Indeed, they have not gone unnoticed

6. In 1994, the City Council approved the *Plan Especial de Reforma y Rehabilitación Interior* (Special Plan for Rehabilitation and Internal Reform). That same year, and within the framework of the Urban Pilot Projects of the European Commission, a new project was launched: *Bilbao La Vieja-Puertas Abiertas* 1994–1997 (Bilbao La Vieja-Open Doors 1994–1997). In 1999, the Basque government, the provincial government of Bizkaia, the Bilbao city council, and Bilbao Ría 2000 presented the *Plan Integral de Rehabilitación de Bilbao La Vieja, San Francisco y Zabala 2000–2004* (Integrated Plan for Rehabilitation of Bilbao La Vieja, San Francisco, and Zabala 2000–2004).

by Bilbao's local authorities and urban managers having gained considerable weight in the formulation of the new neighborhood regeneration strategies that redefine BLV as one of the "opportunity areas" of the city, called on to play an important role in the projected vision for the new Bilbao.

Not surprisingly, the report on *Opportunity Spaces for the City of Bilbao*, presented by the local government in April 2002, included BLV among the selected areas, "opportunity spaces," called on to play an important role in the reinvention of Bilbao as an innovative, dynamic, creative, and attractive city. The report highlighted the competitive advantages of BLV due to its "strategic location," its historic character, and the existence of an "operative artistic community." Based on these characteristics, the proposed "vision for the future" involved transforming BLV in a "new art and cultural activities pole" capable of acting as a driving force for the local economy and enhancing the attractiveness of the neighborhood but also of the city as a whole (AB 2002, 18). In the same vein, the *Special Plan for Bilbao La Vieja, San Francisco, and Zabala 2005–2009* (PE) adopted and systematized these arguments making the case for a culture-led strategy for the neighborhood's regeneration aimed at transforming BLV in a "culture-making machine" (AB 2005, 113). The plan explicitly proposed "exploiting the area's potential" to build an open and attractive capable of attracting new leisure-art-culture-fashion-and-technological businesses, tourists and visitors, and new residents to "sociologically revitalize the area," particularly "youth, artists, and bohemians" and "creative and innovative people" (AB 2005, 86–119). In order to achieve these goals, it was necessary to boost existing cultural infrastructures and develop new ones; stimulate and facilitate the establishing of new businesses in the field of culture, art, fashion and technology; provide an attractive residential stock for artists and youngsters; and improve the neighborhood's image and security; in sum, to develop the appropriate strategies to transform BLV into the "Borne of Bilbao," in reference to Barcelona (*El Correo*, October 21, 2003), into "the Montmartre of Bilbao" (*Deia*, December 16, 2004), or into the "*Soho bilbaino*" (according to the municipal publication *Bilbao* 200, January 2006), depending on the flair of the moment.

Figure 1.4 Bilbao La Vieja: A Panoramic View of the Renovated Waterfront.

Figure 1.5 Bilbao La Vieja: On the Tracks of Retail Gentrification.

Yet, despite the strong impetus and determination of local authorities, the transformation of an area into a "creative neighborhood" is far from a straightforward task; on the contrary, it is a complex, multifaceted, prolonged and open-ended process that cannot be simply planned and implemented top-down. In the case of BLV, even the plan concedes that there are numerous obstacles to the mission including problems related to widespread social exclusion, high unemployment, community integration and coexistence problems, a strong underground economy, crime and insecurity, a high concentration of illegal immigrants, the negative neighborhood image, and so on (AB 2005, 151–57).[7] Surprisingly, there is no consideration whatsoever of the potentially regressive effects that, in the event of overcoming such problems, a successful transformation of BLV into a fashionable and artistic neighborhood might generate; such as the social costs that these art and culture-led regeneration strategies might have on local residents: rising housing costs, displacement effects, the rise of new exclusionary spaces and dynamics, and so on are notoriously disregarded despite ample evidence in this regard from cities around the world (Gdaniec 2000; Jauhiainen 1992; Ley 2003; Slater 2005).

Seen from this perspective, the regeneration strategy implemented in Bilbao La Vieja and its conversion into a "creative neighborhood" seem to respond less to the interests and needs of local residents than to the perceived requirements of an ongoing process of further transforming Bilbao in a creative, attractive, and competitive city. Likewise, these strategies seem to be more oriented toward providing an attractive artsy environment for potential incomers—either "creative people" or visitors—than to improving the living conditions of existing residents, most of whom do not belong and most likely would never belong to this purported "creative class." Yet in the last instance a strategy overwhelmingly centered on physical renovation,

7. The transformation-gentrification of BLV is still sporadic, being more evident in the lower part of the area, the so-called BLV golden triangle.

cultural infrastructures, external image making, and the attraction of new residents is poorly equipped to address a reality of deprivation and social exclusion that suffer a substantive part of its population. On the other hand, the notion that the presence of new residents (younger, more educated, and more affluent) would, by itself, contribute to reduce the spatial concentration of poverty and generate a more diverse, multicultural, dynamic, balanced, and attractive neighborhood—in other words, the *social mix* discourse—does not stand up to the hard facts of a process that more commonly tends to produce "tectonic," polarized, and clashing social structures within the area (Simon 2005; Slater 2005). Moreover, the discourse deployed to legitimize these strategies—"new salvia," "sociological regeneration," "rejuvenation," "normalization," and so on (*Deia*, May 18, 2004; *El Correo*, November 4, 2004; *El País*, February 6, 2005)—is acutely counterproductive: by designating future incoming residents as the neighborhood "saviors," such talk makes its current inhabitants implicitly responsible for current deprivation and dereliction. Besides, these discourses also run the risk of legitimizing the plausible socio-spatial exclusionary processes and effects on less favored groups (MacLeod 2002).

It seems, then, to be more appropriate to ask to what extent these types of strategies do not, in essence, trigger processes of gentrification that, in the case of BLV, are unequivocally designed, planned, and implemented by the municipal government; strategies that most likely would end up displacing less favored residents to not so "creative" and "interesting" areas thus achieving "regeneration" by transferring, not solving, the original neighborhood's problems (Atkinson 2004; Slater 2005). This is gentrification as a strategy for regeneration, justified and legitimized by the "need" for engendering "creative spaces"—renovated, market-tuned, sanitized, and unproblematic—for the consumption of tourists and the "not-so-creative" segments of the creative class but ultimately focused on reinforcing the metropolis' image, attractiveness, and competitiveness (MacLeod 2002; Smith 2002; Bell and Binnie 2004).

Olabeaga: "*¡Que no traigan yuppies!*" Local Community and Resistance to Gentrification

Olabeaga is a small working-class neighborhood historically linked to the activity of the port and the shipyards stretched over an area of 25 ha and populated by little more than a thousand residents. Currently, Olabeaga occupies a strategic location on the waterfront of Bilbao (see figure 1.1). In recent years, this area has been strongly influenced by Abandoibarra's redevelopment process, notably the construction of the Euskalduna Conference Center and Concert Hall and the Bilbao Estuary Maritime Museum on the ruins of the demolished Euskalduna shipyards, which have granted Olabeaga a new centrality and its inclusion among Bilbao's so-called opportunity areas (AB 2002). However, Olabeaga's current strategic location stands in sharp contrast to the neighborhood's enduring problems.

Olabeaga was established as an industrial and working-class neighborhood in the late nineteenth century with the location of the Euskaldu-

na shipyards. Since then, this area has suffered from the consequences of industrial and urban growth: a chronic deficit of services and infrastructures, poor living conditions, and so on. In recent years, these problems have been exacerbated by economic crisis and industrial restructuring during the 1980s leading to economic decline (closure of the shipyards, employment destruction, and shrinking retail activity), dereliction (industrial ruins and abandoned buildings), and demographic decline (an aging population and population migration) (AB 1992). The physical isolation of this stretch of waterfront neighborhood framed by the railroad line, the shipyards, and the river, together with the particularly negative consequences of the 1980s industrial decline and the historical divestment and abandonment by the local authorities, make Olabeaga a clear case of a downgraded working-class neighborhood.

Nevertheless, despite an undeniable need for improvement, Olabeaga *does not present* the social traits that define deprived neighborhoods (Skifter Andersen 2002) or so-called underprivileged communities (Meegan and Mitchell 2001). On the one hand, its population's socioeconomic characteristics (see table 1.1) correspond to those of a traditional working-class neighborhood and even though Olabeaga has a significant proportion of vulnerable sectors (manual workers, the unemployed, senior citizens, and so on), it is not particularly afflicted by social exclusion or by the spatial concentration of poverty. On the other hand, Olabeaga is an embedded local community with a strong sense of identity and dense networks of social interaction; it is a "defended community" (Paddison 2001) capable of taking up collective action to defend its interest and resist whatever is perceived as a "threat" to the neighborhood. And, precisely, one of the recent bases of intimidation has been the Bilbao City Council's attempt at implementing a regeneration scheme in the area.

Figure 1.6 Olabeaga Waterfront: View from Zorrotzaurre.

The Bilbao City Council presented the regeneration scheme for Olabeaga in a draft plan put forward in March 2003 (AB 2003). The plan proposed a large-scale urban renewal operation in three neighboring quarters: Olabeaga, Basurto, and San Mamés, which would be managed by Bilbao Ría 2000, the redevelopment corporation in charge of Abandoibarra. In relation to

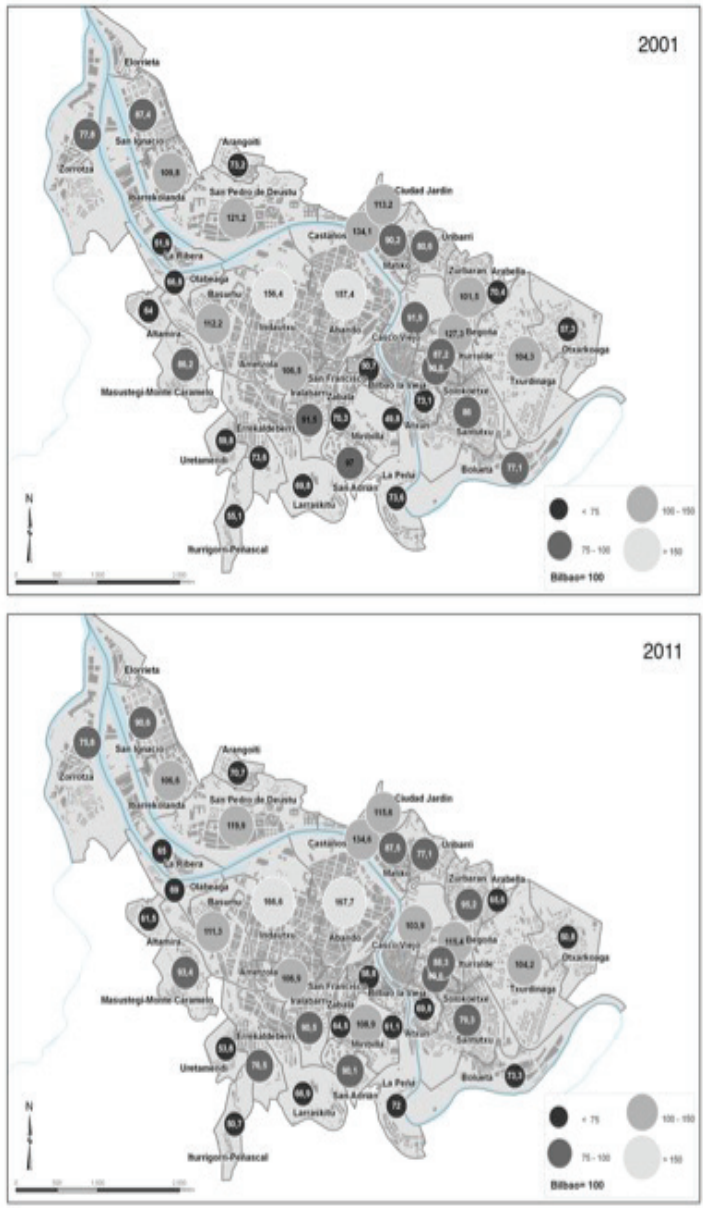

Figure 1.7 Bilbao Family Income 2001, 2011.

Olabeaga, the plan proposed a "large scale urban renewal operation aimed at recuperating for Bilbao a deteriorated, disperse and fragmented section of the city—the Olabeaga fringe— paradoxically imbued with a high urban potential due to its strategic urban and territorial location" (AB 2003, 37). In order to carry out this project, the plan called for expropriating and demolishing almost the entire housing stock to make way for a new residential area of 2,500 units, 500 of which would be reserved for reallocating displaced

residents. The rest of the units were meant for sale in the open market with the aim of obtaining the necessary revenues to finance the operation's costs. For the local residents affected by the intervention, the plan proposed their simple reallocation in social housing to be built in an unspecified site—but surely not in the same location, the aterfornt area, which the plan had reserved for the construction of luxury housing. The project was defended as an opportunity "to regenerate and renovate a marginal neighborhood" (AB 2003, 25); reinforcing the need to "change radically its current urban fringe image" (AB 2003, 30); tapping into the "enormous urban potential of a currently marginalized quarter of the city" (AB 2003, 47); and, in more general terms, the plan was described as "one of the key projects required to achieve an integral regeneration and dynamism of Bilbao's urban structure" (AB 2003, 23). In sum, on the one hand, the portrayal of Olabeaga as a marginal neighborhood, burdened with an "inadequate" image (and possibly inhabited by "inadequate" people), was used to justify the "need" for renovation; on the other, the depiction of Olabeaga as a decaying neighborhood but with a high potentiality derived from its strategic location was used to justify the "need" for intervention as essential for the construction of the new Bilbao.

In our view, Olabeaga's regeneration scheme fits rather well with what has been described as policy-led, new-build gentrification (Badcock 2001; Lees 2003a; Smith 1996). In line with many other large-scale urban development projects scattered throughout European cities (Swyngedouw, Moulaert, and Rodríguez, 2002), the regeneration of Olabeaga targets place rather than people; it is place that needs to be integrated into the new Bilbao, not the people already living there; it is place that needs redevelopment, not local community that requires better living conditions. The Olabeaga scheme is also an example of a market-led regeneration project, imbued of an inherently speculative logic, as its financial feasibility is dependent upon the state-assisted production of new land rents as most of the project's development costs are expected to be met from sales of land and housing units (AB 2003, 50). Olabeaga appears to be esteemed more because of its potential land-use value than for the community that resides on it. Consequently, policy-driven redevelopment seems to be geared to potential incoming well-to-do buyers rather than to local residents.

In sum, Olabeaga's regeneration initiative seems designed to enhance the city's image and to serve the interest of the real-estate market rather than to respond to the neighborhood's enduring internal problems; it appears more focused on maximizing revenues from residential turnover than to meet the social needs of the local community; it seems more weighted toward producing exchange value (both economic and symbolic) rather than use value. As is often the case in these policies (see Clark 2005; Wyly and Hammel 2005), the city government sugarcoated Olabeaga's redevelopment strategy with a marketing campaign and imagery of renewal, rehabilitation, and reinvestment, legitimizing them discursively on the purported need for Bilbao to become a more "competitive city," a "global city" (AB 2002; BM 2001).

However, for Olabeaga, the negative consequences and social costs of this regeneration strategy are rather evident: the destruction of the existing

neighborhood, the disintegration and displacement of the local community, and the transformation of Olabeaga into a new, higher-income neighborhood aligned with the requirements of the new Bilbao. This policy-led gentrification project was quickly identified by Olabeaga's residents as a top-down restructuring intervention that met with a strong and well-orchestrated contestation campaign led by an organization —Olabeaga Bizirik— specifically set up to stop the implementation of the redevelopment plan. Actions began with the presentation of allegations and proposals to the Bilbao City Council, an established statutory procedure prior to the approval of urban plans. Among the considerations spelled out by local organizers were lack of information, public debate, and participation during the drafting of the project. Indeed, the project had been commissioned in late 2000 while residents were only informed of it when it was officially presented in Olabeaga in May 2003. Another consideration addressed the top-down approach and authoritarian procedures of the program. The historical abandonment suffered by the neighborhood on the part of local authorities before it qualified as an "opportunity area" was likewise a point of contention. The allegations also took up the absence of a true regeneration approach in a project that involved the de-facto demolition of the neighborhood and disintegration of its community in the name of the interest of a new Bilbao. Other allegations stressed the speculative, classist, and exclusionary character of a project that would expropriate their homes in order to build luxury housing for new incoming residents and the psychological costs of living under the threat of expropriation and displacement (OB 2003).

Besides making uses of statutory procedures, the local association launched an intense protest campaign during 2004 using external connections to defend the neighborhood from the plan. The association established contact and meetings with local authorities and representatives of the political parties represented in the Bilbao City Hall. It produced press releases and appeared in the local media denouncing the situation of the neighborhood – for example, participating in local TV shows. The association also organized a series of public debates and conferences on urban regeneration in Bilbao and its neighborhoods. Other acts included protests and demonstrations through the city center to make their case known to the rest of the city and the creation of a webpage about Olabeaga.

Finally, in May 2004 Bilbao City Hall announced the withdrawal of the plan and the commissioning of a new project. The City Council justified its decision because of the strong reaction by residents to the initial project. However, it also pointed out the new context created by the launching of the redevelopment operation in Zorrotzaurre, an 80 ha peninsula opposite Olabeaga whose Master Plan is being drafted by the well-known architect Zaha Hadid, and that it was more coherent to provide a coordinated approach to both margins of the river. Thus, in December 2004, the local authorities commissioned the same team to draft a new plan for Olabeaga focused on rehabilitating (not destroying) the neighborhood and stressing citizen participation as an integral part of the process. Since then, the regeneration of Olabeaga has been linked to Zorrotzaurre's large-scale urban redevelopment scheme, an ambitious operation aimed at establish-

ing a mixed-use new centrality area for the location of directional activities linked to high tech firms and advanced services but also residential areas. The Master Plan for this area has already been approved but implementation has been delayed by the collapse of the real estate market after the financial crash of 2007. Thus, while a detailed evaluation would have to wait, the local association is understandably suspicious that, once again, the selection of world-famous architects would be part of a strategy on the part of the City Council to thwart opposition and legitimate a regeneration project that does not differ substantively from the previous one. Nevertheless, it is possible to advance some tentative conclusions. First, the experience of Olabeaga reveals that gentrification can be successfully resisted and challenged even in a context in which, as Smith (2002, 446, 447) notes, gentrification has become "a powerful, if often camouflaged, intent within urban regeneration strategies" and "urban real-state development —gentrification writ large— has now become a central motive force of urban economic expansion." Second, Olabeaga shows the importance of examining contextual specificities of the gentrification process (Slater 2004). Moreover, if gentrification is—as it is been increasingly suggested by the literature—a process deeply influenced by local context, then this means "that certain conditions favor it or limit it, increase the pace or slow it" (Shaw 2005, 168). In Olabeaga we have identified the existence of critical local factors that assisted gentrification, notably local authorities encouraging gentrification by means of urban regeneration strategies. But we could also testify to the existence of local limits to gentrification, namely an embedded local community blocking or at least slowing the passage to gentrification. The question remains whether a compromise between them could be reached so that even if gentrification could not be prevented at least its negative social effects could be minimized. But this would depend to a large extent on the position taken by the local authority.

Conclusion

In this chapter we have attempted to uncover the links between urban regeneration and gentrification in Bilbao. More specifically, we have used the example of Bilbao to examine the role of urban policy in promoting gentrification in Bilbao by discussing critically urban regeneration initiatives implemented during the last decade in three areas of the city. Our analysis has revealed the extent to which gentrification has become an integral component of urban regeneration strategies and has enabled us to highlight the crucial role played by local government in contemporary gentrification. In this sense, the case of Bilbao provides substantive evidence of the ascent of policy-led, "municipally-managed" gentrification as a basic feature of regeneration schemes in the new urban policy context of entrepreneurial governance (Lovering 2007; Mayer 2007; Slater 2005; Smith 2002; Wyly and Hammel 2005).

Our analysis of Abandoibarra, BLV, and Olabeaga has allowed us to expose the adoption of gentrification as a form of urban regeneration policy by local authorities. In both cases, we can identify a similar sequence of events. First, derelict sites and/or an obsolete, depreciated neighborhood strategi-

cally located along the waterfront are defined as "opportunity areas" for revaluation, reinvestment, and "reconquering." Second, this targeting has been followed by the deployment of new local government projects for regeneration—from arts and tourism-based initiatives, to flagship redevelopment projects, to demolition and new-build developments. Third, gentrification—broadly understood as the production of space for more affluent users—is the intended consequence and an integral component of these regeneration initiatives. Fourth, in both cases, the forging of the new Bilbao as a "global," "competitive," and attractive city operates as a legitimating discourse, while the language of renaissance, rehabilitation, or reinvestment sugarcoats the redevelopment schemes. Finally, in the three cases studied, the gentrification process being promoted by the local government carries with it a strong potential for displacement, either direct and at the neighborhood level, as in Olabeaga or BLV, or indirect and at the city level, as in Abandoibarra.

On the other hand, this comparative analysis has revealed that, even in the same city, gentrification plays out differently in different places; and to what extent the process is deeply affected by local context, with certain conditions fostering it or limiting it (Shaw, 2005). Thus, we found similarities but also substantive differences between the two cases related, to a large extent, to the specific characteristics of each area. Consequently, while in Abandoibarra—a nonresidential site located in a middle and upper-middle class neighborhood—opposition to gentrification has been little or nonexistent, in Olabeaga—a working-class neighborhood with an embedded local community—opposition to gentrification has been strong and well-organized to the point of forcing the Bilbao City Council to withdraw the project and slow the regeneration process. This points to the necessity, as Kate Shaw (2005) argues, of giving attention not only to the factors that encourage gentrification, but also to the local factors that limit it or, at least, constraint its negative effects.

We can then ask once again (Vicario and Martínez Monje 2003) whether the local authorities—outspokenly proud of the transformative results of the much praised "Bilbao model" of urban regeneration—are even ready to acknowledge the collateral effects and social costs of the regeneration policy-led gentrification processes. And, in a more general sense, whether gentrification is the inevitable destiny of inner-city neighborhoods holding unique rent-gap related "opportunities" within entrepreneurial regeneration strategies.

In sum, gentrification appears as a key concept to understand the unrolling effects of neoliberal urban regeneration processes in cities around the globe. Furthermore, gentrification analysis exposes prevailing ambiguities of actually-existing urban regeneration in terms of its praxis, discourses, strategies, and consequences that, far from neutral are unequivocally biased both socially and politically. This trend is most conspicuously manifest in rundown centrally located areas in which more privileged groups move in to take advantage of lower priced housing resulting from prior disinvestment in the area that often lead to the displacement or eviction of existing residents. This process of "colonization" may be encouraged by regular operation of housing and real estate markets as reinvestment becomes substantive

enough to change price gradients in the area and close the gap between the actual rent and the potential (after reinvestment) rent in the area. However, state policies can also play a crucial role in promoting both neighborhood disinvestment (by neglect, for example) and reinvestment, notably through urban regeneration policies, associated with gentrification. Indeed, over the last few decades, gentrification has gradually moved beyond a mostly fragmented process of rehabilitation of existing residential stock to become a comprehensive and purposeful urban redevelopment policy strategy that comprises not only the residential market but also retail, leisure, culture, and industrial activities with displacement effects that involve the remaking of housing markets but also the types of retail outlets, employment, infrastructures, and public spaces in a neighborhood and to different types of neighborhoods. The cases examined in Bilbao provide ample empirical evidence of this shift toward making gentrification the implicit agenda behind a systematic widespread urban strategy that brings together the interests of local authorities, planners, and developers. And, while neighborhoods gentrify-regenerate in different ways, institutional involvement in the form of large-scale urban redevelopment strategies, flagship interventions, and mega events go hand in hand with less conspicuous and localized initiatives that, nevertheless, carry on the same potential for displacement and eviction of less-desirable activities and/or social groups. Thus, in the particular case of Bilbao, gentrification provides a sound foundation for a critical evaluation of the largely unexamined consequences of Bilbao's successful model of urban regeneration (Rodríguez, Martínez, and Guenaga 2001; Rodríguez 2012).

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2

Some Reflections on Urban Revitalization and Regeneration in Central Asturias and Metropolitan Bilbao (1980–2010)

Joseba Juaristi Linacero

Embarking upon an analysis of the transformations of cities and urban systems from the beginning of the era of the autonomous communities until the present time, it would seem to be useful to compare the tendencies of urban areas that shared certain similarities at the beginning of the period in question. The present chapter involves a comparison of two urban areas characterized by the presence of pre-Fordist industries (especially the local iron and steel industry) that are also based on mineral extraction: coal, in Asturias, and iron in the case of the Bilbao region. The context of the industrial crisis and the urban decline of both regions at the beginning of the period in question (the late 1970s) will serve as a starting point for the kinds of paths followed to urban revitalization and renewal in each case over the course of thirty years, as well as for determining the role played by various agents and institutions, and the identification of the characteristics of urban models that have arisen.

Even though Bilbao has attracted more attention from those who study urban revitalization and renewal because of its exceptional nature, there is a dearth of detailed studies comparing metropolitan areas with similar characteristics. What is initially needed to conduct such an analysis is a detached consideration, on the basis of existing data and academic research, of the projects and realities in question, with the goal of drawing some conclusions (however modest they may be). In comparing two different urban realities within the same period, exogenous factors take on less relative importance for explanatory purposes, given that it is assumed that general tendencies at the level of the European and world economies apply to both situations—even though these larger tendencies affect the two realities in different ways.

The overall structure of this chapter involves first the definition of the terms "revitalization" and "renewal" as applied to metropolitan settings. I

will then compare the configuration of the metropolitan spaces of Central Asturias and Bilbao, as well as their relationships with their respective political and administrative authorities. Thereafter, I will proceed to analyze the transformations that have occurred in both areas during the past thirty years by examining a number of demographic and housing variables, as well as changes in land use. This will be followed by an attempt to discern the extent to which the processes of revitalization and regeneration have affected urban dynamics, in the understanding that the behavior of political and economic agents in the two cases has been distinct, and that this has given rise to two different models of urban revitalization and renewal. I will conclude with some comments on the characteristics of the two models.

Some Specifications Regarding the Terms "Revitalization" and "Regeneration"

Sometimes, the terms "revitalization" and "renewal" are used interchangeably. This is a phenomenon that can be observed in the titles of some of the references used in preparing the present chapter. The semantic differences that can be deduced on the basis of the etymologies of the two terms are clear. Accordingly, "revitalization" denotes infusing vital air into an existing organism, while "renewal" bespeaks a figurative rebirth and a literal replacement of old models and structures that are no longer seen as useful by new ones deemed more adequate for particular purposes. In any event, the first term is associated with a more quantitative impulse—a driving force—while the second term assumes the kind of structural change that requires a change in the model employed.

As regards the application of these terms to the changing urban realities of recent decades, we find that the expression "urban renewal" to be more frequent than "urban revitalization" in my studies, and also that the notion of revitalization is more closely associated with economic factors.

Strictly speaking, urban renewal begins in the context of embracing new transformation models that yoke together the notion of economic revitalization with that of the physical transformation of a city for the purpose of emerging from a state of crisis. This urban renewal involves activities affecting the installations and infrastructure of transportation, innovations of leisure and recreational facilities, and avant-garde architecture—none of which are to be employed for merely decorative or marketing purposes, but as an expression of a unified conception of the city as a central element of the productive and reproductive system of a society. Such a conception may have multiple origins, both in terms of economics (the economy of symbols, symbolic capital, and the role of image in a product) and in terms of postmodern premises based on the idea that the mode of production ("post-Fordist" capitalism) has so thoroughly subsumed culture and cultural production that it is now impossible to separate production from consumption. Collectively, such notions could be termed "postmodernization strategies" for urban renewal (Juaristi 1999). Much of the criticism of the most conspicuous aspects of urban renewal often treat such questions as mere "image-driven policies" or as urban marketing that is aimed exclusively at attracting tourists to cities

(a factor by no means to be dismissed, it should be noted), which lose sight of the integral nature of the city. In the words of Tomás Cortizo Álvarez (1999, 999), "Cities are the prime material of business in its three-pronged aspect of public management, investment, and consumption." Yet it should be added to this observation that cities are also the prime material of recreation and leisure.

One distinctive element of urban renewal is the involvement of a variety of actors, most typically an association of government institutions and private companies, and the mobilization of a wide variety of human resources: lobbies, interest groups, and informal associations. This dynamic results in urban renewal phenomena being particularly attractive objects of study from the standpoint of the theory of regulation, which tends to see capitalism as consisting of conspiratorial clusters that produce crises and that then undergo a restructuring process. Theories of urban organization are one example of this.

Taking this definition of urban renewal as a starting point, we could establish a hypothesis to the effect that the assertions regarding urban renewal in Central Asturias and Metropolitan Bilbao have differed from one another. As Judith Moreno Zumalde points out, urban renewal (both the term and the process itself) arose in reference to the practical activities concerning development projects in a number of American cities, like Baltimore and Pittsburgh, during the 1970s and in the context of an effort to attract private promoters to declining areas of the city—especially to the inner city and port areas adjoining or close to central areas. A second characteristic of early urban renewal identified by the present author is the prominence of large-scale interventions involving the restructuring of the productive urban fabric on the basis of the conception of a new model of the postindustrial city. Finally, another point is worthy of mention: "Although urban renewal is very closely related to actions to be undertaken with respect to the physical aspect of the city, and to economic restructuring measures, especially as regards industry, it also has an implicit social component that is important—a component that all too often is overlooked" (Moreno Zumalde 2005, 41).

In this regard, urban renewal is not fundamentally different from the general change processes that have occurred in all cities (irrespective of their level of industrialization) during the post-Fordist phase—processes such as residential changes; the utilization of vacant spaces that obsolete transportation infrastructures (especially railroads) have left behind; military installations; and the emergence of schools, warehouses, and workshops near the periphery of metropolitan areas. Many of these changes are addressed by public planning by means of projects and activities that could be characterized as urban renewal. These kinds of projects involving intervention in restricted areas of the city do not always require a global discourse in order to be implemented. In many cases, they are adapted to the urban planning currently being undertaken, while in many other instances, they require specific modifications.

In this respect, the cases of Central Asturias and Metropolitan Bilbao have a rather distinct character due to a number of different factors. The urban renewal of Metropolitan Bilbao began with a strategic reflection that

sought to identify international models or examples to emulate. This idea was present throughout the 1980s, yet in that decade the perspective was mainly sector-based and economic, and there were yet few considerations regarding urban planning and territorial elements. In a document that presents a brainstorming session of experts that was drafted under the auspices of the Economy and Planning Department of the Basque Country, an exhaustive analysis of the economic conditions in the metropolitan area during 1989 was presented with a view to "defining an economic revitalization policy for Greater Bilbao" (del Castillo 1989). Among the specific measures suggested in the conclusion section of that document, which comprises twenty-four sub-sections, issues involving urban planning are only mentioned in two different places, and both referred to the need for greater land allocation for economic activities; the restructuring of the Left Bank of the Estuary (namely, where the municipalities that had suffered the greatest losses of industrial labor were located) and the need to coordinate the plan for Bilbao with a general plan for the entire urban region. Among other considerations, the document notes the opportunities presented by a number of vacant industrial spaces near the urban center (for example, abandoned factories on the site of the Euskalduna shipyard and in the Zorrozaurre district). Although the document includes other noteworthy comments regarding the role of culture in cities, it lacks an integrating vision of the economic and urban phenomena.

The urban renewal of Metropolitan Bilbao began in the early 1990s, and media attention to the most visible aspects of this renewal on an international scale has led to the production of academic articles and monographs referring to this phenomenon as "the Bilbao effect." Media reporting on the urban renewal of Bilbao was due in large part to it being considered a "Cinderella city" that, just like the heroine of the fairy tale, had gone from being scorned by her sisters to receiving the attentions of the prince. Yet in reality, the impact of the Bilbao effect was obviously due to the construction of the Guggenheim Museum in accordance with a conceptualization that found favor among many architects, who saw the project as fulfilling one of the aspirations of the modern architecture and urban planning movement, namely resolving social problems via the single tool of physical design. The appearance of the titanium edifice amid the industrial blight of its surroundings (Zulaika 2001) is interpreted by many theorists as a solution that fell from the heavens—a kind of *deus ex machina*.

In the case of Asturias, at a time when, some fifteen years after the same process had started in Bilbao, emblematic architectural projects were undertaken, including the Palace of Congress in Oviedo and the Niemeyer Center in Avilés. Before rendering any verdict regarding these initiatives, it should be noted that they have occurred considerably later than economic revitalization measures, which in the Asturian case have not acted as an engine of renewal, given that many urban renewal measures have already been put into practice. There is a notable similarity between the plan to renovate the Avilés Estuary (specifically "Innovation Island," on which the Niemeyer Center is located) and the Abandoibarra Project in Bilbao (in which the Guggenheim Museum is located). In the latter case, however, urbanization

has already been completed. If the Bilbao case is to serve as a model, the changes in Avilés can be expected to be seen in about twenty years—unless favorable economic circumstances accelerate the process. But the opposite could also occur: We should not forget that certain urban projects in Bilbao were abandoned in the 1980s and early 1990s (for example, the Abando Intermodal Station and the Sainz de Oiza-Oteiza Corn Exchange Cube).

The Configuration of Metropolitan Spaces and their Relationship with Political-administrative Scales

One of the main objectives of the present chapter is to establish a spatial comparison scale. Studies of the phenomena of renewal and revitalization often become clouded by ambiguity regarding the issues of not only the spatial scale of such phenomena, but also the significance and spatial scale of the transformations that have occurred. For the purposes of the present study, I feel that it is best to adhere to the definitions that enjoy the highest degree of consensus, especially those that use urban planning documents that are currently valid. Normally, criteria with respect to infrastructure and characteristics of the physical environment that define an area weigh more heavily that mobility itself, which is often a highly unstable notion.

In the Basque case, I have chosen as the object of study Metropolitan Bilbao, which is the area targeted by current planning. This area comprises thirty-five municipalities and constitutes one of the so-called "functional areas" of the Organizational Guidelines of the Territory of the Basque Country, each of which is subject to a Partial Territorial Plan, the scale directly above that of the municipal level in urban planning schema. This is the same definition as that used in the Statistical Atlas of Spanish Urban Areas.

In the case of the Asturian Metropolitan Area, the choice is more complicated because there is no consensus regarding exact demarcation in the planning documents. This situation has arisen because the Guidelines for the Territorial Organization of Asturias, although defining a Central Area of Asturias, refer to this territory as the "Asturian Metropolitan Area" and relegate the question of demarcation of the area to secondary importance. Within the Asturian schema, urban planning at a scale higher than that of individual municipalities is much more flexible than is the case in Basque Country regulations. Current regulations name a total of twenty-two councils (equivalent to municipalities). But other authors demarcate boundaries that include between eighteen and twenty-eight municipalities, and which differ from one another. In European databases such as Urban Audit, the central Asturian space is only visible in the cases of Oviedo and Gijón as metropolitan areas that include those municipalities located closest to the two urban areas in question, but that exclude Avilés (because it does not reach the threshold of 200,000 inhabitants). In the data that I have drafted, I have used the definition of the Asturian planning document (Principado de Asturias 2010). However, for other data, I have used the *Atlas Estadístico de las* Áreas *Urbanas de España 2006* (Statistical Atlas of Spanish Urban Areas 2006) (Ministerio de Vivienda 2007) for comparative purposes.

Figures 2.1 and 2.2 depict the demarcations of these areas according to

the aforementioned source. In the Asturian guidelines, the following municipalities are added to those included in figure 2.2: Pravia, Soto del Barco, and Muros de Nalón (in the coastal zone near Avilés) and the municipality of Villaviciosa (near Gijón).

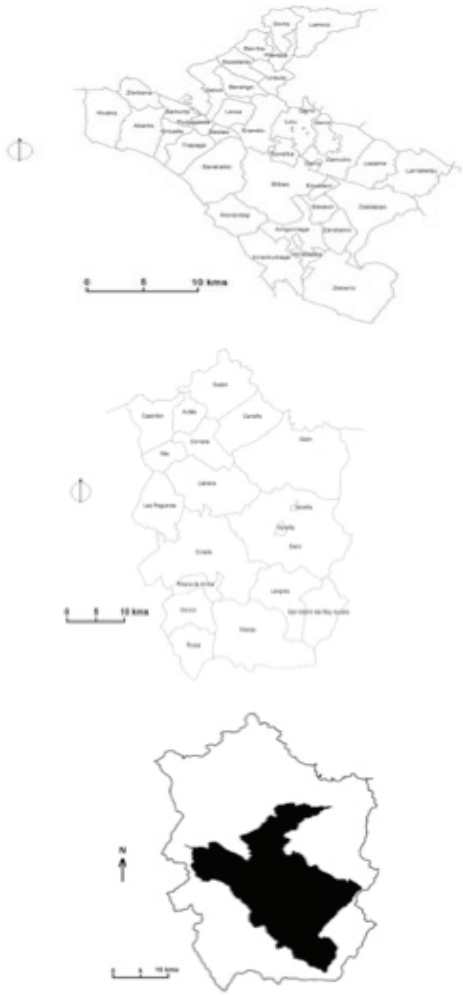

Figure 2.1 (top): Metropolitan Bilbao; figure 2.2 (middle): Asturian Metropolitan Area; figure 2.3 (bottom): Comparison of the surface areas of AMA and MB. Author's drawing. Source: Ministerio de Vivienda, Atlas Estadístico de las Áreas Urbanas de España 2006 (2007).

Although the demographic scale of the two cases is comparable, the spatial scale is not, given the fact that the surface area of the Asturian Metropolitan Area (AMA) is three times that of the metropolitan area of Bilbao. In order to provide an idea of this difference, Figure 2.3 presents a depiction of the urban area of Metropolitan Bilbao (MB) inserted within the boundaries of the Asturian area.

I am not unaware of the fact that this comparison between metropolitan areas may be affected by an underestimate of the influence of Metropolitan Bilbao, but in those instances in which it proves necessary, I will refer to the phenomena that transcend this demarcation. In any case, it is not felt that the possibility of any such underestimate substantially affects the conclusions that I present here.

The recognition of this "metropolitan" character as an essential consideration of urban planning was first expressed by the architect Ricardo Bastida in 1923, and became consolidated in urban planning at the wider regional level during the early years of Franco's regime in the Regional Plan drafted by Pedro Bidagor that led to the creation of the Administrative Corporation of Greater Bilbao, a regional body charged with implementing that plan, which functioned from 1945 until 1981. Although work at the regional level is often cited as a precedent for governance on the metropolitan scale, it was a model that ultimately failed both in Spain and elsewhere, as Horacio Capel (2004) notes. The functioning of this institution in Bilbao has been analyzed by Alfonso Pérez Agote (1979). The concept of "Greater Bilbao," a statistical unit comprising twenty-five municipalities, which continues to be used in official statistics of the Basque government, and commonly used as a term of reference by ordinary citizens, is in fact a vestige of that era.

In the case of Central Asturias, the concept of "metropolitan area" is an innovation that was adopted in the context of territorial planning during the autonomy era (namely, after Franco's death and during the Spanish transition to democracy). In their studies of city systems, Asturian geographers had begun developing conceptualizations of the space comprised by city systems at the beginning of that period (Murcia 1980). It was in this context that two key terms emerged: "the Asturian triangle" (referring to the space comprising the cities of Avilés, Oviedo, and Gijón) and "the Asturian figure-8" (the Asturian region whose contours represent a figure 8 on a map, with Oviedo constituting the central point of intersection; Avilés and Gijón the northern boundaries; and the mining basins of Caudal (centered in Mieres) and Nalón (centered in Langreo) forming the southern boundaries). The Asturian figure 8 comprises a system of five functional areas, of which three met the criteria of "metropolitan area" that was used at that time: Avilés together with Castrillón, Corvera, and Illas; Gijón-Gozón-Carreño; and Oviedo along with Siero, Noreña, Llanera, Ribera de Arriba, and Las Regueras. Avilés comprises an urban area with a population of 125,000, while Gijón and Oviedo each have a population of about 300,000. Conversely, the mining basin includes smaller urban spaces: Mieres is the axis of an area including Aller, Morcin, Lena, and Riosa and has a population of 75,000, while the Langreo-San Martín del Rey-Aurelio region has a population of 65,000.

A common characteristic of both metropolitan areas is the prominence of industry and mining as elements of identity. In fact, in both cases, zones dedicated to such activities can still be identified fairly clearly. In the case of Asturias, such zones are demarcated by strips of lands, with strips of mining land in the south; the central zone represented by the capital-city functions of Oviedo, and the northern zone serving as a port and industrial area. In

the Basque case, the division is somewhat different. The iron-mining zone in the mountains of Triano is associated with the Left Bank of the Estuary that is further away from the center of Bilbao. However, iron deposits have been identified and mined within the city limits of Bilbao itself (specifically, in the Miribilla district, in which a mine was in operation until 1980). The significance of the ending of iron ore mining activities in Bizkaia during the 1990s (whose previous activity had been nothing more than symbolic) has had less of an adverse impact that the closure of coal mines in Asturias, where the effect on employment was keenly felt.

Any assessment of urban renewal plans should take into account how concrete actions on mining and industrial spaces have been utilized, as well as how the industrial past has been used as a symbolic reference for the promotion of urban renewal. It is beyond question that these two factors are closely related, and this relationship has been addressed elsewhere (Juaristi 2006). Movements based on an affirmation of the industrial heritage that have arisen in both Asturias and the Basque Country may have a number of motivations related to the identity of the two places. In many instances, those who promote renovation present these movements as nostalgic enterprises that are nothing more than roadblocks to progress (from their standpoint serving a function similar to that of ecological movements). However, more recent strategic reflections have been taken into account for the purpose of claiming distinctive local elements and iconic features of the landscape.

As regards the location of industrial spaces within the metropolis, there is a good deal more contrast, given that there is a greater degree of separation of the industrial-sector clusters in Asturias than in Metropolitan Bilbao, where the concentration of factories along the river axis has offered greater opportunities in terms of revitalization and restructuring. The notion of "opportunities" (one of the four pillars of metropolitan planning according to the popular "SWOT" conceptualization) refers here to areas of opportunity that were initially identified in the first strategic documents, and that are reflected at the beginning of the 1990s in the cartography of advances in urban planning.

The industrial-sector clusters lying between Asturian cities have particular meanings in the context of possible repurposing, with scenarios in which loss of employment was uneven (but, in any event, less than in the mining basins). Avilés is without doubt an urban renewal site that shares a number of characteristics in common with the Bilbao Estuary, albeit on a much smaller scale. Gijón benefited from transfers of steel plants. Finally, Asturian urban planning has been committed since 1991 to the use of the space near Oviedo as a hub of the AMA in lands of the Oviedo, Siero, and Llanera Councils for the purpose of establishing urban-planning activities designed to provide cohesion to the multicentric structure of Asturian cities. Planning documents speak of a "peri-urban vocation" of this space, which is referred to as "the Metropolitan Hub of Asturias." Although each of the three largest cities has (or has had) its own "area of opportunity" that has emerged as a result of the dismantling of railroad infrastructures and factories, or from the transfer of installations, the development of the Metropolitan Hub is presented as a key element of the configuration of the center of

Asturias as a metropolitan unit. In some respects, the function of that area, and its role within the center of the metropolis, are comparable to the role of the Txorierri Valley vis-à-vis Metropolitan Bilbao, as we will discuss later.

To conclude this section, I would like to draw attention to the administrative scales that I am comparing (that is, the relationships in each instance between the metropolitan areas under study and the respective autonomous territories in which they are located). When I compare the structures of the systems of the cities at the level of autonomous communities, I need to appreciate the fact that Asturias has a surface area of 10,607 km^2, along with a population of nearly 1.1 million, while the Basque Country has a surface area of 7,234 km^2 and a population double that of Asturias. It is thus obvious that we are faced with two salient factors in the case of Bilbao: a higher demographic density as well as a denser urban system, if we take into consideration the network of cities comprising Cantabria, Burgos, La Rioja, and Navarre and the position of these urban centers within the European Atlantic axis.

Turning to the political importance of the cities in each of their territories, a comparison among the three primary cities in each case is instructive: Gijón, Oviedo, and Avilés in the case of Asturias with the triad of Bilbao, Donostia-San Sebastián, and Vitoria-Gasteiz. The fact is that Bilbao, even though it has an influence in the territory that exceeds the political and administrative limits of the Autonomous Community of the Basque Country, has a place within the political-administrative structure in which Vitoria-Gasteiz is the capital and in which, at one step below the autonomous level, there is the intermediate level of the provincial government of Bizkaia. It is important to take into account what in studies of territorial administration is referred to as "administrative distance" (that is, the relationship between the lowest and highest levels of a given population). In this regard, the territorial ratio between, on the one hand, the AMA and Asturias and, on the other, MB and Bizkaia, is approximately 0.79 in both instances. This is a matter that is important with respect to both the differences in administrative complexity that have so frequently been discussed (or, more recently with the governance of metropolitan territories) and with the issue of competition among cities—a competition that is often understood by local politicians as being directly related to proximity. This issue of rivalry among cities operates at two distinct levels in the cases under consideration here, given that the AMA contains three rival cities, while MB as a whole competes at the autonomous-community level with Donostia-San Sebastián and Vitoria-Gasteiz (Juaristi 2009). The overly simplistic political discourse of functional completementarity among cities that was in vogue at the beginning of the autonomy era (in which Bilbao, Donostia-San Sebastián, and Vitoria-Gasteiz were respectively assigned the roles of economic, cultural, and political capital) has since been modified only slightly, and through the use of what appears to be innovative language involving terms such as "synergies," "holistic vision," or cute neologisms such as "coopetition." But the territorial cohesion desired at the internal levels of both the AMA and the Autonomous Community of the Basque Country are in both instances based on political discourses involving a conception of a "metropolitan area" based

on mobility (especially mobility between home and work). In many instances, such mobility can rightly be characterized as "wasteful commuting" that has arisen as a result of both an economic restructuring that separates workplaces from homes, as well as from specific political decisions promoting decentralization (namely, those involving the locations of, for example, universities, administrative bodies, and other installations). In this context, the Euskal Hiria and Ciudad Astur projects can be usefully compared. In this way, the AMA can benefit at the autonomous community level from the concentration of efforts to invest resources, while, at the internal level, it must deal with the rivalries among the principal cities over the allocation of those resources. On the other hand, MB has experienced a dual external tension at the provincial level, in which the government (the provincial government of Bizkaia) is not interested in either a specific administrative organism at the metropolitan level (something unthinkable at this point) or in an effective coordination at the metropolitan level (which it sees as involving a loss of its power). At the autonomous community level, there is a tension resulting from competition with other cities over the capturing of investment and resources. These tensions are reflected in political confrontations that rise to the fore when they occur between different political parties as well as within different strata of a single political party. It is very common in the Basque Country for mayors of the principal cities to distance themselves from the ideologies and plans of their own political parties.

Tensions and disagreements occur more frequently in issues involving physical planning, and also within urban-planning consortiums, than in the context of drafting strategic documents. This makes it understandable why the process from conception to final approval of urban plans is such a lengthy one. For example, the Partial Territorial Plan of Metropolitan Bilbao was approved in 2006, while the initial implementation of that plan dates back to the 1990s. In Asturias, there is no metropolitan territorial plan for the central area, but there are specific sub-guidelines for this area that date back to 1991, and the most recent document relating to that plan that I was able to access was drafted in 2010 (Principado de Asturias 2010).

Finally, the framework of regional policies for each autonomous region with respect to economic revitalization initiatives at the state level, and state actions for infrastructures, also need to be considered. Beyond all of the commonplaces, there are differences that are also evident in academic papers. Thus, relations between the state and autonomous governments vary in each case, and are largely shaped by the political and social composition of the autonomous territories.

The widely held view of Asturias as a subsidized region is well summed up in the words of Sergio Tomé (1999, 2): "Strictly speaking, Asturias is not literally involved in a situation typical of a region in crisis, given that it has consistently enjoyed a kind of special status in the form of state protection, with levels of coverage more typical of a planned economy." The passive nature of Asturians in relation to an interest in public affairs and citizen involvement, their fatalistic view of solutions to problems such as how to emerge from various crises (which have only been resolved with state help, or by the intervention of some local politically well-connected magnate), is

in part a cliché, although there are data that suggest that there are important differences among the autonomous communities with respect to their corporate capital (Mota and Subirats 2000).

In the Basque case, the equivalent might be the discourse of the Basque nationalists who are currently in power, and who frequently resort to victimization in order to justify certain failures, pointing to the Spanish state as the guilty party. At other times, these same nationalists take a more positive tack, emphasizing the negotiating, enterprising, and innovative nature of the Basques as the reasons for their success in the face of real or apparent obstacles. To all of this can be added the problem of terrorism, the final stage of which appears to be on the horizon, but whose legacy has included, in addition to material and moral damages, the stifling and delaying of a good many initiatives.

The Transformation of Metropolitan Spaces in the Autonomy Era, 1980–2010

In this section, I will examine the broad outlines of the transformation in the urban spaces that I am analyzing in terms of a number of indicators, especially those that make reference to the spatial distribution of the population, the internal functional structure of the metropolitan areas, housing, and changes in land use.

Changes in the Spatial Distribution of the Population

The demographic evolution of the two urban areas reveals a number of common and distinctive characteristics within an as-yet incomplete cycle comprising some thirty years. Figure 2.4 presents the population trend, and allows us to correlate tendencies with the different stages of urban revitalization and renewal.

Figure 2.4 shows a regressive tendency in both cases, with a more acute downward slope in the case of MB, and with an important recovery during the past decade. During this recovery, the most dramatic increase has occurred in the case of the AMA. The end result for the period (the 1981 census and census figures for 2010) for the AMA is a population increase of 28,713, and a decrease in MB of 45,104. In 2010, the AMA and MB had total populations of 866,008 and 910,086 respectively.

While it is true that the Bilbao case has involved a residential expansion toward the exterior of the metropolitan space under consideration here, especially toward the Mungia region and the Cantabrian region of Castro Urdiales, this expansion, even if included in a graph, would hardly diminish the higher "wave amplitude" of the MB cycle in comparison to the of the AMA. The expansion experienced in nearly all of the large metropolitan areas appears to be a reflection of the mobility associated with the real estate development of recent decades and, quantitatively speaking, is not especially relevant in the case of Bilbao. This form of expansion seems to have resulted from typical metropolitan development dynamics that involve population losses in central areas and population gains in residential peripheral areas. While such processes have also occurred in MB, deindustrialization and

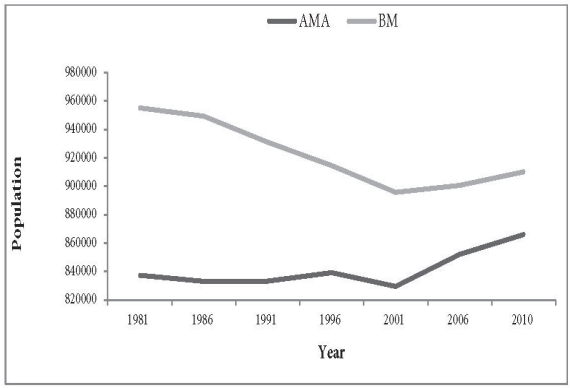

Figure 2.4 Population of Metropolitan Areas of Asturias and Metropolitan Bilbao. Source: INE (Instituto Nacional de Estadística), censuses and lists. I have used the AMA definition comprising twenty-two municipalities that was employed in the Regional Guidelines (DROTA). In the case of Bilbao, I have referenced the area of Metropolitan Bilbao.

subsequent conversion of industrial areas have played a greater role than purely demographic and real estate market factors.

Broadly speaking, the cycle consists of three well-defined stages: the 1980s, the time of the industrial crisis, was characterized by both economic revitalization efforts and the application of state policies for the conversion of industrial areas. The 1990s was the period of greatest regression in the case of MB, and was marked by a certain stagnation in the AMA (in other words, population figures for 1991 and 2001 are very similar). The 1990s were characterized by recovery efforts through urban renewal policies and projects. Finally, the 2000s were marked by development and growth. Yet given the great uncertainty that has prevailed following the economic crisis that began in 2007, it cannot be said that the current cycle of growth and recovery has ended. This latest stage is one involving the continuity of policies and projects initiated during the previous decade.

Figures 2.5 and 2.6 present a comparison of the hierarchy of demographic levels for 1981 and 2010 between the AMA and MB, respectively.

The Asturian distribution represents a population increase in the largest cities (Gijón and Oviedo), a decrease in medium-sized cities (Mieres and Langreo) and the lowest-ranking population centers, and no change for municipalities with a population between 10,000 and 20,000. If we examine the inter-census data for each municipality, we can observe that, throughout the period, three quarters of the municipalities have consistently had negative rates, while others have continuously displayed positive rates. Gijón and Oviedo have been able to capitalize their growth. Avilés has experienced a slight decrease, with a barely perceptible recovery during the past decade. Only five municipalities display a consistently positive dynamic: the two main cities, plus the municipality of Siero (which ranks ahead of the two main cities of the mining basin in both growth and size), as well as Llanera and Noreña. The last three municipalities have strong functional ties with Oviedo.

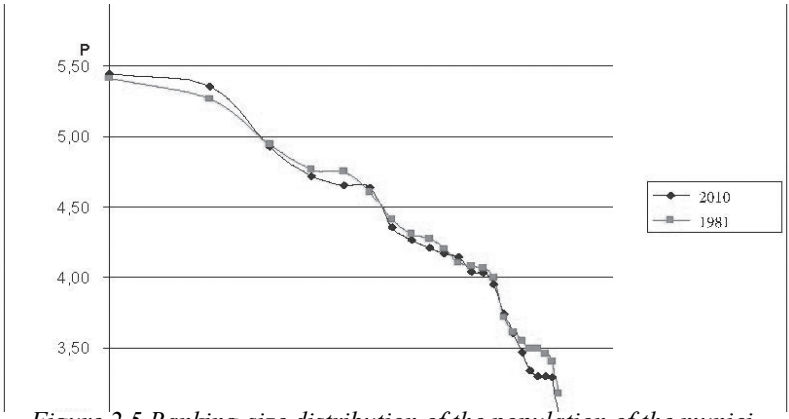

Figure 2.5 Ranking-size distribution of the population of the municipalities of the AMA. Source: INE.

The model of the demographic evolution of MB is different, given the fact that almost all of the first ten spots in the demographic hierarchy account for the most important population losses (namely, Bilbao and the most industrialized municipalities of the Left Bank of the Nervión River, in addition to Basauri), while the lowest-ranking centers have gained population. The size curve runs downward for the first ten centers, with the exception of Getxo, a residential municipality that has experienced growth. But there has been a greater degree of proportional growth in municipalities that in 1981 had a population between 1,000 and 10,000.

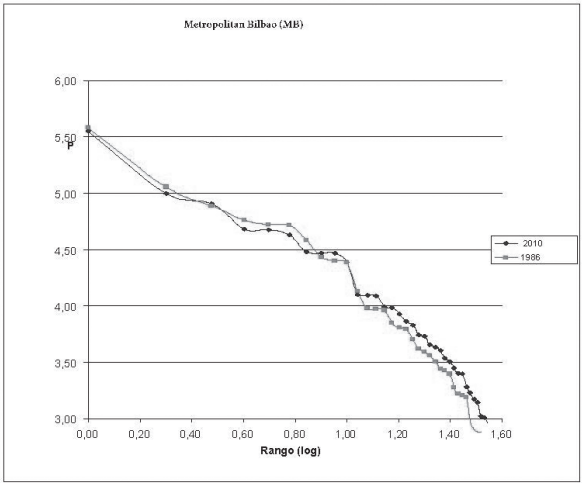

Figure 2.6 Rank-size distribution of the population of the municipalities of Metropolitan Bilbao. Source: INE.

If we analyze the internal growth of each of the two metropolitan areas, we once again see important contrasts. In Asturias, the two principal cities have experienced significant growth, with the highest increase in Oviedo,

which has gained nearly 41,000 inhabitants during the period. To this, we need to add the gains of the nearby municipalities of Siero, Llanera, and Noreña, which have experienced a collective increase of 17,000. Gijón's population has increased by roughly 21,000. On the loss side, the mining basins have experienced a collective loss of nearly 47,000 people (20,000 in Nalón and somewhat more than 20,000 in Caudal). Avilés constitutes an intermediate example given that, as a whole, its urban area has lost 6,500 inhabitants. This largest municipality ended the period with a population loss of 4,000. The remaining losses are accounted for by the surrounding municipalities of Gozón, Illas, and Corvera. Castrillón, which is more heavily residential, has seen a population increase of some 2,500 persons. Although the picture that emerges of Avilés is that of a city in industrial decline, the consequences of deindustrialization on the population have been less there than in the case of Metropolitan Bilbao, as we will now see.

The model of growth for Metropolitan Bilbao is very different from that of Asturias. The municipality of Bilbao itself lost about 30,000 inhabitants between 1981 and 2010. Not included in this figure are the 1981 census data for Erandio and other municipalities of the Txorierri Valley (Sondika, Derio, Loiu, and Zamudio), which at that time were included in the Bilbao population. In 1981, the total population of MB (*including* the aforementioned municipalities) was 433,030. There is no question that, in the case of the municipality of Bilbao, deindustrialization played an important role in population loss, especially during the early years of the period under consideration. But also playing a role in this loss is the typical dynamic of metropolitan areas that involves the impact of economic functions on land use in the city center, saturation of the real estate market, the rise in prices of new housing, and a concomitant residential suburbanization in areas at some distance from the city center. This process has not been studied as closely in Metropolitan Bilbao, but the evidence of loss of population in the center is in this instance correlated with residential growth of some of the municipalities on the Right Bank of the Nervión River, such as Getxo (which gained 13,000 persons during the period in question), Sopela (which gained 6,300), and Leioa (up by 7800). In addition, a number of municipalities adjoining the central municipality also experienced gains, including Arrigorriaga and Etxebarri (which increased by a total of 6,000). Another factor that bears mentioning in this connection is the residential expansion of Castro Urdiales, a Cantabrian seaport located only thirty kilometers from Bilbao whose growth has reflected the saturation of the real estate market of MB, and which has experienced impressive growth during the past twenty years (increasing from 13,376 in 1991 to a 2010 census of 25,636). This is a rather complex case that I will return to later.

The losses of population in MB are concentrated in the industrial municipalities, and their extent exceeds those suffered in Asturias as a result of deindustrialization. This is because it involves a loss of more than 10,000 inhabitants in some of the most industrialized zones (like Barakaldo and Sestao), as well as in contiguous areas of a more residential character (such as Portugalete and Santurtzi). The industrial municipalities of the Left Bank have collectively lost 45,000 people (a figure comparable to that earlier cited

for the Asturian mining basins), but to which needs to be added the approximately 10,000 lost by the municipality of Basauri, which is located farther up the Nervión River. All of these municipalities have been characterized by consistent population loss during the entire period, with the exception of Barakaldo, which has seen growth during the past decade (due largely to urban revitalization and renewal) and which once again surpassed 100,000 inhabitants in 2011—a threshold that it had dipped below in 1996.

Changes in Functional Structures

In this section, I will discuss the internal functional organization of the respective metropolitan spaces, taking into account the fact that, in cases such as those under consideration here, two different frames of reference are typically used: the "polycentric metropolis" (in the case of Asturias) and the "monocentric metropolis" (for Bilbao). This is a distinction that requires some clarification.

The Asturian model can be said to be demographically polycentric because the space of reference is organized around three cities—with Gijón being the most important in demographic terms. However, in terms of "nodality" (that is, topological importance, referring to factors such as centrality within the Asturian "figure 8") and functional prominence (as a "drain" for the large flows of routine movements), pride of place would certainly have to go to Oviedo, which, moreover, serves as the political and administrative capital of the principality.

The model of MB is monocentric because Bilbao is the most important city in demographic, nodal, and functional terms, and also because the intensity of movement flows is most intense between the center and other nodes.

In other words, it is possible to distinguish the two aforementioned models, but the two cases can also be ranked in reference to entirely different models. The term "polycentric" does not imply disorder of diffuse forces. Similarly, "monocentric" does not in the present context refer to a monopolistic dominance of space by a single entity. One way of seeing the internal organization of metropolitan space consists of studying habitual movements (for example, home to work, home to school, and so on) into which comparative studies of home-to-work movements are typically broken down. The main difference between models has to do with the role played as secondary centers played by Avilés and Gijón in Asturias—specifically, their centrality in the organization of areas located near the main cities. To a lesser extent, this hierarchy of secondary centers is also evident in the main cities of the mining basin (which in both instances include secondary centers—Mieres and Langreo).

Conversely, the organization of MB is dominated by Bilbao as the primary destination of movement flows, and there is no important home-to-work flow between municipalities that exceeds 500 people and that does not involve the municipality of Bilbao. This is a model that I have elsewhere referred to as "umbrella spokes" (Juaristi 2011). However, the second most important destination for each municipality reveals a schema of four sec-

ondary centers, a pattern that was already evident in the late 1970s and early 1980s: Barakaldo, Getxo, Basauri, and the Txorierri (or Asua) Valley. The focal point of Txorierri is the municipality of Zamudio, and in the census data for 2001 it emerged as the second most important external work destination for Bilbao, following Barakaldo.

In general terms, this subdivision reflects functional secondary areas, with a few qualifications (for example, Larrabetzu in Txorierri gravitates to Galdakao, and Erandio gravitates to both Txorrieri and the Right Bank). This spatial division has been adopted for descriptive purposes in Metropolitan Planning, and is reflected in figure 2.7.

The functional subdivision on the interior scale of the AMA and which is reflected in the idea of the Asturian figure 2.8, is what I use here and corresponds to the five subunits of Gijón, Oviedo, and Avilés, together with the municipalities that I have already named, along with the two mining basins.

In broad terms, the changes that have been experienced in functional structure between 1980 and 2001 (the last year for which data are available) are rather more quantitative (for example, a larger number of home-to-work movements) than qualitative (in other words, it appears to be the same sub-centers that are functioning). This is corroborated by a number of empirical studies (Blanco Fernández and Carrero de Roa 2001; Cortizo Álvarez 2001; Juaristi 2011). It can be seen that, despite the loss of population suffered by a number of "secondary" municipalities, these latter entities continue to function as tertiary centers and as magnets attracting workers from other areas. The reason for this is very simple. When large numbers of jobs in the major industrial factories that had drawn their labor from the nearby areas (normally, the nearest municipalities) suddenly collapsed, and the newly unemployed workers transitioned into the service sector or post-Fordist industries operating in smaller factories, the resulting displacement was of greater scope. The new employment opportunities generated in the service sector had a greater presence in the "central" cities of the metropolis, or in areas in which innovative industries arose. In the case of Central Asturias, such an area was the Central Nodes (that is, the territorial cluster comprising the municipalities of Oviedo, Siero, and Llanera) while in the case of MB that purpose was served by Txorierri (which has a limited residential capacity of 16,000, but which in the past ten years has become a greater metropolitan labor magnet because of its increased economic activity). This area, which had 9,381 "external" jobs in 1991, had 19,216 external jobs by 2001.

Housing Construction

My data regarding housing construction in the two metropolitan areas are based on census data from 1991 and 2001, dates that comprise the very middle of the period under consideration here. If we consider the total figures, the number of housing units increased by 54,553 and 32,574 in the AMA and MB respectively. Yet this difference is greater if we take into account the fact that, in absolute numbers, in 2001 there were 27,374 more housing units in the AMA than in MB.

Figure 2.7 Subdivision of Metropolitan Bilbao. Source: Diputación Foral de Bizkaia, Plan Territorial Parcial del Bilbao Metropolitano (2006).

Table 2.1 presents these figures.

Table 2.1 Housing units in the AMA and MB in the years 1991 and 2001. Source: INE, census data regarding population and housing. *I am referencing here the total of twenty-two municipalities cited in the Regional Guidelines (DROTA), and not the more limited boundaries of eighteen municipalities used in the Ministerio de Vivienda, Atlas Estadístico de las Áreas Urbanas de España 2006 (2007).

Metropolitan area*	Housing units, 1991	Housing units, 2001	Difference	% Growth
AMA*	340,769	395,332	54,553	16.0
MB	335,374	367,948	32,574	9.7

As is the case with population, tendencies within the larger territorial context are different in the two cases. Thus, the increase in housing units in the AMA accounts for almost 90 percent of the total increase in Asturias, while increase in MB accounts for only 72 percent of the increase in Bizkaia.

In central Asturias, the municipalities that have the highest increases in housing units are Gijón (19,849) and Oviedo (17,328), with Avilés (4,246) and Siero (4,009) lagging far behind. The two largest municipalities in the mining basins, Mieres and Langreo, have experienced more modest gains (1,542 and 775 respectively).

For Metropolitan Bilbao, the figures are much more modest, with the municipality of Bilbao itself situated in the middle of the two main Asturian cities in terms of population gains, with an increase of 9,802 housing units, and Getxo (2,803) and Barakaldo (2,604) bringing up the rear. The traditionally residential municipalities of the Left Bank, Portugalete and Santurtzi, have had modest increases of 1,012 and 1,899 respectively. In this respect, it is also important to consider the Cantabrian seaport of Castro Urdiales, in which the number of dwellings increased from 9,116 in 1991 to 18,821 in 2001. The functional ties between that municipality and Metropolitan Bilbao are obvious, as shown by the mobility figures for the year 2001 that reveal that Castro Urdiales is home to 3,174 people who work in Bizkaia, of whom 1,279 work in Bilbao and a total of about 2,400 work in MB. Although the phenomenon requires a more in-depth study that includes factors spe-

cifically relevant to the housing market and diffusion of mobility, sociopolitical factors also deserve consideration. It should, in addition, be noted that the factor of secondary residence is important in the case of Castro Urdiales. Thus, in 1991, 3,224 housing units (35 percent of the total number) in that seaport were classified as secondary, while the corresponding figure for 2001 was 8,367 (nearly 45 percent).

Here, it is important to consider in general terms the phenomenon of secondary residence, not because of its quantitative importance, which has consistently diminished, but because of the role that it has played in defining some municipalities as residential and desirable. The increase in secondary housing in the AMA is very modest (namely, 2,401 units more in 2001 than in 1991), with greater growth in Gijón (806) than in Oviedo (632) and significant increases in both Pravia (533) and Gozón (469). On the contrary, there are also some municipalities with residential enclaves (such as Castrillón, which includes the Salinas neighborhood) that have experienced a decrease in secondary residences as a result of the transformation of secondary residences into primary residences.

In MB, the net balance of secondary residences is negative for the same period (-388). This points to the fact that traditionally residential municipalities, such as Getxo and the coastal area of Gorliz, have experienced decreases in the number of secondary residences (-360 and -904 respectively). This is a change that has doubtless been influenced by the transformation of secondary housing into primary housing.

In conclusion, it is important to emphasize that the AMA not only had higher rates of housing per resident in 1991, but that its increase ten years later was greater than that of MB. Thus, MB went from 360 housing units per 1,000 inhabitants in 1991 to 411 per 1,000 in 2001, while the corresponding figures for the AMA are 409 and 477. In other words, the AMA has been more successful in expanding the housing market than MB.

This leads us to other considerations, given the fact housing as a whole in MB is older than that in the AMA, and because the average cost of housing in MB is much higher than in central Asturias. The Asturian expansion may have been motivated by greater land availability, but it was also due to a territorial strategy aimed at reinforcing the largest cities of the Principado (principality).

In the case of MB, policies promoting the construction of housing blocks in spaces abandoned by industry have often been criticized, especially when carried out in the "areas of opportunity." Coming under particularly hostile fire in this respect are the policies developed by the urban planning consortium Bilbao Ría 2000, or by some town governments. Yet the fact remains that construction of housing in MB has not been particularly intensive, and it is possible that the supply has been so low that it has indirectly triggered the phenomena of overflow (as in the previously cited case of Castro Urdiales), an increase in the number of housing units in peripheral municipalities near Bilbao (Arrigorriaga, Etxebarri, and so on), or even in areas far removed from the metropolis.

Conversely, residential expansion in the AMA is seen as a sign of progress and evidence of the transformation of the urban image, especially in

Oviedo. This is a result not only of internal renovation projects such as the Green Belt for railroads, or the reorganization of the El Cristo zone, but also because of the expansion of the central urban area to La Corredoria as a result of new residential developments.

Changes in Land Use

Here, I will examine in broad terms the changes that have occurred in land use by using a number of indicators published in the *Atlas Estadístico de las* Áreas *Urbanas de España* 2006 (Ministerio de Vivienda 2007). In this instance, I have no choice but to reference the boundaries used in that source, which includes within the AMA the eighteen municipalities represented in figure 2.2.

Table 2.2 shows the total figures for artificial surfaces for the years 1987 and 2000.

Table 2.2. Increase in artificial surface areas in the AMA and MB. Source: Ministerio de Vivienda, *Atlas Estadístico de las Áreas Urbanas de España 2006* (2007).

Metropolitan Area	Total Surface Area (square kilometers)	1987 Artificial Surface Area (hectares)	2000 Artificial Surface Area (hectares)	Change from 1987 to 2000
AMA	1464	12,435	14,933	2,558
MB	504	7267	7940	673

The primary quantitative changes in the extent of artificial surface areas shows that, even though the territory of Metropolitan Bilbao is much more intensively occupied (namely, that the artificial surfaces in this case represented 15.8 percent of the metropolitan territory in 2000, while the corresponding figure for the AMA was 10.2 percent), the increase in both relative and absolute terms has been far greater in the Asturian case.

The areas of greatest expansion in MB have been Txorierri (with the municipalities of Derio Loiu, Sondika, and Zamudio accounting for an increase of 226 hectares) and three municipalities on the Right Bank (Getxo, Leioa, and Erandio), which account for an increase of 174 hectares. All together, these seven municipalities account for 56.4 percent of the total increase. The Left Bank, the industrial zone *par excellence*, only adds an additional 168 hectares, nearly 25 percent of the increase in artificial surface areas. In Bilbao, there was barely any increase at all (only 6 hectares) and increases were also slight in the Lower Nervión (less than 50 hectares in Basauri and Galdakao).

In the AMA, there were increases of more than 500 hectares in Gijón and Oviedo (505 and 565 respectively), and an increase of 500 hectares in the case of Siero. If we add up the figures for the "central" municipalities of the AMA (Oviedo, Siero, Llanera, and Noreña), the increase has been 1162 hectares, which collectively accounts for 45.4 percent of the increase in artificial surface areas of the AMA. The remaining increase is shared between Gijón-Carreño (almost 22 percent) and the urban area of Avilés (a

very modest 5.32 percent). In contrast, the mining zone saw a considerable increase in the artificial surface areas of Mieres and Langreo (28.38 percent) as a result of the creation of industrial parks and commercial areas.

These increases reflect zones in which new economic activity is taking place in both the AMA and MB. In the former instance, the area was dominated by the Metropolitan Nodes within the municipalities of Oviedo, Siero, Noreña, and Llanera that includes the most recent industrialization zone (industrial parks that date back to the 1960s) and a cluster of preexisting diversified industries (for example, the chemical, ceramics, and agribusiness industries) as well as "peri-urban" installations (for example, an airfield, sports facilities, and dispersed residential areas) in which the Asturias Technology Park (a 48-hectare facility created as a result of an initiative of the government of the principality) is located and which also includes large commercial developments (Azabache, completed in 1977, and Parque Principado, which opened in 2001).

In MB, the zone of new economic activities is territorially identified with the Txorierri Valley that, like the central Asturian space, is characterized by its peri-urban character. As mentioned earlier, several municipalities were annexed to Bilbao, and it is in this area that a number of metropolitan installations are located: for example, the cemetery in Derio, the main airport in Loiu (which had previously been in Sondika), as well as industries (especially chemical industries) that originated from the penetration of factories along a line extending from the Bilbao Estuary through the Asua Valley. It is the Technology Park in Zamudio (265 hectares), completed in 1985, which is the most emblematic structure of the area. This facility is home to a large number of varied enterprises representing different levels of specialization that have their installations along a linear avenue called Txorierriko Etorbidea. The difference between this zone and the Metropolitan Nodes of Asturias is that Txorierri has a far less residential character. The four main municipalities of the region have a population of only 16,000, while Siero, Llanera, and Noreña contain more than 70,000 inhabitants. Another important difference is that the Metropolitan Nodes of Asturias offers far greater diversity than MB.

The maps in figures 2.8 and 2.9 show areas of new economic activity. The sizes of these zones are about the same. Thus, the surface area of the Asturian Metropolitan Nodes referenced in the Special Territorial Plan (Principado de Asturias 2009) includes a total of 5,680 hectares, while the sum of the total surface area of the municipalities of Derio, Sondika, Zamudio, Loiu, and Lezama is 6,387 hectares. Txorierri has been converted into a new job-destination zone for Metropolitan Bilbao, ranking third in external workers, behind Bilbao and Barakaldo. But it has not been the target of any plan specifically related to its role vis-à-vis the new functions of MB, even though it was long ago identified as an area of potential expansion. There are projects for constructing a tunnel in Artxanda (a hill overlooking Bilbao) that date back to the time of Spain's Second Republic in the 1930s, and an international contest was held in 1960 for the residential urbanization of the area. The Asturian Metropolitan Nodes have recently been the focus of strategic reflection in the context of promoting the urban cohesion of the Asturian Metropolitan Area.

The Role of Socioeconomic Revitalization and Urban and Territorial Planning

In light of the tendencies analyzed in the previous section, it is safe to conclude that the two cases studied here represent two distinct models of metropolitan evolution. On the one hand, there is the Asturian model, in which growth is evident in the two main cities; no change or a slightly negative trend in the urban-industrial zone of Avilés; and decline in the mining basins. On the other, MB reflects a model typical of the evolution of mature metropolitan areas, with a loss of population in the center, and centrifugal effects radiating out toward a distant periphery. In Bilbao, the impact of the deindustrialization that occurred in the 1980s has been more pronounced than in central Asturias.

In terms of housing construction and the expansion of artificial surface areas, the AMA could be characterized as involving more "consumer-oriented" land use than is the case of MB. Of course, such an assertion is necessarily qualified by the fact that, in central Asturias, which has a greater territorial extension, the "roof" of the developmental capacity of the urban land and economic activities cannot be perceived as clearly as it can in MB. However, objective data do show that the model of the AMA has definitely involved a higher degree of land use. Other proof of this resides in the fact that there has been more expansion in the large commercial spaces of Asturias (Fernández García 2003). This has occurred despite the fact that urban planning within the period has been characterized by the containment of expansion of urban networks (Alonso Teixidor 2008) and by urban planning that has been committed to a compact vision of the city in the interest of reducing the cost of transportation and sustainability.

Such tendencies must be analyzed in relation to the discourses regarding economic and social revitalization that are evident in specific strategic reflections or territorial planning, as well as in urban and territorial planning documents. In this regard, there are a number of differences between the two cases analyzed here.

As regards strategic planning, Metropolitan Bilbao is known for the Strategic Plan drafted in the 1990s by the Bilbao Metrópoli 30 organization. In fact, this plan was created at a time when the main urban planning projects (namely, those for Abandoibarra, the Bilbao Metro, and the Guggenheim Museum) were already in progress. For this reason, the distant reference point for strategic reflection must be assigned to the aforementioned document of the Department of Economic Planning of the Basque government (del Castillo 1989). The very name Bilbao Metrópoli 30 underscores the metropolitan character of Bilbao, but without undue concern for territorial definition, given the fact that the definition of the metropolitan territory as an urban planning area was the responsibility of the DOTs of the Basque Country, and were approved following the founding of the organization (Gobierno Vasco 1997). On the other hand, the association's name places an emphasis on the "Bilbao brand" rather than on territorial extension. Its promotional campaigns make that emphasis clear (viz. the motto of the 2010 Strategic Plan, "Bilbao as a global city").

In the case of Asturias, there is no strategic plan on the metropolitan

scale, although there are strategic plans at the municipal level, such as the Avilés Strategic Plan 2000 drafted by the government of that city in 1992–1993 (Benito del Pozo 2004) as well as a few supramunicipal plans, such as the Strategic Plan of the Nalón Valley. This could be significant in that it shows the absence of a strong general awareness (especially among private-sector agents) of the strategic value of the central area of Asturias, or because it may be indicative that the public sector (in other words, the government of the Principado) does not have sufficient interest in promoting the idea of an Asturian Metropolitan Area as a strategic territorial objective.

The broad lines—we could well say the *strategic* lines—for the central area of Asturias have been included in the specific secondary guidelines for that zone, the first version of which was published in 1991, and which was based on a commitment to concentrate population and economic activity in the central area, in which the primary efforts of the autonomous government were focused (Principado de Asturias 2010). The 2010 revision of the document represents something of a paradoxical approach, reflecting the view that, in order to attain a new equilibrium within the region, it is necessary to begin by consolidating and realizing the potential of the central area. The secondary guidelines of 2010 include the contention that it is necessary "to consider all of the sector-based strategies specifically in terms of the central area" and also to identify as new central space the aforementioned Metropolitan Nodes of Llanera-Siero-Oviedo to satisfy those calling for the drafting of a new supra-municipal urban plan.

It is clear that the growth tendencies of the AMA have followed the lines indicated in those documents, and that the government of the Principado has invested most of its energies in the primary economic revitalization initiatives, including an important role of the autonomous institutions in the construction of the Asturias Technological Park. A number of very similar tendencies have been observed in MB as regards new central spaces, such as the previously discussed case of Txorierri, where a Technology Park promoted by the Basque Agency for Entrepreneurial Development (SPRI, a Basque government entity) opened in 1985. Yet in the case of MB, there is a greater presence of private companies, especially as regards the technology sector.

The secondary guidelines for the central area in Asturias see this new central space as an opportunity to promote the cohesion of the AMA. Yet it is important to consider the fact that Gijón has its own innovation area in Cabueñes, in which the Scientific and Technological Park is located. The same is true of Avilés, where a Technology Park of the Principality of Asturias has recently been proposed.

The Partial Territorial Plan for Metropolitan Bilbao that was developed by the provincial government of Bizkaia and approved in 2006 began producing preliminary documents in the 1990s that emphasized the strategic value of "areas of opportunity" situated along the fluvial axis of the Bilbao Estuary. The most prominent of these areas was Abandoibarra, in the heart of Bilbao, an area renowned for both cultural infrastructure (for example, the Guggenheim Museum and the Euskalduna Conference Center) and buildings designed by internationally famous architects that project an image of urban renewal. In addition, there are other areas currently being renovated, such as the Zorrotzaurre peninsula, the Urban Galindo zone project in Barakaldo,

and the Sestao salt marshes zone (the so-called pill of Altos Hornos).

Within the strategic plans that delineate the broad lines of development, which include those on a metropolitan scale as well as municipal urban renewal plans, whether in the form of land-use planning or subsidiary regulations that include the allocation of land for specific kinds of use, there is an element considered crucial for urban renewal: urban planning consortiums. These consortiums are publicly owned private entities that carry out a large percentage of urban operations. The use of urban consortiums has been considered justified because it brings together local, regional, and state interests (the last of these being sector-based); because they display a certain agility in their managerial activities (allowing access to European community help); and on account of their success in modifying urban planning by means of *ad hoc* re-evaluations. These positive aspects of consortiums are, in the view of their critics, outweighed by what they see as their entrepreneurial character, which emphasizes real estate profitability, and their short-term objectives, which mortgage the future of some strategically valuable zones for installations and infrastructures. There is, in addition, criticism of the lack of transparency of the decision-making process and lack of political responsibility. Nevertheless, disagreements among the partners in a given venture are usually aired in the media. Below, I present a brief review of the primary consortiums that currently operate, or that have operated, in the two metropolitan areas under consideration here.

Among the various consortiums of the two metropolitan areas under consideration here, the Bilbao Ría 2000 Association has been around the longest, and is still active today, over twenty years after its founding in 1992. It has constituted a reference-point for the most important urban renewal activities, although its territorial scope, as well as the composition of its members, is limited to the municipalities of Bilbao and Barakaldo. Criticism of the activities of Bilbao Ría 2000 have mainly focused on the issue of the image that it promotes, specifically as regards Abandoibarra, but not in reference to more socially oriented projects (for example, the urban renewal of Amezola). From a professional standpoint, the accusations stem from the selection of world-famous architects (Álvarez Mora 1999). There is also a line of criticism directed more specifically at the image of renewal projected by some of the activities of this consortium, rather than at the consortium itself (Gómez 1998; Esteban Galarza 2000; Mas Serra 2011). Analyses conducted on the basis of critical or neo-institutional perspectives have cited the subordination of urban planning and economic renewal to activities involving image projection or iconic sites. Among the most prominent critics in this respect is Arantxa Rodríguez (Rodríguez 1998; Rodríguez 2002; Rodríguez and Vicario 2005). Meanwhile, Elías Mas Serra (2011), in addition to reflecting some of the previous criticism, specifically draws attention to the opportunistic character of the association's projects. From the point of view of the social consequences of urban renewal, there have been few studies focusing on the kind of city that is being created, and those that have been published often do not get past the commonplaces of ecological fallacies. Thus, for example, Arantxa Rodríguez, Elena Martínez, and Galder Guenaga (2001) address the social and professional structure of the sub-metropolitan units of MB during the period 1986–1996, at the same time telling the story of urban renewal,

but without discussing the concrete mechanisms of the causal relationship. Another example in this regard is the study authored by José Enrique Antolín Iría, José Manuel Fernández Sobrado, and Eneko Llorente Bilbao (2010) in which socio-spatial segregation is measured only within the municipality of Bilbao—a scale that is not suitable for generalizing consequences.

It is obvious that urban renewal mechanisms are currently in place that are generating perverse results and that have important consequences vis-à-vis the real estate market, giving rise to inequalities and social-spatial segregation. Nevertheless, it is necessary to assess the impact of urban planning operations at different project stages, and to establish comparisons between different environments. I have already indicated that there are important differences in average house prices between the AMA and MB. But explaining these differences solely in terms of high-profile urban planning activities does not go far enough. A greater housing shortage in one place or another may add a critically useful element to such explanations.

In the case of Asturias, the earliest urban-planning consortiums arose in the early 1990s, with criticism (which was much less fierce than in Bilbao) focusing more on the development of a capitalistic and speculative kind of urban planning. One of the first consortiums was the Cinturón Verde de Oviedo ("Oviedo Green Belt") association, which was created in 1992 for the purpose of implementing a project involving urban and railroad reorganization in the wake of the dismantling of rail lines and railroad stations. This consortium, which is no longer active, is best known for managing 6,500 parking-garage spaces in Oviedo. Early criticism of the association's work focused on the merits of understanding urban activities within the context of the relationship between the railroad and the city, and the opportunities offered by these spaces to implement a more socially oriented urban planning (Madera and Tomé 1996). Cortizo Álvarez (1999, 2003) offers a more radical critique, extending his analysis to all of the mechanisms of the real estate market and the institutions involved in that market, although he does not include an assessment of any of the completed urban planning projects, limiting himself to a snide comment regarding the "paving stones" that had been placed over the rail lines.

In the case of Avilés, there have been two different kinds of urban planning consortiums. The first of these was Avilés 2000, which was founded in 1993 and co-owned by the Principality of Asturias, the SEPES (La Entidad Pública Empresarial de Suelo, the Public Business Body for Land Use), and the CSI (Corporación Siderúrgica Integral, the Integrated Iron and Steel Corporation) (which each controlled 30 percent of its shares) as well as the city governments of Corvera and Avilés (which controlled the remaining 10 percent). The consortium was responsible for managing a 250-hectare plot of land for which hopes for reindustrialization were still held out. But beginning in 2000, following the disappearance of Ensidesa (Empresa Nacional Siderúrgica, the National Iron and Steel Company), new projects were implemented that were more oriented toward the service and tourism sectors, and to providing services to companies. This last emphasis took the form of the development of the Entrepreneurial Park of the Principality of Asturias, for which a new business corporation was created in 1998. The limited success of such projects during the 1990s has led to only limited criticism. Paz Benito del

Pozo (2004) only finds fault with the excessively ambitious role of the SEPES as regards the obtaining of surpluses, actions that supposedly hindered the success of some of these projects.

In 2008, the Isla de la Innovación ("Island of Innovation") corporation was created in Avilés for the purpose of managing the previously mentioned land. Five percent of this corporation is owned by the Port Authority, 25 percent by the city government of Avilés, and 35 percent each by the Principality of Asturias and the state-owned Infoinvest Corporation. The most prominent project carried out by this corporation is the Niemeyer Center, a cultural center that opened its doors in 2011. Finally, there is the Gijón al Norte ("Northern Gijón") consortium, which was created in 2002 in order to coordinate railroad-reorganization and urban-planning activities involving the creation of adjoining stations and the obtaining of land to be urbanized.

One common characteristic of the activities of urban planning consortiums is the production of not only new urban focal points but also of new public spaces. This last-mentioned factor has not yet been sufficiently assessed, and doing so would require an extended period of time. It is true that there is a struggle among cities to create a brand image—an image, it should be noted, that is not always satisfactory to the city's own residents. But a compensatory element for citizens resides in the fact that the re-utilization of old factory, railroad, or port spaces involves the opening of new public spaces for everyone. Similarly, mobility for public transportation is facilitated by means of transportation infrastructures and hubs. What is most visible is often what is most frequently discussed, even if it is not what is most useful for the city's residents.

In such urban renewal activities conducted by consortiums, we can see obvious parallels between the cases of the AMA and MB. Bilbao has differed, though, in the media-driven impact of the urban image and the timeline of the innovations. By way of comparison, it can be said that Bilbao was the first to undertake urban planning and architectural and image-related innovations in the postindustrial era, but that central Asturias took the lead in incentivizing urban growth, as demonstrated by its demographic, real estate, and land-use dynamics.

Conclusion

It has proven difficult to compare two very different urban realities. Nevertheless, it is still possible to draw a number of conclusions. In the Asturian model, the planning and policies of the autonomous government have been committed to reinforcing growth in the central area, and this has led to the growth of both Oviedo and (to a somewhat lesser extent) Gijón, while Avilés, despite having the image of an area in decline, has effectively withstood the industrial crisis, at least compared to the industrial municipalities of the Left Bank of the Bilbao Estuary. This kind of growth is not typical of a metropolitan area, in which we normally see strong interconnections with residential zones and areas of economic activity. In fact, the typology of this growth could be said to be that of medium-sized cities: of an historical capital of an old territory that that has acquired self-governing power; of a port city and resort (and an industrial city); and of a small

industrial city in crisis.

Attempts to reinforce the metropolitan unity of Asturias have aimed at organizing the territory of the Central Nodes of Oviedo, Siero, and Llanera, in which there are common metropolitan installations such as the Asturias Technology Park, Mercastur, and a mix of residential, production, and sports use typical of the periphery of metropolitan areas. There are also industrial parks, low-density housing developments, golf courses, commercial areas, the Morgal Airfield, and military installations. There is without question a capacity for metropolitan installations, including those that are known as "rejects"[1] but for this to happen, the role of the Central Nodes within the metropolitan area as a whole will have to be more clearly defined. Data presented here regarding home-to-work mobility reveal that there was an intensification of flows from Gijón and the Central Nodes between 1986 and 2001, yet the figures are still small in comparison with the relationship between the latter area and Oviedo.

Metropolitan Bilbao has displayed more modest growth in terms of demographics, housing construction, and increase in artificial surface areas. Yet a new balance has also been obtained of industrial areas (namely, new areas of economic activities, especially in Txorierri and Erandio-Leioa), and of residential areas. As regards urban renewal, Bilbao offers, when compared to Asturias, a more narcissistic image, in the sense that the attractiveness of the new image of the city, international architectural style, and heightened appeal as a tourist attraction have not been matched by any corresponding demographic growth or urban renewal at the metropolitan level.

Compared to central Asturias, the compact character of the urban network of MB favors the development of identity and transportation infrastructure (especially the Metro) and has reinforced that identity. But MB has also been hampered by autonomous-community level policies of administrative decentralization and resource diffusion. Centrifugal forces evident in home-to-work movements, though susceptible to explanation in terms of changes in postindustrial production systems, are also the result of deliberate decisions by political authorities at both the local and autonomous-community level.

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1. Although somewhat distant from the area of the central nodes, there is one of these so called "reject" facilities (also referred to as "NIMBY" in English): the Villabona Penitentiary in Llanera, which allowed the closure of similar facilities in Oviedo and Gijón.

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3

Urban Rehabilitation and the Necessity of Conservation: A New Approach

Pilar Garrido Gutiérrez

Urban Rehabilitation in the Context of the Spanish Urban Model

Cities have been the settings in which the economic, political, and social relationships typical of each historical context have taken shape. Changes in the forms of production and the development of new technologies have affected the spatial organization of cities during the twenty-first century.

In Spain, cities have undergone important transformations as a consequence of economic changes (for example, the process of dismantling much of its industry and an increase of activities in the service sector), demographic modifications (like diversification of homes and higher levels of emigration) and social transformations (such as an increase in age and wealth disparities) (Leal 2010).

The impact of our urban development model on our cities has been huge, and has resulted in cities no longer being convenient spaces, becoming instead clusters of business centers, specialized neighborhoods, and marginal areas (Borja 2011). Such an outcome is not mere accident but is instead the result of the activities of public authorities within the areas of urban development and housing. Such decisions take the tangible form of the approval of a particular regulatory framework, which in the case of Spain comprises urban-planning legislation and housing policy.

The assumption by public authorities of the speculative private interests of owners has been one of the decisive factors of our urban model. This model is based on granting the owner of land being developed the surpluses generated by planned use in exchange for that owner assuming the costs of urbanization and the assignment of land needed to convert his or her undeveloped land into a plot of land susceptible to development (Naredo and Montiel 2010).

As regards the residential model specifically, during the 1960s and 1970s, available housing increased 40 percent and home ownership became more

common than renting. The legacy of this era represented a foreshadowing of problems that have come to characterize Spanish housing policies today: a lack of coordination among sectors; an absolute preference for ownership instead of rentals; and the financing of the promotion of private housing as a means of stimulating the economy (Bermejo 2010). The promotion of housing is not responsive to social needs, and is also not an adequate instrument of the constitutional right to housing. Instead, such promotion is driven by the need of the capitalist system of accumulation to continually expand.

In this context, rehabilitation policies are practically nonexistent. Public authorities take no interest in the city that has already been constructed, given that growth and expansion are the objectives of their policies. From all this, we can deduce that the approval of the Spanish Constitution in 1978 has not had a beneficial impact on the country's model of urban development. It is, in fact, only the evident failure and unsustainability of this system that has led public authorities to direct their attention to the rehabilitation and renewal of our cities (García 2008, 218).

For these reasons, it is not the constitution and the principles and rights enshrined in that document that are behind the recent shift in orientation, but rather the fact that the developmentalist model has simply run its course. In light of this reality, I think it might be of interest to discuss the primary constitutional elements that should at this historical juncture orient rehabilitation policies, and also examine within this context some of the most significant regulatory changes in order be sure that we do not repeat the errors of the past.

Urban Rehabilitation in the Light of the Spanish Constitution

Adherence to our constitutional model is only possible with the help of a particular kind of organization of urban space that allows citizens to "inhabit" it (in other words, lodge, move about, engage with others, work, enjoy leisure time, and so on). This construction of the urban environment has led certain states to institute regulations with respect to a "right to a habitat" or "right to a city" that constitute the most comprehensive expression of the residential needs of city dwellers (Lefebvre 1969; Harvey 2008). This concept of a right to the city expresses the idea of full enjoyment of citizenship. It is presented as a concept that includes all of the rights of city inhabitants.

The Spanish Constitution (SC) does not explicitly include this right. It does, however, establish throughout its text a series of principles that allow us to posit the existence of an *environmental constitutional order* that can essentially be traced to Articles 45, 46, and 47 of the SC, which concern the environment, rational utilization of natural resources, conservation of our heritage, and the right to adequate housing, along with the obligation to regulate the use of land in accordance with the common interest. This content is complemented by other constitutional rights of an economic nature, among the most important of which are the constitutional right to private property. Those who own property have certain special interests that need to be protected, as long as these are compatible with the social function of their property.

In the aforementioned articles, the SC requires public authorities to cre-

ate the specific conditions that make possible the exercise of constitutional rights in the urban setting, thus guaranteeing the effective equality of all citizens enshrined in Article 9.2. In this way, the SC proclaims an order of substantial values that we can sum up in the concepts of a right to a dignified urban environment and quality of life. The attainment of a quality of life has become a basic expressive notion of citizen wellbeing that reflects the suitability of the medium in which one lives.

In the context of the foregoing points, the maintenance of Spanish housing in conditions conducive to its proper use is a question of supreme importance in terms of compliance with a number of constitutional rights, including the right to enjoy dignified and adequate housing (Garrido and Gorrochategui 2011, 345).

From constitutional values such as the dignity of the person or quality of life, we can derive the notion that leads us to demand inhabitable housing conditions that allow the normal development of personal and family life—in other words, that allow housing to fulfill its social function, serving as dignified lodging. And if we transfer these ideas to the Spanish regulatory context, we find ourselves faced with the need for a regulation that constitutes a real estate statute that properly reflects the aforementioned constitutional principles.

As regards the current regulation enshrining "*the right to conservation and rehabilitation*," which is typically understood as a duty inherent in the right to property, and which is tied to its social function, it is possible to conclude that its contents, its broadened scope, and the juridical techniques or instruments that exist in order to ensure that it is complied with, are all an expression of the new dimension that urban rehabilitation is currently assuming. The concrete regulation of this legal duty of property owners is now held up as a fundamental instrument for securing the rehabilitation of our existing housing and, therefore, for ensuring the right to dignified housing.

From a constitutional standpoint, this option is correct, given the fact that property brings with it authority and obligations, just as the Spanish Constitutional Court has affirmed. At the same time, it is clear that legislative bodies must respect certain limits and not violate the essential content of the right to property, or of other constitutional rights. Obligations imposed on owners that limit property rights must be in accordance with the social function of the asset, and not merely for the common good, and may also not compromise a property's economic profitability.

In order to properly address these questions, I will analyze the development that the concept of "right of preservation" has undergone in the Spanish legal system down to the present. In addition, I will review the policies promoting rehabilitation that have always been a part of this concept, with special emphasis on the measures that have been instituted in the Basque Country.

Deterioration of Housing in Spain: The Failure of Conservation and Rehabilitation

It seems fitting to begin this section by recalling that the duties to preserve and rehabilitate structures have their most important foundation in the

Spanish Constitution, specifically in the right to dignified housing enshrined in Article 47. This article confers the legal right to preserve and rehabilitate a highly distinctive dimension, not only as part of a traditional jurisdiction with respect to health and decency related to rather unimportant police activity, but also as an attribution that assures that those who dwell in a residence live in secure and comfortable conditions, and that allows the ongoing exercise of the right to enjoy a dignified residence.

As we will soon see, these constitutional contents have no influence on the expression of the right to preserve and rehabilitate. It is only in recent years that substantive regulatory changes have been approved, changes that I will attempt to properly evaluate. In order to carry out this task, I believe it necessary to appreciate the background of these changes. A historical perspective will allow us to better understand the new regulations.

Specifically, in this section I will focus on two periods: the first of these begins during the constitutional era and concludes at the end of the twentieth century. During this period, the duty to preserve was conceived mainly as a rather unimportant police function that did not exercise much of a claim on the interest of the public authorities holding jurisdiction regarding this duty. This state of affairs coincided with the general tenor of urban planning legislation, which was fundamentally concerned with the development and growth of cities. Secondly, it coincided with a resolution of the Constitutional Court that declared a great deal of state urban planning legislation unconstitutional. From that time forward, the autonomous communities began to develop this duty of preservation and rehabilitation from an urban planning standpoint.

The Traditional Conception of the Duty to Preserve

The Spanish urban planning system conceives the right to property as a series of both powers and responsibilities, one of which is maintaining buildings in good condition and avoiding harm to third parties.

The first urban planning legislation of the constitutional era was the Consolidated Text approved by Royal Legislative Decree 17/1992 of June 26 (CT1992), which established the duty of those owning buildings to maintain them in proper condition in terms of public safety, health, and decency. In addition, these property owners were also subject to compliance with regulations regarding the environment, architectural protection, and urban rehabilitation (Art. 21.1 TR1992). This responsibility is imposed by means of implementation orders dictated by city governments under the rubric of traditional police activity (Ramos 1996, 81).

This obligation to preserve on the part of owners ceases when a property has been officially condemned. Such an action is decreed when the cost of the work necessary to restore the property is greater than 40 percent of the value of the building or facilities affected, excluding the value of the land, when there is a general deterioration of their structural elements, or when a building requires work that cannot be authorized because said building is not in compliance with building codes (Article 247 CT1992).

The inactivity of city governments in some cases, and the lack of compliance with implementation orders of the owners in other cases, led to many properties being condemned and the resulting loss of part of our architectural heritage. These condemnations had civil consequences, since they involved the breaking of leasing agreements. Indeed, many property owners precisely sought condemnation decrees for the purpose of breaking rental contracts involving controlled rents. Such malicious action on the part of owners was not considered by the courts in determining the legality of condemnation decrees.

It is beyond question that the traditional system with respect to the duty to preserve, as well as condemnation decrees, have facilitated the gradual deterioration of our housing, and have not adequately protected the rights of persons—mainly tenants in rent-control arrangements—who have been subject to situations that can rightly be characterized as "real-estate harassment" (Tejedor 2012, 234).

The preservation and rehabilitation of our cities was not a high priority for the public authorities. However, during the 1980s, after the democratic era had begun and following two decades of continuous expansion and growth of Spanish cities, concerns began to be voiced regarding the recovery of cities, specifically in reference to the decay of historic city centers. The new autonomous communities, all of them holding jurisdiction with respect to urban planning and housing, as well as local authorities that were now being renewed, developed new initiatives in this regard.

During this period, there were important initiatives on the part the Basque Country with respect to the politics of promoting rehabilitation. Beginning in the 1980s, the Basque government began to implement public activities aimed at the recovery and revitalization of these historic centers, including their residential components.

In this respect, it is important to highlight the approval of Decree 278/1983 of December 5 on the rehabilitation of urbanized and constructed property. This regulation established a new kind of rehabilitation policy (Esteban 1989). The decree understood urban decay from a holistic standpoint that included both urbanized and constructed property. For this reason, rehabilitation was defined in broad terms that sought to improve the quality of existing housing units, the obtaining of primary installations, and the design and execution of urban spaces (Garrido and Gorrochategui 2010, 347).

One of the main characteristics of this regulation is the procedure that it establishes for making public resources profitable. On the one hand, a process of rationalization and prioritization was created that channeled these resources toward those areas in greatest need of intervention. On the other, the demand for a preliminary study of the situation was included in order to identify existing needs for the purpose of assuring the effectiveness of the publicly funded undertaking. These efforts took tangible form in the three elements characterizing these operations: Integrated Rehabilitation Areas, a Special Rehabilitation Plan, and Urban Rehabilitation Associations.

We cannot in any event overlook the fact that, in general terms, only very limited resources were dedicated to housing policies, and that reha-

bilitation was an activity to which only a fraction of these scant funds were allocated, given that most of them were dedicated to the private promotion of new housing.

The Creation of an Alternative Model for the Autonomous Communities

In 1997, the Constitutional Court Ruling 61/1997 of March 20 regarding CT 1992 resulted in a significant reconfiguration of jurisdiction over urban planning. This ruling declared most of the challenged law unconstitutional because it violated the division of jurisdiction enshrined in the Spanish Constitution.

On the basis of this precedent, the state decreed a new Land Use Law, State Law 6/1998 of April 20, for a Land and Valuation System. This regulation also included the duty to preserve given the fact that, as established by the Constitutional Court itself, that duty forms a part of the basic duties with respect to real property.

The new law included the same definition with respect to the duty to preserve and rehabilitate as the previous legislation, but now the instruments of action and limits with respect to this legal duty were to be established by the autonomous communities in their respective urban planning legislation. The state provided a wide berth to the autonomous communities given that, although it established a limit on the duty of owners to conserve and rehabilitate, it did not establish any criterion that owners were obliged to comply with.

From that time forward, autonomous legislation would reflect a different kind of model as regards the duty to preserve and rehabilitate, and would attempt to resolve some of the inefficient aspects of this new model. The Valencian Autonomous Community would be a pioneer in introducing important changes in this respect via Law 6/1994 of November 15 Regulating Urban-planning Activities, enacted by the Generalitat (government) of Valencia. Soon, most autonomous communities would follow in Valencia's footsteps (García 2007).

Some of the innovations of this new law were as follows:

- It jointly regulates the duty of preservation and rehabilitation, placing an emphasis on maintaining buildings in conditions suitable for their effective use. Tis led to the application of quality regulation with respect to construction.
- Mechanisms of, for example, obligatory construction, are regulated in response to noncompliance with the social function of property that appears to disregard the duty to preserve property.
- The process of condemning a property is simplified, aquiring a mainly economic character. More importantly, it is no longer automatically instituted, given that it is the governmental authority that makes any such decision. In addition, any malicious action on the part of an owner will henceforth be taken into account, and condemnation would not be decreed in instances of noncompliance

with the duty to preserve property.

- The limit with respect to the duty to preserve was increased to 50 percent of the cost of replacing the property.
- Technical inspections of buildings became regulated as a means of determining both the state of our house units and the work needed to properly maintain them.

This second stage coincided with the real-estate bubble. In Spain, Law 6/1998 regarding the system of land use and valuation and Decree Law 4/2000, instituting urgent measures to liberalize the real-estate and transportation sectors both constituted great strides toward liberalization. Their main objectives were making more land available and facilitating private participation in urban planning.

Within this context, policies for promoting rehabilitation had the same characteristics as in the earlier stage. The good economic situation allowed different administrations to continue to dedicate part of the economic resources allocated to policies promoting housing to rehabilitation specifically.

From an urban planning standpoint, far-reaching projects were implemented in a number of Spanish cities. These macroprojects were financed by the significant surpluses that they themselves generated. These kinds of activities came to constitute iconic representations of the cities in question.

In the Basque Country, the policy for promoting rehabilitation proceeded with few changes. There continued to be financing of isolated activities, as well as of activities in integrated rehabilitation areas. Perhaps most noteworthy was the impetus generated to engage in actions aimed at improving urban accessibility, as well as the launching of a number of highly complex intervention projects in certain areas that had suffered very high levels of urban, social, and economic decay. In these latter cases, the role of rehabilitation associations and collaboration among institutions are elements worthy of special mention.

The Spanish Government's Commitment to Urban Rehabilitation and the New Dimension of the Duty to Preserve

The beginning of this period was marked by the real estate crisis. The Spanish state responded to this phenomenon by proposing a new regulatory framework with respect to urban rehabilitation. This framework incorporated into the juridical system new content by means of not just land-use legislation but also the approval of other regulatory measures with respect to urban rehabilitation, as well as a number of other completely different matters. This was the case of Economic Sustainability Law 2/2011 of March 4 and Royal Decree-Law 8/2011 of July 1, which involved measures to support mortgage debtors, control of public spending, and the cancellation of debts with companies and individuals, as well as administrative simplification. My review of the legislation here concludes with the recent approval of Law 8/2013 of June 26, involving urban rehabilitation, renewal, and renovation.

We can thus observe a change in perspective regarding the importance of the constructed city. These regulations incorporate, on the one hand, re-

newed objectives for urban rehabilitation policies related to the quality of construction and the suitability of the urban space that are directly related to the rights recognized in the Spanish Constitution. On the other, they also create new intervention techniques and include concepts that attempt to define activities related to rehabilitation.

What is most striking in this regard is the fact that the state legislative apparatus paid so much attention to an activity—urban rehabilitation—that, while constituting an important challenge, did not seem especially susceptible to effective intervention, given the lack of economic resources available. To this can be added the fact that jurisdiction over urban planning and housing is the exclusive provenance of the autonomous communities.

The explanation of this paradox has to do with the state's urgent need to devise a formula for emerging from the crisis that afflicted the construction sector. This economic vantage point with respect to housing policy is very familiar in Spain, and has generally not proven to be very successful. Instead, it has enabled the construction of a highly speculative urban model. For this reason, I will undertake a particularly close examination of the route that the state legislative apparatus has embarked upon in order to engender the recovery of the constructed city, with a particular emphasis on the effects of this course of action on citizens' rights.

To this end, in the following pages I will examine the above-cited legislation, focusing on the main theme that I have been developing thus far in the chapter: "the duty to preserve and rehabilitate." Moreover, I will briefly discuss the current status of the policies promoting urban rehabilitation in our country for the purpose of determining whether these are aligned with the objectives of the new regulatory framework, with a special emphasis on the Basque Country.

The Duty to Preserve and Rehabilitate as a Fundamental Instrument of Urban Rehabilitation within the New Regulatory Framework

This stage began with the bursting of the real estate bubble (2007) and the start of the economic and financial crisis in Spain. The bursting of the real estate bubble in 2007 made clear the most deleterious consequences of the urban model: social inequality and marginalization, unbridled land consumption, evictions, and—most definitely—violation of individual and collective rights. Given the quagmire in which Spanish society found itself, the country's legislature finally decided to change the orientation of its regulations and, for the first time, included in land-use legislation the defense of citizens' rights (in other words, the rights of all persons who reside in cities).

The new stage began with the enactment of State Law 8/2007 regarding land use and, later, Royal Legislative Decree 2/2008 of June 20 (LS 2008). A number of important changes can be observed in these regulations, the most important of which is a change in perspective. Thus, urban organization was regulated not only from the standpoint of the owner, as had previously been the case. Instead, the needs and rights of all other citizens were also incorporated, with a guarantee of basic conditions of equality with respect to the

enjoyment of urban space. Such content was primarily based on Articles 45, 46, and 47 of the Spanish Constitution (Tejedor 2010).

The state land-use law is not an urban-planning law that is consonant with the jurisdictional system enshrined in the Spanish Constitution. Instead, its purpose is to regulate basic conditions with respect to the exercise of certain rights and duties.

This essential aim is reflected in the characterization of the law's purpose as defined in its very first article: "This law regulates the basic conditions that guarantee equality with respect to both the exercise of rights and compliance with constitutional duties related to land use throughout the territory of the state."

The law first cites the duty to preserve and rehabilitate in Article 9.1, without introducing anything new that is worthy of mention. This article establishes the duty to dedicate structures to kinds of use that are not incompatible with the regnant territorial and urban-planning organization, and to preserve them in legal conditions that support such kinds of use—and also in legally required conditions of safety, health, accessibility, and decency. Property owners also have the duty to implement improvement and rehabilitation projects to the extent necessary to comply with the legal duty to preserve property. This duty constitutes the limit of the work projects that owners are financially responsible for implementing in instances in which the governmental authority orders such projects for reasons related to tourism or culture. Any other works will (under the terms of the cited law) be funded by the governmental authority. Noncompliance with building and rehabilitation duties can lead to expropriation, or forcible sale or replacement, for failure to respect the social function of property (Article 36.1, LS 2008). This content is largely in response to the regulations instituted by the autonomous communities (described in the previous section) regarding this issue, thus affording legal protection to the changes enshrined in them as regards urban planning regulations.

Under the regulations of the State Land Use Law, the duty of preservation and rehabilitation requires that the state approve new complementary regulations. One such specific regulation is Economic Sustainability Law 2/2011 of March 4 (which remained in effect until May 29, 2011). Five articles of this law (107–111) are dedicated to "rehabilitation and housing." It was followed several months later by Royal Decree-Law 8/2011 of July 1, which included measures for supporting mortgage debtors, control of public spending, debt cancellation for companies and individuals contracted by local entities, promotion of entrepreneurial activity and rehabilitation, and administrative simplification. This law was in effect until September 21, 2011, and its title IV is dedicated to the regulation of "measures for promoting rehabilitation activities" (Articles 17–22) (Menéndez 2011). In general terms, what is distinctive about this law is its programmatic and categorical character, as well as the vagueness of the concepts that it utilizes.

The Economic Sustainability Law sets the objective of developing policies conducive to a sustainable urban environment, in accordance with the principles of territorial and social cohesion, energy efficiency, and functional complexity. These policies are dedicated to common goals that are related

to the adaptation of housing units, environmental quality, and access to public services, facilities, and infrastructure. This law also regulates two kinds of activities in pursuit of these aims: urban renovation and rehabilitation activities and improvement projects.

As regards urban renovation and rehabilitation (Article 110), regulations involve the reform of urban development or facilities and the rehabilitation of buildings, especially those used for residential purposes, in urban settings characterized by the obsolescence or decay of the urban fabric and/or the architectural heritage, especially in instances in which a significant proportion of the population residing in such settings is experiencing specific kinds of difficulties because of their advanced age, disability, employment, insufficient income, or similar problems. These activities can be characterized in terms of the 2008 land use law as "urban transformation activities."

The second category of activities—improvement projects—are defined by the law as those projects and installations that are necessary in order to improve the quality and sustainability of the urban environment (Article 111). This principle establishes that, when a building is affected by a rehabilitation program or plan, the administration holding jurisdiction may order that improvement projects be implemented up to the amount of the legal obligation. Such projects can be done not only for the purposes of tourism and culture, but also in order to guarantee the rights of disabled persons. Such projects can also be motivated by safety considerations, have the aim of adapting installations or reducing contaminating emissions or immissions, or be necessary for reducing the consumption of water and energy.

In order to facilitate the execution of such projects, the law states that they are required under the terms of Horizontal Property Law 49/1960 of July 21, and that they must therefore be paid for by owners of the corresponding community or group of communities. An exception to this requirement are family units with annual income less than two and a half times the Public Multiple-Effect Income Indicator (known by its Spanish acronym of IPREM), so that such families do not receive public assistance that prevents the annual cost of projects from exceeding 33 percent of their annual income.

What this means is that the Spanish state grants the administrative body holding jurisdiction (typically, city governments) the possibility of organizing these improvement activities up until the legal limit of preservation. It should be noted that this freedom is granted by means of approving plans, with certain exceptions involving the economic situation of property owners.

Although the Economic Sustainability Law does not say so explicitly, these improvement projects seem to be responsive to the duty to preserve and rehabilitate set forth in Article 9.1 of LS 2008, and thus complement that document's contents. It appears that the legislative apparatus wants to endow the public administration with the authority that would enable it to impose on property owners a broader-based duty to preserve in which projects related to environmental quality (specifically, those promoting reduced contamination and reduced consumption of water and energy) would assume a higher degree of importance.

A few months later, Royal Decree Law 8/2011 was approved. This regulation represented a continuation of the path embarked upon by Royal De-

cree Law 8/2011. On the one hand, all actions involving recovery of the city were once again defined, this time in terms of a very broad notion of urban rehabilitation. On the other, there was once again reference (this time merely implicit) to the duty to preserve and rehabilitate.

The very broad concept of rehabilitation reflected by this law encompasses the activities mentioned in the Economic Sustainability Law (ESL):

- Preservation activities, understood as repairs and projects necessary to assure that a dwelling remains habitable, secure, healthy, accessible, and decent.
- Improvement projects, apparently in response to Article 111 of the ESL.
- The urban renewal cities regulated under Article 110 of the ESL (and characterized as urban renewal and rehabilitation).

The text of the 2011 Royal Decree Law is in fact confusing for a number of reasons: first, because of the looseness and breadth of its notion of urban rehabilitation and, second, because it utilizes concepts different from those used in the ESL to define the same kinds of activities.

Article 18 of the ESL expands the scope of competent administrative bodies to require interventions on the urban space. Thus, such activities now include, in addition to those involving conservation and improvement, those related to urban renewal. Then, the second section of the same article identifies the parties required to carry out these activities, and declares that these will be limited the legal duty to preserve property (Article 18.2). This wording suggests that all of these projects could be included under "the duty to preserve."

The selfsame article concludes by referring to subsidiary execution (Article 18.3). In this connection, the article states that, in cases of unjustified failure to implement projects that have been ordered, there will be (following a previously agreed lapse of time) subsidiary implementation of said project on the part of the competent public administration body, or the application of any other administrative reaction formulas chosen by that body. Once again, the administration is provided with the means to impose upon citizens a broad range of obligations related to preservation and administration. Thus, the criteria for the administration being able to require action are expanded and the means to address owner inaction are also provided.

The present review of legislation concludes with the approval of the Law 8/2013 for Rehabilitation and Urban Renewal and Regeneration of June 26. This law has the explicit purpose of attempting to unify and systemize the content in the various above-cited regulations related to urban rehabilitation. Yet this is not its only objective, given that it also eliminates certain principles while modifying others that are not directly related to rehabilitation. In the end, this situation presents a rather confusing picture that cannot possibly lead to effective intervention in the consolidated city (Roger 2013).

As regards the subject that concerns us here—the duty to preserve and rehabilitate—the 2013 law introduces substantive changes and understands

this duty as one of the fundamental means of acting on the urban environment. The new law finally modified Article 9 of the 2008 Land Use Law that regulated the duty to preserve and rehabilitate, as described at the beginning of this section. The reform instituted in the law's final provision (number 5) provides what I see as a rather nebulous definition of this duty, and raises a number of important questions. Let us examine this in more detail.

The 2013 Law includes under this duty to preserve those projects aimed at improving the quality and sustainability of the urban environment. Article 9.1 establishes that the owner must preserve buildings and structures in legal conditions in order to support such use, as well as in those conditions of safety, health, universal access, and decency that are legally required. The new measure also requires owners to implement additional projects for reasons of tourism or culture, or to improve the quality and sustainability of the urban environment, to the extent required by the legal duty to preserve.

As regards the scope of these improvement projects, the regulation is not very clear. It is specified that the projects could involve partial or complete adaptation pursuant to the requirements established in the technical building code, with the administration being required, in response to some identified problem, to specify the level of quality to be attained for each project.

In contrast to previous legislation, the 2013 law provides for state regulation of the limit of this legal duty. This limit is defined as half the current cost of the construction of a new structure equivalent to the original as regards its structural characteristics and usable surface, and carried out under the conditions required for legal occupancy. When such a limit is exceeded, any additional works will be paid for with funds supplied by the governmental authority.

After establishing the contents and limits of the duty to preserve and rehabilitate, the law defines the powers held by the administration for enforcing the law, as well as consequences for noncompliance with the duty. To this end, the law grants the competent administrative body the power to require at any time that projects be implemented pursuant to compliance with the legal duty. Furthermore, in cases of unjustified noncompliance with such requirements, the law enables the competent public administration to implement the project on a subsidiary basis or to apply any other formula of administrative reaction at its own discretion. In such circumstances, the maximum limit of the duty to preserve may be increased (to the extent that the legislation of the autonomous community in which the law is applied allows) to 75 percent of the cost of replacing the building or structure in question.

A number of conditions included in previous regulations—specifically the ESL—for implementing these projects have been omitted in the new law. These conditions had provided a measure of guarantee and protection for the owner, and included the need to approve a plan, as well as an income-based exception to the requirement to pay for projects. This exception was also omitted in the Horizontal Property Law.

In the 2013 law, the state introduces a new instrument: the building assessment report. Article 4 of the law provides that owners of real estate may be required by the competent administrative body to verify owners'

circumstances, at least as regards the state of preservation of structures, their compliance with current regulations concerning universal accessibility, and their level of energy efficiency. This requirement bears a resemblance to the technical building inspections that are regulated by the autonomous communities, although its content has been expanded via the addition of a new element: the control of the energy efficiency of the building. This represents another form of strengthening the intervention capacity of the administration as regards the legal right to preserve and rehabilitate.

This expansion of the legal duty to preserve and rehabilitate coincides with the commitment enshrined in the new law to a higher level of involvement on the part of private entrepreneurs in rehabilitation activities. In the present case, this promotion of private initiative is accompanied by a reduction in the urban planning requirements of the entrepreneurs.

The new formulation of the duty to preserve and rehabilitate reflected in the new law gives rise to a number of important questions. How far does this duty go? What obligations do citizens now have? Is there a fundamental equality in its content? Where are the guarantees for citizens? What happens when the owner does not have sufficient economic resources? What resources do administrative bodies commit to such activities?

Although it is far too early to draw conclusions, it appears that the modifications that the Spanish state has been undertaking in regard to urban rehabilitation emphasize greater obligations on the part of property owners in terms of their duty to preserve and rehabilitate. While it is absolutely essential that property owners maintain their properties in good condition and—if necessary—adapt them to those requirements that enable them to be functional, it is not so obvious that activities carried out for other purposes (for example, compliance with the commitments of public administrative bodies as regards energy efficiency or promoting activity in the construction sector) constitute part of the legal duty to preserve.

It looks like the same pattern is being repeated. The economic development of the construction sector in the end depends on citizen support. Previously, this was done through the purchase of housing at exorbitant prices. Now it is done via the imposition of what might be disproportionate costs to rehabilitate their real estate.

The 2013 legislation provides a wide berth for administrative action, assigns a greater role to private initiative, and does not afford sufficient guarantees to citizens. This regulatory configuration may place homeowners in a weaker position under very complicated circumstances—and may even result in their losing their homes.

If, as the rehabilitation law itself states, its ultimate purpose is to assure citizens an adequate quality of life, and effective exercise of their right to enjoy suitable and dignified housing, then each and every urban rehabilitation activity ought to be accompanied by the measures and controls necessary for real compliance with these constitutional principles and rights.

Finally, it should be pointed out that the success of this new legislation promoting urban rehabilitation unquestionably depends on the development of strong policies that promote the stated objectives of the legislation.

In the following section, I will discuss the new elements approved by the Spanish state as well as the Basque Country as regards policies intended to promote urban rehabilitation.

Policies that Promote Urban Rehabilitation: New Approaches

As regards the policy of promoting rehabilitation, the Spanish state approved, at almost the exact same time as the 2013 Rehabilitation Law previously discussed, Royal Decree 233/2013 of April 5, which regulates the state plan to promote rental housing, building rehabilitation, and urban regeneration and renovation through the year 2016.

In keeping with the orientation of the new legislation, this plan leaves behind the politics of encouraging private promotion of housing and focuses instead on rentals and rehabilitation. Of the seven programs included in the plan, four address urban rehabilitation, and involve promotion of rehabilitation and urban renewal, support for implementation of the building assessment report, and promotion of sustainable cities.

This plan aims to spur the economy and promote new jobs. It is estimated that its implementation will involve the creation of 105,000 jobs during the next four years. The plan involves the rehabilitation of buildings and installations for the purpose of improving their state of preservation, guaranteeing accessibility, and improving energy efficiency. The structures in question must have been built prior to 1981, and 70 percent of their surface area must be dedicated to residential housing, and also constitute the primary residence of their owners or renters.

In the case of urban renewal, there will be financing of the joint implementation of rehabilitation projects in buildings and residential units, and of projects involving the urbanization or re-urbanization of public space or structures replacing demolished buildings. The plan also includes support for implementing the building assessment reports required under the Rehabilitation Law, with a maximum subsidy of 50 percent of the cost of said report. Finally, the measure also includes support for promoting sustainable and competitive cities through improving neighborhoods, downtown areas, historic centers, and tourist areas, and by replacing inadequate housing.

The budget for this plan for the entire period in which it will be in effect is 2,421 million euros, which will be distributed among its seven component programs. These constitute rather limited resources. According to the 2014 budget projection of the Ministry of Development, the state housing plan will allocate 613.5 million euros, which represents 9 percent of the ministry's budget for that year.

Following approval of the state plan, corresponding agreements will be signed with the autonomous communities. These agreements will establish the type and number of actions to be implemented by each autonomous community, and the budget assigned to them. We will have to see how these agreements are implemented, and also examine the housing and rehabilitation plans of the autonomous communities, before we can provide a clearer evaluation of the state plan's effectiveness.

The system included within the state plan does not affect the Basque Country, which enjoys special financial arrangements. For this reason, the Basque Country does not depend on the economic resources of the Spanish state. In the Autonomous Community of the Basque Country, a new housing and rehabilitation plan has not yet been drafted. But a number of measures have been approved there for the promotion of rehabilitation. Specifically, the Basque government's Job Reactivation Program, signed into law on February 16, 2013, includes the "Plan Renove," which is designed to promote rehabilitation. This plan is expected to generate 13,000 new jobs, as well as total tax revenues (from VAT, as well as construction and corporate taxes) totaling some 282.3 million euros. A total of 81 million euros have been allocated for this four-year plan. Of this amount, some 65 million euros will be used for activities involving individual housing units and the comprehensive rehabilitation of buildings. It is estimated that more than 50,000 housing units will be rehabilitated under the plan.

The launching of this plan has been facilitated by the approval of the Order of July 31, 2013 regulating the aid program of Plan Renove as regards the efficient rehabilitation of housing units and buildings, for the drafting of intervention projects in the current structures of the Basque Country, and for the implementation of any construction required by those projects.

The aid is intended to improve the conditions of accessibility, habitability, and energy efficiency of buildings constructed prior to 1980. Its beneficiaries will for the most part be the autonomous communities in which the property owners reside, although the owners themselves will also derive benefit, as will—in all likelihood—city governments, public housing corporations, and public promoters of housing.

The intention of the Basque plan is to promote the implementation of a technical building inspection report that includes an analysis of the conditions of accessibility, energy efficiency, safety, and state of preservation. This new content is in response to the regulation of the building assessment report required pursuant to the Rehabilitation Law.

It can be readily discerned that these regulations are aligned with the stated objectives of the reforms of the Spanish state. In both instances, aid for activities involving buildings (as opposed to comprehensive rehabilitation activities) takes on a special importance. In the Basque Country, moreover, although regulations on rehabilitation of Integrated Rehabilitation Areas and Decaying Areas remain in effect, no aid was allocated for such activities in 2013.

One of the remaining challenges of rehabilitation policy in the Basque Country, the urban renewal of its most vulnerable neighborhoods, appears not to be a high priority at this time. The need identified in previous rehabilitation plans to dedicate more economic resources to integrated activities, and not (as has turned out to be the case) to isolated activities, has been forgotten. What now receives support are primarily urban planning activities, and there is no particular emphasis on the social and economic factors implicit in any urban rehabilitation activity. The main objectives will be creating jobs and confronting the challenges of energy efficiency posed by the European strategy 20/20/20.

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4

RDI and Urban Sustainability: The "Smart City" Model in the Basque Autonomous Community

Estibaliz Rodríguez Núñez and Iñaki Periáñez Cañadillas

> "The economic crisis has ravaged all of the Western economies, and the Basque Country has been no exception. We must of course cope with the crisis, but it is also clear that we will not survive if we are not competitive. And when we talk about competitiveness, we cannot only look at companies. It affects all of us: companies and their employees, government administration, universities, technological centers and, in the end, the entire country."
>
> — Bernabé Unda, Industrial Advisor to the Basque Government (2010)

The Basque economy has experienced a significant transformation in recent decades. As a result of important efforts on the part of companies, social agents, and institutions, the two industrial crises of the 1970s have been overcome, and later successful endeavors were made to adapt to the urgent and fundamental challenges presented by the new economy beginning in the 1990s and continuing into the present century.

These challenges are closely related to the incorporation of communication and information technologies (ICTs), innovation, and growing internationalization, as well as the progress made as regards the relationships between companies and all production sectors (namely, industry and services), and also in the processes of production and marketing.

Now, the Basque economy is suffering the effects of the economic and financial crisis that flared up in mid-2007, and which began to adversely affect the primary macroeconomic indicators as of the first quarter of 2009. Recovery will be slow, and the effects of the crisis will continue to be felt.

We not only face a change in the economic model, but also a more general social and cultural change. Technologies and globalization (possibly each driving the other in a mutual feedback loop) have made possible a cultural change that has led to the creation of a "globalized culture" or a "culture of globalization."

In addition to the possibility of doing business with the entire world, and the fact that the economic situation of one country can influence those of others, it is important to note that the cultures of states are also becoming internationalized. We are now exposed, by means of technology, to knowledge about everything that surrounds us as we never were before, and have

thus reached the stage of the "knowledge society." Yet this is a phenomenon that has involved negative social, economic, and environmental consequences. These are the real challenges that we are now faced with.

Sustainable development is currently being touted as the solution to these challenges. This solution involves economic, social, cultural, and environmental development through the efficient use of currently available resources.

The City and Sustainable Development

The Prague European Statistical Forum (Capel 1975) defines a city as having a population of more than two thousand residents, as long as no more than 25 percent of its population engages in agriculture. Any conglomeration exceeding 10,000 people is considered a city irrespective of any such occupational criterion, as long as those people reside in a concentrated area (most commonly in communal, multistory buildings) and as long as they are fundamentally engaged in the industrial and service sectors.

But, as the "command and control centers" that they truly are (Le Corbusier 1946), cities have taken on other definitions of a more artistic nature, and have in fact come to constitute artistic creations in themselves (Mumford 1938, 1961).[1] For his part, Max Derruau (1964, 463) holds that "the city is an important conglomeration that is organized for collective life, in which a significant proportion of the population lives from non-agricultural activities." Meanwhile, Abler, Adams, and Gould (1971) contend that the city is a spatial organization of specialized persons and activities designed to maximize interchange. At the local level, the city is the best means to tie together social and economic activities for the maximum benefit of all these activities and persons.

For these reasons, economists became interested in the economic aspects of cities, defining this area of research as "urban economics." Following this line of investigation, various authors have contended that cities are born, function, rise, and fall in accordance with the pulse of economic life (Braudel 1982–1984). Iconic economists, such as Adam Smith in *The Wealth of Nations* (1776; 1991), also discuss the economic aspects of territories. Karl Marx (1867; 1990–1992) takes as his starting point the fact that economic and social activities depend on the political decisions made by citizens. Among other classic models of the city are those proposed by Max Weber (1922; 1968), who wrote about Western medieval cities, and Gideon Sjoberg (1960), who wrote about preindustrial cities.

The principle of conglomeration (Camagni 2005) contends that cities have existed, and continue to exist, in history because people have found it most beneficial and efficient to manage their personal, social, economic, and power relationships in an especially concentrated manner. If the forces of conglomeration did not exist, then we might imagine that, in a perfectly competitive system of production of a large number of goods, with mobile

1. Source of various authors' definitions of the city: teaching materials from the National University of Colombia: http://www.virtual.unal.edu.co/cursos/sedes/palmira/5000455/modulos/modulo1/lec2.htm.

production mechanisms and a fixed natural resource, production would occur in an entirely diffuse way. However, assuming the presence of economies of scale, there is an emergence of nodes and poles of conglomeration.

According to this principle, industries become concentrated in order to optimize these advantages in a single place. Workers do the same thing, finding it most advantageous to move near the area of production in order to save not only transportation time, but also to have access to those economic activities that, while not benefiting from economies of scale, provide an important input to industries or consumer goods and services needed by workers.

This phenomenon has also been explained in terms of "proximity dynamics" (Gilly and Torre 2000), which focuses on the role that physical proximity (as well as functional and cultural proximity) play in the creation of networks capable of transmitting tacit and non-formalized knowledge that is difficult to codify, but that is nonetheless essential for the generation and diffusion of innovations.

However others, such as Roberto Camagni (Camagni and Cappellin 1984), see the city as something more than a structural framework for economic activity. This is because to view it in such a limited way would lead to an underestimation of the importance of spatial variables and of the ways in which activities are specifically located within a given territory. For Camagni, the city is the place where human interaction takes place, and the *locus par excellence* in which civilization unfolds.

Taking all of these different points of view into account, the city can be defined as "the autonomous entity that comprises services and administrative entities; offers security, support, and order to its inhabitants; and that allows the development of these inhabitants and of the many different daily activities that they engage in on a daily basis, such as work, spirituality, leisure pursuits, entertainment, and artistic expression" (Beyer 2008).

Nevertheless, the concept of development based solely on economic parameters has been widely criticized. The cumulative consequences to the planet and those of us who inhabit it have been (especially in recent decades) not only dramatic, but varied and complex, often overlapping and constituting the causes and effects of one another (Rubio Ardanaz 2005). These consequences include effects on poverty (inequality of opportunity) decreasing participation in public affairs and decision-making, loss of cultural assets, and the imposition of globalization values, among others.

Ever since human beings began to reflect on the impact of their actions on the surface of the Earth, specialists have been denouncing the resulting losses with respect to biodiversity, and have been devising theories in order to explain the limits and vulnerabilities of the planet's systems. This has led to the incorporation of a number of new concepts into technical language, including "sustainable development" and its variants of "eco-development," and "sustained development" (Boullón 2006).

The World Commission on the Environment and Development, an independent body of the United Nations that was created in 1984, formalized the term "sustainable development" in its report *Our Common Future*, better known as "the Brundtland Report" (World Commission on the Environ-

ment and Development 1987). This report was drafted following the organization's initial conference, held in 1987 as an expression of a commitment to a more prosperous, just, and safe future for humanity as a means "meet[ing] the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission on the Environment and Development 1987, section 3, article 27).

But it was not until the Rio Summit of 1992 (Guimarães 1992) that strategic plans promoting sustainable development in various countries were devised for the purpose of establishing a new equitable global alliance through the creation of new levels of cooperation among states, key sectors of societies, and individuals for the purpose of not only reaching international agreements respecting the interests of everyone, but also for preserving the integrity of both the environmental system and world development. The importance of alliances and international cooperation for working on behalf of global sustained development was thus recognized.

Thus, the Lisbon Strategy (European Commission 2000), complemented by the 2001 Gothenburg strategy and its later 2004 revision (European Commission 2001), established the Strategy of Sustainable Development in the European Union, reflecting a new approach to the policy guidelines requiring that the economic, social, and environmental effects of any policy be jointly examined and considered in any decision-making process. The final review of the strategies that have set the course of the EU resulted in the "Europe 2020" strategy (European Commission 2010), which aims at a growth of the EU during the next decade that would allow the development of an intelligent, sustainable, and integrating economy.

In the Autonomous Community of the Basque Country (ACBC), this process began in 1998 with the approval of General Law 3/1998 for the Protection of the Environment of the Basque Country, followed by the 1999 Declaration of Bizkaia on the Human Right to a Suitable Environment. The Commitment to the Sustainability of the Basque Country, signed in 2002, developed the first "Basque Environmental Strategy of Sustainable Development (2002–2020)," the First Environmental Framework Program of the ACBC (2002–2006), and instituted "Udalsarea 21," the Basque Network of Sustainably Oriented Municipalities. This network served as the undergirding for the launching, design, and implementation of regional processes that supported Local Agenda 21. The Second Environmental Framework Program of the ACBC (2007–2010) represented the renewal of Udalsarea 21 (2007–2010).

The current sustainable-development strategy in the ACBC is expressed within the framework of the EcoEuskadi 2020 Plan (Basque Government 2009), a cross-sectional tool proposed for the purposes of working toward a new model of sustainable progress that would allow a balanced development of the country involving lower consumption of resources, and the promotion of one of the main engines of the orientation toward this new economy that is based on the three pillars of economic growth, social wellbeing, and the preservation of environmental assets.

The transformation of cities is the result of many different factors, four of which are of special importance: technological innovations; economic

changes; social transformations; and, finally, spatial changes. It is not always easy to identify which of these factors is the spur or impediment to development, since what is usually involved is some combination of them.

"Sustainable urban development," was defined under the terms of the Brundtland Report (World Commission on the Environment and Development 1987) as the search for a kind of urban development that does not degrade the surroundings, and that provides quality of life to citizens. It was, furthermore, charged with confronting the economic, social, environmental, and administrative challenges now facing cities.

RDI as the Driving Force of Urban Sustainability

Urban areas have been growing at a dizzying pace. Currently, more than half of the world population is urban. The populations of America, Europe, and Oceania are 70–80 percent urban in composition, while the equivalent figure for Asia and Africa is about 37 percent. These numbers will continue to grow and become more similar as a consequence of the economic progress and industrialization of developing countries. According to United Nations projections, 70 percent of the planet's human population will live in urban centers by 2050 (Sosa et al. 2013, 26). It is for this reason that urban centers produce the majority of emissions, waste, and contaminating materials. It is also why they consume the majority of resources.

Attempts have been made to apply new technology and the Internet to avoid organizational problems arising from overpopulation, and to promote sustainable urban development. The possibilities currently offered by digital technologies may favor the diffusion of new kinds of urban activities (activities now falling under the rubric of "urbanism 2.0" or "emerging urbanism"), as opposed to other proposals designed to be directly implemented by public or private managers of urban services.

Paul R. Ehrlich and John P. Holdren (1971) define a simple way of representing the most important factors influencing the problem of production limits: the IPAT equation (I=PxAxT). This equation shows that, in order to maintain a particular level of impact (that is, "I," representing the total environmental impact of humanity on the planet) within the context of increasing population ("P") along with access to products and services by the majority of that population ("A") the factor of technological efficiency ("T," representing environmental impact per unit of product or service consumed) is the only factor that can compensate for this growth (considering that greater efficiency results in a lower T value). The IPAT equation offers a glimpse of the magnitude of the leap in efficiency that is needed to maintain (or reduce) the level of impact.

The estimate calculated by Karel Mulder (2006, 21–22) using this equation demonstrates that technology would have to be 32 times more efficient by the year 2050 in terms of resource utilization in order to completely satisfy the demand at that time, under the assumption that the current pace of resource utilization is maintained, and taking into account the fact that the world population in 2050 is estimated to be 9 billion people (from more than 6 billion in 2000), that 20 percent of the world's population currently

consumes 80 percent of global resources, and that affluence (measured in terms of the products and services consumed per person) will rise by 10.8 percent. Such growth will be unsustainable under the system that has prevailed until now.

After 1980, interest arose in analyzing the contribution of technology to urban development. Geographical areas with a significant industrial concentration began to be identified, and studies revealed the contribution of those areas to regional economic growth. Since that time, technology has assumed crucial importance in the analysis and planning of cities and regions, and there has been rapid development not only in economic theory (for example, systems of regional innovation, knowledge regions, intelligent cities, and so on) but also in the fields of regional policy and urban planning.

It is clear that, in the twenty-first century, urban development is characterized by technology, innovation, and selective urban development. This is precisely what occurred following the end of World War II, when there was a significant growth of industrialization and urban development around industrial infrastructures. The "industrial district" model (Marshall 1890; 1920) helped explain the problem of the geographical concentration of industry in terms of generating positive synergies propitiating cooperation and specialization.

At present, the industrial model is *passé*, replaced by the notion of certain cities and regions as "islands of innovation" or "islands of knowledge" (also referred to as industrial complexes, "technopoli," knowledge clusters, innovating regions, and so on) in which the relationship among spatial integration, institutional regulation of knowhow, information structures, support for transfer of innovation, and technological development plays an undeniable role (Komninos 2002, 2008). It is the way in which agents and production factors come together and interact within an urban setting that shapes the city (Logan and Molotch 2013). If these factors capitalize on the competitive advantage that the resulting network affords them for economically developing the territory in an intelligent manner, then a city will have a greater degree of growth, and that growth will be more differentiated. This is what has come to be called "smart specialization" (referring to the production specialization of a given territory).

The appearance of new technologies, such as those related to information (such as ICTs), and the development of the Internet together helped redefine the current conditions for development, as well as the variables relevant to that development. The endogenous nature of innovation attributes an important role to social determinants (for example, cultural, educational, and historical factors). Innovation thus comes to be seen as a social phenomenon whose origin is murky, and which establishes a multiplicity of relations influenced by these social factors (Valenti López 2002).

The third industrial revolution, defined as the "Knowledge Revolution" (Torrent i Sellens 2002) or "Digital Revolution" has paved the way for the transition from what was known as the "New Economy" to the current "Knowledge Economy." The latter in turn led to the "Knowledge Society" or "Information Society," defined by Yoneji Masuda (1984) as the new postindustrial society, and by Manuel Castells (1989, 1996, 1997, 1998) as a new

technological, economic, and social system in which increasing productivity does not depend on the quantitative increase in the factors of production (namely, capital, labor, and natural resources), but instead on the application of knowledge and information to the management, production, and distribution of both processes and products.

The emergence of the Information Society has resulted from the ability to transform digital information into economic and social value—into "useful knowledge—that allows the creation of new industries, new and better job positions, and an improved way of life for society as a whole through development based on the use of knowledge, and committed to converting that knowledge into GDP (Valenti López 2002).

There are numerous ingredients of this Digital Revolution. First, there is the spectacular technological development that to a large extent has driven the transformations that we are currently experiencing. This phenomenon occurred in large part due to the fact that societies existed that were capable of capitalizing on a series of social, economic, and cultural factors that favored the integration of various agents who shared the different kinds of expertise necessary to produce this kind of knowledge. This is what is commonly known as innovation capacity.

A further development in technological innovation took place when people began referring to "the Internet of things," also known as M2M (machine-to-machine). This involved the application of ICTs and the Internet to systems. This consists of the real-time connection between all of the objects and elements that integrate a given setting (in other words, various devices that are connected online). If such a setting is a city, then we could say that we are beginning to witness the "smart city."

The concept of a smart city seems to represent a step forward from the term "sustainable city," in bringing together the definitions of the terms "city of knowledge," "digital city," and "sustainable city" and adding to these criteria of technology and sustainability that make life easier, more comfortable, and happier for its citizens. The ICT sector is of crucial importance in this model of the city that was created in response to the needs of its inhabitants by means of investment in R&D for the purpose of discovering, for example, environmentally friendly resource management, remote health assistance, and remote administration solutions (De Pablo 2012). In any event, the smart city includes three essential elements: respect for the environment, the use of ICTs as a management tool, and the ultimate goal of sustainable development. It should be clarified that the idea here is that of a city conceived in an intelligent manner, and not merely a city with intelligent devices. This conceptualization requires that technology be placed in the service of citizens in order to facilitate their daily lives (González Fernández-Villavicencio 2012).

Such technological development also increases the capacity and efficiency of public services, acts as an engine for local economies, and promotes the democratic participation of citizens by making more information available. For their part, companies benefit from savings on infrastructure, and attain greater knowledge of the needs of their end clients. Thousands of applications not only increase a city's IQ, but also its busi-

ness opportunities, so that it can become profitable as well as livable (De Pablo 2012).

The Smart City model

The smart city model currently enjoying the highest degree of acceptance is one based on six key characteristics that were developed by the Centre of Regional Science at the Vienna University of Technology (Vienna University of Technology 2007) as part of a European project.[2] Defined as a model of urban management that emphasizes the importance of intellectual capital and sustainable development for local growth, it rests on a foundation comprising the following six pillars:

- A "smart economy" the entrepreneurial and innovative spirit of a productive city, with a flexible labor market, international scope, capacity for transformation, and a solid economic reputation—a city, in short, in which companies want to conduct operations.
- "Smart mobility": a city that is physically accessible—locally, nationally, and internationally, that places ICT infrastructures at the disposal of all of its citizens, and that utilizes sustainable, innovative, and secure data-transport systems.
- "Smart environment": protection of the environment, attractive natural settings, low levels of pollution, and a management of resources and wastes that is consistently sustainable.
- "Smart people": improving the skills of citizens placing a high value on learning, sensitivity, to social and ethnic differences, and the encouragement of flexibility, creativity, cultural diversity, and participation in public life.
- "Smart living": investment in cultural and educational facilities, optimal health and hygiene conditions, measures to ensure public safety, quality of housing, tourist attractions, and social cohesion.
- "Smart living": investment in cultural and educational facilities, optimal health and hygiene conditions, measures to ensure public safety, quality of housing, tourist attractions, and social cohesion.

A number of experts predict that the market of technological solutions applied to the development of smart cities will grow annually at a rate of 18 percent, and that by 2014, it will exceed 41 billion euros (De Pablo 2012).

Sustainable Urban Development and the Smart City Model in the ACBC

The Basque government, via its Information Society Development Plan for the period 2000–2003 (Gobierno Vasco 2000), understands "information society" as referring to the community that extensively and optimally utilizes opportunities offered by information and communication technologies as

2. See www.smart-cities.eu/model.html.

a means for the personal and professional development of its citizens.

EcoEuskadi 2020 (Gobierno Vasco 2009), included as the flagship initiative on the Calendar of Notable Plans and Activities for the Ninth Legislature, is the Sustainable Development Strategy for Euskadi (the Basque Country) through the year 2020. As such, it is the instrument that establishes the strategic objectives that define the sectorial plans in terms of sustainability. EcoEuskadi 2020 will serve to further refine the concept of sustainable development, internalizing its implications for the design of departmental and sectorial policies within the ACBC.

At the First Forum of Sustainable Urban Planning, held in Vitoria-Gasteiz in 2011, the Basque president declared that "a commitment to more compact cities, a more rational use of territory, or the recovery of spaces for citizens are some of the commitments that are already underway as part of the 2020 EcoEuskadi Strategy for Sustainable Development" (Gobierno Vasco 2011).

That meeting also featured an expression of the need for a commitment to cities that were "more sustainable via the rehabilitation and recuperation of lost spaces." Euskadi has the challenge of making progress in developing more sustainable cities. It is necessary "to reduce the excessive use of material and energy resources; to commit to recycling, as well as the rehabilitation and renewal of land and housing; to avoid dispersed urban development; and also to minimize the distances among home, work, and public facilities." Another need identified was that of measures promoting urban renewal and the rehabilitation of buildings, as well as "the recovery of the lost spaces of the city for the benefit of its citizens" (Gobierno Vasco 2011). All of these goals are to be facilitated by more sustainable structures.

Basque cities have already made important strides. A total of 197 municipalities comprise the Basque Network of Sustainably-Oriented Municipalities (Barrutia, Aguado, and Echebarria), also known as Red Udalsarea 21. This organization was created as a forum of coordination and cooperation to spur the development of the Local Udalsarea 21 agendas of the Basque municipalities, and to expedite its action plans. In addition to the municipalities, which are the main actors, the network also includes the Departments of Environment; Territorial Planning; Agriculture and Fisheries; and Health and Consumption of the Basque government; as well as the IHOBE Public Environmental Management Corporation and the Basque Water Agency (URA).

For the purpose of establishing the degree to which the "smart city" model has been implemented in the ACBC, we will now analyze secondary-source data from the Basque statistical agency Eustat, and the Basque municipal agency Udalmap, for each of the three Basque provincial capitals.

The tables included here have been created on the basis of data compiled from the following two secondary sources: Eustat (for sustainability indicators) and Udalmap, which has a geophysical information system that shows a number of sustainability indicators, and that includes information about all of the municipalities of the three provinces of the ACBC. The data are displayed in three separate columns for Bilbao, Vitoria-Gasteiz, and Donostia-San Sebastián.

One of the difficulties involved in searching for information is the dearth of current data. For this reason, we have used the most current data available for each factor.

Smart Economy

The three cities all obtain most of their gross added value from the service sector, with Donostia-San Sebastián first in this category at 85.34 percent. Also noteworthy is the major difference in the gross added value of the industrial sectors of Vitoria-Gasteiz (26.68 percent) on the one hand, and Bilbao (6.48 percent, following its comprehensive restructuring) and Donostia-San Sebastián (6.78 percent).

The "smart city" model champions cities in which the service sector is the most highly developed. In this category, we see that Donostia-San Sebastián leads the way. But it is important to note that this is a result of the highly developed tourism sector of that city.

Turning to employment data, the city of Vitoria-Gasteiz has the highest

	Bilbao	Vitoria-Gasteiz	Donostia-San Sebastián
1.1. Economic structure			
Gross Added Value of the Agricultural and Fisheries Sector (%) (2008)	0.03	0.14	0.11
Gross Added Value of the Industrial Sector (%)(2008)	6.48	26.68	6.78
Gross Added Value of the Construction Sector (%)(2008)	8.44	9.44	7.77
Gross Added Value of the Service Sector (%)(2008)	85.06	63.73	85.34
1.2. Employment			
Employment rate of those aged 16–64 (%) (2010)	62.88	67.45	65.05
Employment rate of those aged 55–64 (%) (2010)	41.03	44.50	47.47
Unemployed population registered with the National Employment Institute (INEM) (% of population aged 16–64) (2010)	11.03	9.87	7.74
Long-term unemployed population registered with INEM (% of population aged 16–64) (2010)	3.87	3.51	2.97

	Bilbao	Vitoria-Gasteiz	Donostia-San Sebastián
1.3. Entrepreneurial fabric			
Employment generated by micro-businesses (0–9 employees) (%) (2009)	38.98	33.22	39.55
Service-sector establishments in relation to total (%) (2010)	84.22	78.93	84.10
1.4. Vitality of tourism and business			
Available tourist beds (% inhabitants) (2010)	19.23	16.15	30.89
Hotels and restaurants (% inhabitants) (2010)	7.75	6.44	7.24
Retail business density (% inhabitants) (2010)	15.62	11.9	16.38
Commercial density of temporary residences (% inhabitants) (2010)	10.72	8.30	11.93

percentage of employed people. The rate of youth employment is also highest in Vitoria-Gasteiz. However, the percentage of the employed population between the ages of 55 and 64 is highest in Donostia-San Sebastián. The percentage of the population registered with INEM (The Spanish national employment agency) in 2010 was highest in Bilbao. We can thus conclude that Vitoria-Gasteiz is the Basque capital with the highest rate of employment in the ACBC.

The rate of employment generated by micro-businesses is highest in Donostia-San Sebastián.

In Bilbao, most business fall into the category of small and medium enterprises (SMEs) and or micro-SMEs in the service sector. The popularity of small-scale entrepreneurship is on the rise, and most citizens champion self-employment (this is a defining value of the "intelligent economy").

Donostia-San Sebastián is the undisputed tourism capital of the Basque country, and boasts the highest rates of both tourism and commerce (except in the category of hotels and restaurants, in which it is surpassed by Bilbao).

As regards the municipal economy, both expenditures and tax collection per resident is highest in Donostia-San Sebastián.

The factor of "intelligent mobility" attempts to measure how well urban transportation meets the needs of city residents.

The highest rate of urban-transport connectivity via buses only is in Bilbao. In addition, we need to consider in this regard inter-city buses and the municipal regional bus service Bizkaibus, as well as international connections via airport and seaport—neither of which are offered in the other two capitals.

	Bilbao	Vitoria-Gasteiz	Donostia-San Sebastian
1.5. Municipal economic and financial management			
City government expenditure (per resident, in euros) (2009)	1,774.55	1,859.96	2,023.54
City tax collected (per resident, in euros) (2009)	261.86	351.43	361.33
Smart Mobility			
1.6. Mobility and connections in the city			
Connectivity of the municipality via public transportation: intercity bus (number of municipalities) (2007)	113.00	75.00	56.00
Mean time to reach other municipalities of the ACBC (minutes) (2007)	35.51	43.60	46.68
Mean time to access main thoroughfares (minutes) (2006)	2.37	3.85	3.27
Mean time to reach reference hospital (minutes) (2007)	5.44	3.64	5.20
Surface area dedicated to transportation and communication infrastructure (%) (2010)	6.48	4.25	2.89
Network of *bidegorris* (bicycle lanes) (km for each 10,000 residents) (2009)	0.71	2.56	1.83

The lowest mean access time to main roads and for reaching other municipalities of the ACBC is also boasted by Bilbao, while Vitoria-Gasteiz offers the shortest time to access a reference hospital (given that one such hospital is located in its historic city center).

The city with the greatest surface area dedicated to transportation infrastructure is Bilbao, except in the case of bicycle lanes (called *bidegorris* in the Basque language), for which Vitoria-Gasteiz has the highest number.

Smart Environment

The Basque capital generating the highest amount of refuse in 2007, and in which there was the most potential soil contamination in 2008, was Bilbao. Donostia-San Sebastián and Vitoria-Gasteiz were second in each of the respective categories.

The three capitals draw upon equally high-quality water. Similarly, the air quality is very good in all three (nearly 100 percent) with the percentage somewhat lower in Bilbao.

	Bilbao	Vitoria-Gasteiz	Donostia-San Sebastián
1.7. Waste			
Generation of urban waste per resident and year (kg./resident/year) (2007)	588.81	332.58	493.94
Potentially contaminated soil (% total area) (2008)	5.51	2.35	1.91
1.8. Water and air			
Health rating of potable water (2009)	3.00	3.00	3.00
Days with good or acceptable air quality (%) (2009)	98.08	99.73	99.73

As regards energy, annual consumption is highest in Vitoria-Gasteiz, due in large part to industrial consumption. The largest industries are located in that capital, resulting in its higher energy consumption.

Installed photovoltaic power and wind energy is also highest in Vitoria-Gasteiz, while hydroelectric power is highest in Bilbao.

The city with the highest level of environmental awareness is Vitoria-Gasteiz, which boasts the highest number of dwellings with energy-efficient certificates, the most environmental certifications, and the highest percentage of business establishments with environmental accreditation.

Donostia-San Sebastián has the most green zones and the largest forested area, while Vitoria-Gasteiz has the most municipal area under special protection.

Smart People

The factor "smart people" measures, among other things, the extent to which a population is qualified. All three Basque capitals have a larger percentage of population with university degrees than with vocational training, with Donostia-San Sebastián the leader in this respect.

The talent and qualification of people is the most important production factor for the creative economy on which the "smart economy" is based.

Smart Living (Social Cohesion, Quality of Life)

Donostia-San Sebastián is the city with the highest percentage of immigrant population, while Bilbao has the most non-EU immigrants.

The city with the highest number of social housing (VPO, Vivienda de protección oficial, Officially subsidized housing) by Etxebide, the Basque public corporation responsible for making such decisions, is Donostia-San Sebastián. This is also the city in which cost per square meter of housing is the most expensive, followed by Bilbao.

Donostia-San Sebastián is the Basque capital with the highest per-capita

	Bilbao	Vitoria-Gasteiz	Donostia-San Sebastián
1.9. Energy			
Annual electrical consumption of municipality (Kwh./resident) (2010)	3270.42	5775.26	4143.29
Installed photovoltaic power (kW per 10,000 residents) (2009)	11.78	109.05	69.81
Installed wind energy (kW per 10,000 residents) (2009)	0.06	0.11	0.00
Installed hydroelectric power (kW per 10,000 residents) (2009)	9.91	0.00	0.00
Surface area of installed solar thermal energy (m^2 for every 10,000 residents) (2009)	7.96	174.02	38.27
1.10. Environmental awareness			
Dwelling with energy-efficiency certificate (%) (2009)	10.78	48.86	6.87
Environmental certifications (%) (2008)	4.83	6.18	3.81
Business establishments with environmental certification (%) (2008)	0.47	0.61	0.38

expenditure on social services. It is also the city with the highest occupancy rate for residential centers for disabled persons and senior citizens.

As regards communal public facilities, no clear conclusion can be drawn, given that each of the cities is the leader in different categories. In certain instances, there is a clear explanation for the data reported in the table above. For example, given that Vitoria-Gasteiz is the Basque capital with the most motor vehicles, it makes sense that it also has the most gas stations. Similarly, given that Donostia-San Sebastián is the city that is most focused on culture, tourism, and services, it is to be expected that it would have the most movie screens per capita.

Smart Governance

The factor of smart governance has been measured in terms of citizen participation, specifically by participation in the 2011 municipal elections. Vitoria-Gasteiz proved to be the city with the highest voting rate in this respect (61.51 percent), followed by Bilbao (61.14 percent), and Donostia-San Sebastián (59.55 percent).

In the end, we cannot conclude that any one of the three Basque capitals is "smarter" than the others. Instead, the picture that emerges is of three cit-

	Bilbao	Vitoria-Gasteiz	Donostia-San Sebastián
1.11. Level of education			
Population above the age of 10 that has at least a Secondary School education (%)(2010)	62.87	61.51	68.98
Population above the age of 10 that has completed vocational training (%) (2010)	12.70	14.37	13.38
Population above the age of 10 that has earned a university degree (%) (2010)	27.23	23.10	32.18
1.12. Natural movement of population and immigration			
Foreign immigrant population (%) (2010)	8.04	6.66	9.84
1.13. Housing			
Protected dwelling status (VPO) granted by Etxebide during the past five years (% of residents) (2010)	2.36	1.24	10.59

ies with a different profile with respect to the six measured variables. Thus, Bilbao is distinguished by its "smart mobility" while Donostia-San Sebastián is notable for its "smart economy" and high quality of life ("smart living"). Vitoria-Gasteiz, on the other hand, stands out for its concern for the environment (that is, its "smart environment).

Basque cities have slowly begun to implement the "smart city" model, and the three Basque capitals are a clear example of this. Eustat has collected information regarding urban sustainability indicators for all of the Basque municipalities that reflects a growing desire for the model be implemented, and also that the three—Bilbao, Vitoria-Gasteiz, and Donostia-San Sebastián—have made great strides in doing so.

There are currently 196 Basque municipalities that belong to the Udalsarea 21 network. This network was created as a result of the signing by representatives of those municipalities of the "Commitment to Local Sustainability in the Autonomous Community of the Basque Country; consolidation of Udalsarea 21." Each of the signatories also signed the Aalborg Charter, and have at their disposal both a "sustainability diagnosis" and a "multi-year action plan" approved by each respective city council.

These developments constitute a positive influence on the quality of life of the citizens of the municipalities in question, which translates in concrete terms to an improved "city image," which includes two important components: the image that the city projects to its own residents (inward projection), as well as the image that the city projects to others (outward

	Bilbao	Vitoria-Gasteiz	Donostia-San Sebastián
1.14. Social wellbeing			
Total per-capita expenditure for social services (in euros) (2005)	511.69	401.06	553.37
Occupancy rate of residential centers (for senior citizens and disabled persons) (%) (2009)	85.54	92.79	94.01
1.15. Communal public facilities			
Child-education units per 100 residents age 2 or under (2009)	2.83	4.64	3.29
Bank branches (per 10,000 residents) (2010)	10.02	9.99	10.19
Post offices (per 10,000 residents) (2009)	0.31	0.25	0.32
Gas stations (per 10,000 residents) (2008)	0.31	1.46	0.81
Pharmacies (per 10,000 residents) (2009)	4.22	3.02	4.58
Public-library books per resident	1.07	0.58	2.06
Number of movie screens (2009)	26	26	32
Movie theater capacity (seats per % inhabitants)	13.13	28.03	29
Public playgrounds (per % inhabitants aged 14 and under (2009)	2.99	4.36	5.79
Number of public rest rooms (per 10,000 inhabitants) (2009)	1.08	0.71	1.35
Number of public telephones (per 10,000 inhabitants) (2010)	1.21	1.16	1.32
5.5. Public safety			
Number of police officers per 100 residents (2009)	2.05	1.59	1.90
Crime rate per 100 residents (2009)	61.19	48.45	36.39

projection). This element of city image must be considered one of the abilities and strengths that, via renovation and urban development, can be either strengthened or changed according to a particular city's circumstances.

City renovation programs seek, among other things, to improve this image in order to engender, on the basis of a new identity and a reassessment of a given urban area, a social appropriation of the renewed image, thus responding to a number of different interests, such as the preservation of a city's architectural, historical, and cultural heritage, environmental recovery, and economic reactivation (Vergara Durán 2010).

The current philosophy of urban development, public debate, the striving for high rankings, and so forth, have all resulted in cities competing with one another—now more than ever before—in order to find their niche and receive public recognition. Cities have created their own brands, and they want a particular image, values, and culture to be associated with that brand.

Euskadi has received a number of different awards for sustainable urban development. Vitoria-Gasteiz was selected as the "2012 Green Capital" and Bilbao received the "World City Prize" (widely considered "the Nobel Prize of cities") at the 2010 Shanghai Expo.

Conclusion

The dynamics of technological development and RDI have been placed at the service of individuals toward the end of promoting societal progress. We can rightly conclude that we see unfolding before our eyes a Third Industrial Revolution, also known as the Digital Revolution. The "Internet of things," M2M, and the most cutting-edge ICTs have made societies capable of transforming knowledge into value, and this capacity has been assumed by cities as well, thus leading to the emergence of the smart city model. Sustainable development seems to be the only answer to the current situation. This is a concept that goes beyond environmental protection, and that rests on three pillars: economic sustainability, social sustainability, and environmental sustainability.

The smart city model brings together a number of different criteria such as respect for the environment and the use of ICTs as tools to manage cities for the purpose of ensuring sustainable development. The smart city model is being implemented in the ACBC in order to make the lives of its citizens easier, more comfortable, and more pleasant. The cities in the ACBC that are implementing the model are cooperating with one another in both the local network Udalsarea 21 and the European network called the "Covenant of Mayors," and they are creating both short-term and medium-term strategies that follow the current EcoEuskadi 2020 guidelines.

A city's image is constructed on the basis of criteria such as the quality of life and the comfort that it offers, as well as its environmental, cultural, and social conditions (namely, safety, social infrastructure, public-service networks, and so on). For this reason, development—and especially sustainable and intelligent development—make a decisive contribution to improving the image and perception of cities.

The three Basque capitals have markedly improved their standing as sustainable and smart cities. This is a result of the new urban renewal plans

that these cities have instituted. Bilbao represents an example of a transition from a postindustrial model to an innovative city, with modern systems of intercity connectivity and innovative infrastructure design. Vitoria-Gasteiz has distinguished itself as a city concerned about its environment, and this has taken the form of the recovery of green spaces and plans for reducing pollution in the city. Donostia-San Sebastián has emerged as a city with a growing interest in culture, introducing innovations in its famous film festival and investing important resources in its cultural sector.

Applying the most commonly accepted version of the smart city model, we will try to analyze the extent to which it has been applied in the three Basque capitals. Thus, in terms of the data collected from secondary sources such as Eustat and Udalmap, we can draw the following conclusions:

- In terms of a "smart economy," Donostia San- Sebastian has higher indices of activity in the service sector because of its vitality in the areas of tourism and business. Vitoria-Gasteiz displays a higher employment rate, which presumably reflects a higher degree of general activity. Meanwhile, Bilbao reflects the highest degree of activity in the area of independent entrepreneurship, one of the most important values of the "creative economy." Specifically, such activity is reflected in higher proportions of small- and medium-sized enterprises and microenterprises, both new and established.
- The factor of "smart mobility" attempts to measure how well urban transport meets the mobility needs of a city's residents. Bilbao is the city with the highest number of inhabitants that work outside of the municipality, and also has the best intercity urban transportation (namely, the largest fleet of city buses, the most routes, the lowest waiting times, an urban subway, tram, and railroad), as well as international connections (via airport and seaport).
- As regards "intelligent environment", Vitoria-Gasteiz is the city that shows the highest degree of environmental awareness. It is the city that is most concerned with intelligent waste management, which has the highest degree of energy generation via alternative sources (namely, solar and wind), and that boasts the most environmental accreditations and certifications. It also has the most surface area under special protection.
- The degree of qualification of a population is one of the bases of the determinants of the extent to which a city has "smart people." In this respect, all three Basque capitals boast higher percentages of persons who have attained university degrees than those who have vocational training, with Donostia-San Sebastián having the highest percentage of college graduates.
- Among the three capitals, Donostia San-Sebastian stands out as offering the highest quality of life. It is the city with the highest rate of documented immigration, the highest number of social housing units, spends the most money for public and social services, has the most developed basic constructed infrastructure, and offers the highest degree of safety.

- The factor of "intelligent government" is measured in terms of citizen participation in municipal elections. In the case of all three Basque capitals, the index of such participation was equal to or greater than 59.55 percent.

Finally, on the basis of all of our findings, we can conclude that Bilbao is distinguished by its "smart mobility"; Donostia-San Sebastián by its "smart economy" and "smart living"; and Vitoria-Gasteiz by its "smart environment."

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5

Cultural Policy and Urban Regeneration: Exploring Conditions for Renewal Effectiveness

Beatriz Plaza

Cultural events and facilities have been a classic element of urban regeneration projects to surmount the effects of industrial decline and economic restructuring in cities for many years. More and more, cultural attractions (infrastructures) are the central focus of an urban renewal strategy for inner city and other central development projects, pursuing an important economic aim and representing the overall project as a flagship or icon. Expectations of these projects are high and the success value is now the unique character of these facilities (events), measured by their branding power and, therefore, their overall capacity to attract people and investments in a worldwide competitive arena. Universally famous examples are the Tate Liverpool (UK), the Tate Modern London (UK), the Guggenheim Museum Bilbao (Basque Country, Spain), the new Louvre-Lens (France), the Pompidou-Metz (France), the Glasgow European Capital of Culture 1990, the Lille European Capital of Culture 2004, and the Ruhr European Capital of Culture 2010, whose principal aim is the re-activation (and/or the diversification) of the economy of their territories, besides their obvious cultural objective.

However, it must be recognized that such a result should not be taken for granted. It requires a series of conditions to be fulfilled, like those identified by Adrian Ellis (2007). After analyzing several cases, I identified three sets of conditions that should be fulfilled to effectively use cultural facilities and events as engines for economic revitalization or growth.

Cultural Facilities (Events) as Instruments in Urban Regeneration

In the 1980s and 1990s, many urban and economic regeneration strategies were developed to start the rough restructuring process of old-industrial

areas. In order to improve the quality of life in cities that suffered industrial decline, economic crisis, and social segregation, culture was one of the pillars of many urban renewal projects, besides economic promotion and job creation, environmental improvements, and brownfield conversion. Often, converting old-industrial areas and buildings into cultural facilities and museums, sometimes related to the former industrial activity and at other times not, was also a way to find a rational use for the old structures and to save the last remnants of the industrial past from demolition. Two well-known examples in Europe are Glasgow, where the European Capital of Culture program started and a city that can also be seen as the symbol of a successful beginning of restructuring; and the IBA Emscherpark in the German Ruhr area around Duisburg, Essen, and Dortmund, where many old industrial buildings and constructions were converted into museums, leisure spaces, concert halls, clubs, and theaters – a long process that was finally acknowledged with the Ruhr cities' selection as European Capital of Culture for 2010:

> The original aim of the Ruhr.2010 ECoC bid was to develop culture as a means to achieve wider social and economic goals, including community cohesion, integration of immigrant or ethnic groups, development of the creative economy, improved perceptions of the region and bringing the Ruhr together as a single metropolis. . . . One of the Essen for the Ruhr 2010's main objectives was to use the national and international communication and marketing to create a new image of the Ruhr and also mobilize the local population. Evidence from research undertaken by the agency suggests a high degree of success in giving the ECoC a high profile with local residents and with national and regional media (European Commission 2011, iii).

The expected impact of cultural facilities in revitalization strategies normally surpasses the mere cultural or educational effects. Whereas some projects point toward generating direct additional economic benefits through the attraction of tourists and tourist expenditure, others rely on more indirect and softer effects such as changing the city's image, encouraging social integration, creating a secure environment, retaining inner-city retail trade, encouraging new local investments, developing local identity and a sense of belonging, and so on (see for example Cwi 1980). In recent years, with less need to convert large-scale old industrial areas, cultural amenities also have become the icing on the cake in urban development projects of inner-city areas and city centers and of local place marketing and branding strategies, trying to attract tourists, residents, and investments in an ever-more global competition between cities and regions.

However, many cultural facilities and especially museums, which were used as instruments in urban regeneration, were not as successful as expected. The cities of Sheffield (UK), Newcastle upon Tyne (UK), Milwaukee (US), León (Spain), and Herford (Germany) are only a few examples of urban regeneration projects that ultimately lacked impact or evinced inefficient operations leading to failure and crisis. Taking a closer look at these not-so-successful examples and, conversely, at the more successful examples

of the Tate Modern, the Ruhr, and the Guggenheim Museum Bilbao, one can observe that there are some necessary conditions that must be fulfilled in order to turn a cultural facility, especially a museum, into an economic activator.

Cultural Facilities as Economic Re-activators: Conditions to be Fulfilled

The necessary conditions for a cultural facility to enjoy a successful impact on a local or regional economy can be divided into three categories: (1) basic locational and economic conditions; (2) the conditions related to the public policy framework of action; and (3) the conditions related to a museum project and its management.

Basic Locational and Economic Conditions

Condition 1: Agglomeration Economies, Location, and Accessibility

The first basic requirement for establishing a cultural facility that should attract people, firms, and investments, is its location in an urban or regional environment. Two aspects are of particular importance: agglomeration economies (urbanity) and accessibility.

The intuition works in the following way: the accessibility of the city and its size (Christaller 1933; Lösch 1940) will (significantly) determine the success of culture-driven urban renewal, whereas more peripheral locations will infringe in much higher transaction costs because of higher transportation costs, lower specialized inputs in production, and lower specialized local consumer goods (Johansson and Quigley 2003), among other things. In a more central and larger city, the cultural tourist will infringe in lower transaction costs because of the benefits of agglomeration economies. The sources of agglomeration economies include, among other things, urbanization economies, density of transportation networks (Henderson 1980), and lower accessibility costs.

The analysis of cultural tourism in urban (regional) space emphasizes the importance of spatial centrality and agglomeration economies. Of course, the concept of agglomeration is not new in itself. The concept of agglomeration economies goes back to Alfred Marshall (1919, 1920), who used the idea to describe the fact that successful industrial production was often concentrated in space.

Urbanity is both the precondition and the outcome of an attractive cultural infrastructure. As indicated by Harvey S. Perloff (1979, 129): "the arts serve to enhance one of the built-in advantages of the city, that of urbanity. The arts serve to increase the element of excitement and variety which is the key to urbanity." Urbanity means, in this context, a certain degree of centrality (city center or new development pole) with a wide range of space usages and urban functions in close proximity, a dynamic and secure use of public space (if possible, twenty-four hours, seven days a week), good accessibility for pedestrians, and public transport that does not interfere with

other usages. If urbanity of a new developed area is to be achieved with the support of a museum, adequate and coherent planning of the surrounding space and functions is required (see Condition 3). Facilities that lack this centrality and do not have the capacity to create new centrality by themselves suffer from a lack of visitors, leading most probably to poor business figures and eventually to failure, as happened in the case of the National Centre for Popular Music in Sheffield (UK).

Accessibility as a precondition is needed not only for the cultural facility and the area itself, but also for the city-region in a wider international context. When considering cultural events, there are some indicators related to the spatial accessibility such as international highways and railroads, airports, and traveling times to major cities, which influence the number of visitors and there is a positive correlation between high accessibility and a high number of visitors to a cultural event. There is more chance of success if a critical mass of potential visitors can access the cultural facility within one to three hours by car, which (in the European setting) favors locations in Western and Central Europe. However, travel costs and travel times have fallen considerably during the last ten years due to low-cost air carriers, reduced prices, the increased use of secondary airports, and more competition for European and worldwide trips. This now makes it easier for even peripheral and middle-sized cities to become attractive to a wider group of people. Nevertheless, a certain level of accessibility to potential markets should be given. In relatively small cities such as León, Spain (with Musac, the Museo de Arte Contemporáneo de Castilla y León, Museum of Contemporary Art of Castile and León) and Herford, Germany (with the contemporary art museum MARTa), museum projects based on modern architecture were supposed to attract more visitors with high purchasing power, but failed to do so due to their reduced accessibility and their limited number of additional attractions beside the museums.

In this sense, Lille (France) successfully combined accessibility (Lille is easily accessible via the Eurostar rail service) with the preservation of its urban and social fabric, heritage conservation (the reuse of industrial buildings)—with culture as a decisive part of the metropolitan development strategy (for example, Lille as European Capital of Culture 2004)—and metropolitan cooperation dynamics (strategic cooperation with neighboring local authorities): "Perhaps most interesting is the fact that cultural development was not just about promoting the city's image and developing tourism, but also a matter of increasing local people's self-confidence and civic pride and even of boosting the industrial conversion process" (Paris and Baert 2011, 29).

However, it is also necessary to assess the influence of nearby cities to the host city through spatial economic tools. In this way it would be easier to understand the outstanding success of some ECoCs such as Liverpool or Lille. This may be due not only to their own conditions, but to the conditions of nearby cities. For example, Liverpool is 340km (211 miles) from London and Lille only 225km (139 miles) from Paris, with both capitals clearly being large agglomeration centers (Plaza and Baños 2013).

Condition 2: Coherence of Cultural Investments in a Favorable Economic Framework

Moreover, a stable economic framework influences not only industrial or service sectors but also the successful outcome of cultural projects and facilities. The strategy to invest in a heritage site or a cultural facility in order to induce structural change and economic growth needs sound economic framework conditions to become effective. Here, two areas of influence are important: first, the overall coherence of the cultural investment strategy with the regional economic situation; and second, the attainment of favorable economic framework conditions that should accompany the cultural investments.

With regard to the first point, to be receptive to an investment strategy in cultural projects and facilities, a local or regional economy must be at a turning point after an economic crisis or already in a good economic situation. That means public and private investments can be made in various sectors and that the basic infrastructure and service needs of the population can be attended to. Otherwise, public investments in culture could be seen as merely an extra cost and not essential to "real" local needs. Cultural projects may receive incessant disapproval and public protests that would undermine the success from the beginning. The case of Newcastle upon Tyne serves as an example of this. Cultural projects in the old-industrial North-East of England, especially in Newcastle, suffered from this (perceived) lack of balance between "real" economic investment and "soft" cultural investment, and were not able to achieve the necessary local support (see also condition 5) and the expected impact in economic terms (Plaza and Haarich 2009).

With regard to the second aspect that influences the economic success of cultural investments, four structural macroeconomic conditions need to be attained, as described in more detail by Beatriz Plaza and Silke N. Haarich (2009, 265):

> Firstly, cultural investments create effective employment only to the extent that they become effective tourism magnets, i.e. other public and private investments are necessary to offer adequate tourism infrastructures, services, products and quality. Secondly, the greater the diversification of the city's economy, the greater is the absorption of price tensions and the lesser is the dependence on the fluctuating tourism market. Thirdly, an adequate integration of the redevelopment zone's markets and the attraction of different, complementary market and tourist segments help to overcome seasonality and to adjust to price tensions. Due to the significance of the non-heritage sector, there will be adequate resources in terms of labor, goods and services for productive purposes. Fourthly, a high productivity of a city's economy helps to adjust to possible structural changes and to adapt to market pressure in new and emergent service sectors, such as cultural industries or tourism.

In line with these structural macroeconomic conditions stated by Plaza (2008), "Glasgow was the first city to use the ECOC as a catalyst to accelerate

urban regeneration, which resulted in an ambitious programme of cultural activity with an unprecedented level of funding from local authorities and private sponsors" (Garcia 2004, 319). Moreover,

> Key elements that have inspired other urban centres and are seen as pioneering examples of urban cultural policy include the emphasis on using a wide definition of culture, comprising not only the arts but other elements that reflected Glasgow's identity, such as design, engineering, architecture, shipbuilding, religion and sport; the distribution of activities not confined to the city centre but also outlying areas, with a view to reach and stimulate participation in less-privileged communities; the inclusion of flagship national companies and international stars at the same time as supporting emerging local artists and grassroots organisations; and the allocation of funding for both temporary activities and permanent cultural infrastructures (Garcia 2004, 319).

Public Policy Framework of Action

Condition 3: Diversified Public Policy

A cultural facility (event) as one single measure rarely becomes an economic re-activator. Rather, it needs to be accompanied by other public sector policies and investments that support the economic development in question according to the needs of the particular city region and its economic structure. If a new museum is supposed to change the image of a former industrial or rural region, the adaptation of (public) transport, urban, and environmental infrastructures and services to high-quality standards is of vital importance. Equally, public policies may become significant in fields such as housing, education, training, job creation, and fostering entrepreneurial initiatives. Yet moreover, additional and accompanying funding of other cultural facilities and policies should not be overlooked, in order to avoid the creation of a cultural desert with only one oasis.

This condition is somehow related to the first line of reasoning in Condition 2, the coherence of cultural investments within a wider regional economic context. However, it embraces much more than the coherence aspect. It asks for strategic and diversified public investment aimed at urban, economic, and social regeneration, with the need to attend to the diverse needs of the local population. As stated by Plaza (2008), urban regeneration problems in Bilbao were tackled through implementing a larger coherent public policy targeted at productivity and diversity, with—among other things–a strong cultural component. Regional public authorities developed policies aimed at creating competitive environments with a very strong innovation, technology, and entrepreneurship component. Economic and strategic redevelopment was combined with the strategic regeneration and conversion of old-industrial areas and urban brownfields. The city region was equipped with a new public transport system, new drainage and water/air cleanup systems, a new

inner-city waterfront, and a larger airport. Residential, leisure, and business complexes were constructed in town, while a new seaport as well as industrial, entrepreneurial, and technology park were constructed away from the urban center. The city center regeneration of a 35-ha brownfield included not only the construction of the Guggenheim Museum Bilbao, but also an events and conference center, a maritime museum, offices and housing, commercial and leisure areas, and a green public space (Haarich 2006).

Condition 4: Continuous Public Funding of the Cultural Facility as an Investment in Urban and Regional Development

As the traditional educational and leisure objectives of a museum change toward more economic aims, so the character of public funding of museums has to be modified as well. Public money is no longer necessarily seen as a (lost) subsidy, but rather as an investment in regional development that will have an impact on both jobs (direct income) and on marketing. The Guggenheim Museum Bilbao is a case in point when it comes to demonstrating the positive effects of public investment in culture. Plaza (2006) shows that, while the Guggenheim Museum Bilbao was a costly venture, its return on initial investment (not including the value of the permanent art collection) was completed as early as seven years after opening. The Basque public institutions recovered their full initial and continuing investments, approximately €272 million, which includes the amount spent on purchasing the museum's permanent collection, in 2010 (see Plaza 2006). However, these are quite unique figures in the world of cultural expenditure; they demonstrate the overall changing character of public cultural funding from subsidies to investment.

Nevertheless, public funding, which is only provided for the construction and start-up of a venture, is insufficient to ensure the financial sustainability of a cultural facility. In fact, in order to guarantee the effectiveness of a cultural infrastructure as an economic re-activator, a sustained and continuous financial injection from the public sector is required throughout the life of the museum. A comprehensive business plan with annual investment and repayment schedules should be agreed upon from the beginning. Museums (like the Guggenheim Museum Bilbao), which are part of an urban regeneration strategy, might generate positive multiplying effects on tourism, attraction of firms and investments, and the like throughout the city economy during the museum's life. Yet a museum does not capture all the cash flows it generates, a fact that destabilizes its financial accounts. For this reason, public support is requested throughout the life of the museum, regardless of political constellations and preferences. This obviously requires an institutional agreement beforehand in order to ensure public administration engagement in the long run.

Condition 5: Engaging the Local Community

The engagement of the local community and the integration of local identity are essential for the success of a museum as part of an urban revitaliza-

tion strategy; to create ownership among local residents and communities increases the social and institutional sustainability of a project and will help to resist possible setbacks and crises. Furthermore, the integration of authentic regional identity features into the project helps to increase the distinctiveness and uniqueness of a project in a world with more and more franchise museums. A lack of consideration of local and regional identity as a means to achieving a distinctive quality may have been the cause of the failure of many museum projects such as the Museum of Contemporary Art Kiasma (Helsinki, Finland) and the Milwaukee Art Museum in the United States. On the other hand, there lies a certain danger in overemphasizing distinctive local features to the point of creating a Disney-like artificial world. Projects of this kind would lose their credibility and fail. An example of this kind of development could be the National Centre for Popular Music in Sheffield. In fact, engaging the local community and truly taking regional identity into consideration may be the most difficult aspects to achieve and to have some influence in a cultural project (Bailey 2010).

The Cultural Project and Its Management

Condition 6: The Visibility Effect through an Iconic Building

Cultural events (facilities) become effective economic driving forces only to the extent they become tourism magnets. And museums become tourism magnets only when they become highly visible at an international level. At present, one favorite way to achieve global visibility is through an iconic building. However, the use of signature architecture is always a controversial point in urban planning and development. Many argue that signature architecture—notably by people like Frank Gehry, Norman Foster, Renzo Piano, Rem Koolhaas, Daniel Libeskind, and Zaha Hadid—guarantees urban development in itself. Opponents of this tendency point out that the gains are not automatic, and the costs—which, apart from the direct monetary cost, may include changing the character of a cityscape—outweigh the benefits (Plaza 2006).

This attribute of museums has not been lost on planners, and city officials elsewhere are seeking to hire world-class architects like Gehry and Libeskind to brand their museum renovation schemes. However, being a "celebrity" is not a sufficient condition to ensure the uniqueness of an architect's design, since even notable artists produce inconsistent pieces of art. Creativity is a highly elusive reality for architects as well. As a consequence, I would emphasize that strategies based solely on "uniqueness" of design are risky in terms of fulfilling projected public goals.

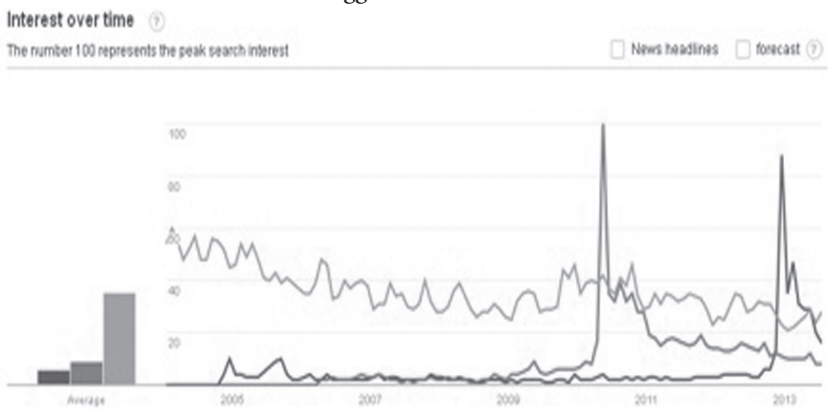
Fortunately for the city of Bilbao, Frank Gehry's design has turned out to be one of the masterpieces of twentieth-century architecture, although ironically it is now also the symbol of twenty-first century architecture. However, it must be remembered that this effect could also have been insufficient, if other conditions had not been attained.

Condition 7: Branding Power of a Cultural Infrastructure (or Event)

Global visibility is a key condition for a cultural investment to be an effective economic re-activator. In the last ten to fifteen years it has become much easier to achieve global visibility due to the new information and communication technologies (ICTs), namely the Internet and the globalization tendencies of the media. In order to become an attractive project and even the icon or flagship of a revitalized urban area or city, it is not enough these days to just have the building and its content. In times of the *experience economy*, event culture and omnipresent place marketing, the promotion and ongoing communication of a new cultural facility should become a major element in its overall public and private management strategy (Frey 1998; Hamnett and Shoval 2003; Van Aalst and Boogaarts 2002). And so, new public-private partnerships emerge. It is not for nothing that many public museum projects seek to engage a famous art brand, such as the Guggenheim Foundation, the St. Petersburg Hermitage, and the Paris Louvre, while on the other hand these museums or foundations also look for new opportunities to extend their exhibition space and to raise the profitability of their collections.

Although it is not easy to quantify visibility on the Internet, there are some small cities that have succeeded in their cultural events due, in part, to their significant virtual visibility (for example, the Guggenheim Museum Bilbao). Indeed, most visitors usually search the Internet before visiting a city so having good visibility helps to attract visitors. Figure 5.1 shows Google searches for "Louvre Lens," "Pompidou Metz," and "Guggenheim Bilbao."

Figure 5.1 Google Trends Searches for "Louvre Lens," "Pompidou Metz," and "Guggenheim Bilbao"

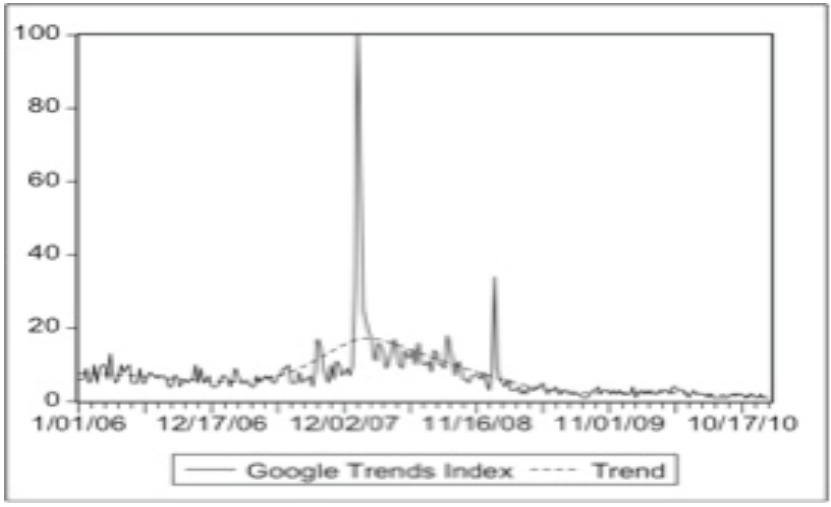


Regarding cultural events, it is important to discover the importance of virtual visibility before, during, and after a cultural event. Taking the example of Liverpool, which was an extremely successful ECoC in 2008, the repercussion on search engines provided by Google Trends, among other sites, can be analyzed.

Figure 5.2 shows that Liverpool had significant Google searches before and during the event but it was diluted after its completion, to be even lower than the previous years. Indeed, as can be observed in the chart, for 2009 and 2010 the number of Google hits decreased. Although this did not pre-

vent the city from enjoying a positive economic impact from the money spent by the numerous visitors who traveled to Liverpool during 2008, it is imperative for the host cities to maintain a good level of visibility in search engines, not only for the event but also to improve their e-branding. If the visibility drop is too severe, the success of a single event will not be able to ensure the success of events held in the future.

Figure 5.2. Google visibility for the search items "Liverpool + Culture"



Condition 8: Attractive Exhibition and Event Management

The final condition that should be fulfilled in order to turn a museum into an effective economic re-activator is quite obvious. The exhibition and event management of the museum in question must be attractive enough to catch the attention of both foreign visitors and local residents, and to keep doing so even after the first rush of interest. The difficulty lies definitely not in generating the initial attraction, but in assuring a high interest and visitor flow over the years – in adequate relation to necessary investments.

Maintaining the quality of exhibitions is one of the key challenges facing the regeneration of cities through museums. In the first year, there is always a novelty effect (observers forecast 700,000 visitors for the Louvre-Len's first year 2013, with the real figure being closer to 900,000), but it becomes about how the museum will maintain the number of visitors. The quality of the exhibitions is key here, and strategic because it will connect with media.

Conclusions

The use of cultural facilities (such as museums) as urban regeneration or economic re-activators has become popular with the so-called Bilbao Effect. However, the urban regeneration of Bilbao is a complex and multidimen-

sional process that has converged in a series of conditions and strategies (not necessarily coordinated or integrated) that go beyond the simplistic view of the "Guggenheim effect" (Plaza and Haarich 2013). In particular, the city implemented a strategy that relied on large-scale infrastructure projects as a means of reinvigorating the economic, political, cultural, and environmental landscape. These problems were tackled through implementing a larger coherent public policy targeted at productivity and diversity, with a strong cultural component. Regional public authorities moved toward policies aimed at creating competitive environments with very strong innovation, technology, and entrepreneurship elements. Economic and strategic redevelopment was combined with territorial regeneration. The city-region created a new subway system, a new airport, new drainage and air/water clean-up systems; residential, leisure, and business complexes were built downtown, while new river and sea waterfronts, a seaport and industrial and technology parks were built in the Bilbao hinterland (Plaza 2007).

To sum up, to invest in a cultural facility might be a good way to reactivate a city's economy. However, many conditions must be fulfilled or at least profoundly analyzed in order to achieve the desired outcome. And even then, these aforementioned conditions will depend on external factors and on general trends so that some cultural projects will be luckier than others.

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6

Cultural Heritage as a Factor in the Urban Regeneration of Vitoria-Gasteiz

Agustín Azkarate and Ander de la Fuente

The Origin and Expansion of Vitoria-Gasteiz: Memory and Oblivion

Gasteiz was originally founded on a 550-meter limestone hill that rises slightly more than 20 meters above a plain measuring 800 square kilometers that is locally known as the "Plain of Araba (Álava)." This elevation, strategically located where the Northern Cantabrian Pyrenees, the Ebro depression, and the Castilian plateau meet, has an oval shape, with its longitudinal axis oriented from North to South.

Human settlement of the area began during the Bronze Age, and is attested during the time of the Roman Empire as well. But uninterrupted settlement of the site only dates back to the seventh century CE. From its earliest days, this settlement was an important center of power (Azkarate and Solaun 2009) and became known as Gasteiz.

The site was refounded in 1181 by Sancho the Wise of Navarre and given the new name of Vitoria. After a long siege, Vitoria was conquered by Alfonso VIII of Castile in 1200. The Castilian king expanded the ancient center of the city with three streets leading westward. Half a century later (1256), Alfonso X would add three streets leading eastward, giving Vitoria the classic almond shape that characterized it until the nineteenth century, as attested by the renowned French novelist Victor Hugo.[1]

1. "We have just attempted to restore, for the reader's benefit, that admirable church of Notre-Dame de Paris. We have briefly pointed out the greater part of the beauties which it possessed in the fifteenth century, and which it lacks to-day; but we have omitted the principal thing—the view of Paris which was then to be obtained from the summits of its towers. That was, in fact,—when, after having long groped one's way up the dark spiral

Figure 6.1 Aerial view of the medieval city of Vitoria-Gasteiz, with its distinctive almond-shaped layout.

It was in the early nineteenth century that the ancient city set on a hill expanded beyond its original walls. This urban expansion project was brilliantly executed by the neoclassical architect Justo Antonio de Olaguibel (who designed the Plaza de España, Los Arquillos, and the Plaza del Machete). This project included a façade of historical Vitoria that faced southward; roads that connected it with Castile, La Rioja, and France; streets, public squares, and gardens that definitively extended the boundaries of the city beyond its original walls. This led to the emergence of a new conception of a bourgeois, orderly, and spacious city that, during the first three decades of the nineteenth century, came to define a different way of living and enjoying the amenities the new city had to offer. This expansion toward the Araba Plain led to an initial loss of prestige of the original walled city, which with its twisted streets came to be seen as dark, inaccessible, and dirty.

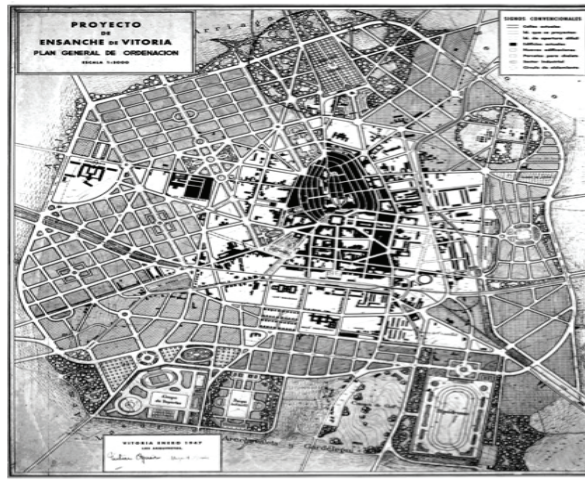
> During the second half of the nineteenth century, the city experienced significant growth in its southern zone. This growth was the result of three different factors: (i) the disentailment of church lands by Juan Álvarez Mendizabal (1836–37) and Pascual Madoz (1855); (ii) the Royal Order of 1846 that required that cities be planned according to a geometrical grid (Hernando 1989) and the use of such a model by Francisco de Paula Hueto (1865), and (iii) the introduction of railroads (1856). This last development

which perpendicularly pierces the thick wall of the belfries, one emerged, at last abruptly, upon one of the lofty platforms inundated with light and air,—that was, in fact, a fine picture which spread out, on all sides at once, before the eye; a spectacle sui generis, of which those of our readers who have had the good fortune to see a Gothic city entire, complete, homogeneous,—a few of which still remain, Nuremberg in Bavaria and Vittoria in Spain,—can readily form an idea; or even smaller specimens, provided that they are well preserved,—Vitré in Brittany, Nordhausen in Prussia" (The Project Gutenberg e-Book of Notre-Dame de Paris, by Victor Hugo).

> generated significant private capital for southward expansion—a "broadening" of the city that owed more to Haussmannian ideas of scenic hygiene than to an overall design based on street sections and city blocks. Some of the nascent industries that supplied this new urban center with its needs (like the Olave Icehouse, founded in 1860, butchery workshops, a slaughterhouse, and an open-air market) were ensconced within the walls of the crowded old city, built on old orchards or gardens. This led to even more severe overcrowding, and turned the old town into the warehouse of the modern city.

The twentieth century began with a slow consolidation of the suburbs, the expansion of which formed a part of the Plan of 1927. This expansion along the city's southern edge, along the lines of the "Garden City" model, was only partially implemented at that time. The second half of the twentieth century was a time of industrial boom for the city, which nearly doubled its population between 1960 (73,000) and 1970 (138,000), finally reaching 242,000 in 2013. Vitoria was organized in accordance with concentric models designed to accommodate the use of automobiles (in separate 1947 and 1963 plans). These latest developments definitively relegated the medieval city to a cloistered, isolated, and decaying ghetto. This also marked the beginning of a *decentralizing* process that has gone on for more than a half century, and that involves the moving of basic functions of urban residents' lives

Figure 6.2 Map depicting the General Plan of 1947 for expanding Vitoria-Gasteiz, envisioning a concentric growth that would not materialize until many years later.



to new spaces of the contemporary city. What has been happening, in other words, is an inexorable loss of high-profile spaces. This loss, in association with other more recent phenomena tied to migratory processes, "has made the historic city center a socially stigmatized place that has been neglected by the city, and in part associated with its misfortunes" (Aginagalde and Aranes 2003, 124).

The neglect on the part of citizens of what had historically been the center of Vitoria-Gasteiz therefore constitutes one of the keys for understanding the reasons of its decline. But, as the poet Mario Benedetti wrote, "Oblivion is full of memories." Thus, recovering some of these memories and restoring to the historic city center part of its lost prestige has been one of the most important commitments of recent years. This recent priority has its roots not only in the undeniable deterioration and minimal functionality of historic centers, but also in the new neighborhoods, belts, and enclaves that everyone can see on the urban periphery of Vitoria-Gasteiz and that leave the city's residents utterly bereft of iconic references that are relevant to their identity.

Thus, on the one hand, the reaction to the economically driven urban development of the 1960s led to a social demand for knowledge for the purpose of reinforcing the feeling of being anchored in the face of globalization due to the fact "that, in our times, we have a greater need for productive memory than for productive oblivion" (Huyssen 2000, 19). The social awareness that memory is "transitory, notoriously unreliable, and assailed by the phantom of oblivion—in other words, human and social" (Huyssen, 2000, 21) leads us to the search for and preservation of that very memory, according to the tenets of perceptual geography.

On the other hand, the unavoidable reality that, in spite of everything, we live in a society in which monetary interests determine our scope of action forces us to seek out socioeconomic sustainability in interventions aimed at assigning new meanings to memory: This phenomenon is at the core of the discipline of cultural economy.

In either of these cases, the identity of the territory that we seek to consolidate can be defined as "the constellation of collective perceptions that its residents hold in relation to its past, its traditions, its legal authority, its productive structure, its cultural heritage, and its future" (Millán 2004, 134). Organizing and planning that territory should therefore involve actions bearing direct reference to its past and traditions, to its memory and prior material culture—in short, to its heritage, with this term understood in a broad and systemic way. The team members of our Constructed Heritage Research Group (known by its Spanish acronym of GPAC) at the University of the Basque Country (UPV-EHU) has been proposing interventions for the city of Vitoria-Gasteiz based on this philosophy for over fifteen years. These interventions have helped restore the image of a city whose recent impressive growth has been unfortunately accompanied by a certain measure of forgetting and turning away from its emblematic reference points. These interventions have succeeded in making the capital of Euskadi (the Basque Country) an example of effective management of a city's cultural heritage.

Cultural Heritage as a Modern *Episteme*

In its broadest sense, the term "heritage" refers to the assets inherited from the past in which each society recognizes cultural value. This is a dynamic definition, given the fact that cultural values are ever-changing. This implies that the very concept of heritage is continually being redefined, and that the

objects that comprise heritage consist of something of an open set that can be modified and—most especially—added to.

The construction of this new broad, flexible, and dialectical concept of heritage is a recent process that has not yet concluded—an ongoing debate. The final decades of the twentieth century were characterized by a radical rethinking of conceptual and methodological approaches to the subject of cultural heritage. This rethinking process comprises the following three general characteristics: (Azkarate, Ruiz de Ael, and Santana 2004): (i) *Expanding the scope of guardianship of the city's architectural heritage;* (ii) *moving beyond a Eurocentric vision and the globalizing of heritage*, and (iii) *diversifying the potential of heritage*, which needs to be seen as not only a means of buttressing collective memory, or as an indispensible tool of historical knowledge, but as a fundamentally important socio-historical resource and a *sine qua non* of sustainable development for contemporary societies.

As the most recent International Restoration Charters have warned, the fact that these developments are fundamentally positive does not mean that they do not also involve risks that ought to be considered. In effect, as regards the subject of heritage, fierce ideological battles are being waged that only reflect the opposing views of scholarly research, and of the role of science and of those in contemporary society who typically make use of science. We will observe how this issue plays out by referring to two highly influential contemporary authors, David Lowenthal and George Yúdice.

There are some who have sought to portray Lowenthal (1985, 1996, 1998) as a firm opponent of those who support the idea of heritage conceived as both memory of the past and as a resource for the future. Yet such a view has no foundation. Even though at times Lowenthal's posture seems ambivalent, there is nothing in his work (despite the titles of some of his publications) that goes against the cited conceptualization of heritage. If anything, he could instead be said to be an opponent of the excesses that sometimes occur when people look to the past (Lowenthal 1998). In this regard, his stance is comparable to that of Tzvetan Todorov (1995) when he decries the abuses that have been committed in the name of historical memory. Thus, just as Todorov, a renowned semiologist and philosopher, does not minimize the importance of collective memory but instead of its self-serving instrumentalization, Lowenthal similarly does not discredit those who see heritage as a cultural resource, but rather those who make perverse use of the concept. Lowenthal can thus not serve as an example of an authority who can be cited for the purposes of decrying the supposed inevitable commercialization of culture (Azkarate 2009).

On the opposite end of the spectrum there are authors such as Georges Yúdice (2003). For this New York professor, it is impossible not to think of cultural heritage as a resource as well—as a "modern *episteme*" characterized by its social cross-sectional quality to the extent to which its management and profitability benefits a wide variety of actors (Yúdice 2003, 30). Without underestimating the risks of commercialization that the Frankfurt School had denounced in an earlier era, Yúdice thinks it necessary to recognize that the field of play is not only open to those who hold power but also to those who propose alternative projects, whether such projects have the purpose of

economic revitalization of depressed areas, the enhancement and recovery of deteriorated urban "ghettos," bolster identities that have become diluted in the vast sea of globalization, or for any other reason (Yúdice 2003, 26).

Along the lines of Yúdice's thinking, the Constructed Heritage Research Group (GPAC) began more than fifteen years ago to plan its interventions in the city of Vitoria-Gasteiz as alternative projects with a holistic vision of the city, employing an approach that went beyond the limits of what it had initially been tasked. In 1998, when it began studying the restoration of Santa María Cathedral (envisaged by the committee members as a typical monumental restoration project), there was already a general sense that the socialization of work projects and the immediate dissemination of their results could turn the "Old Cathedral" into a pole of cultural tourist attraction in Vitoria-Gasteiz, and therefore both a reference point for identification with and dynamization of the medieval quarter in which it was located (when it was still a declining downtown neighborhood). Transmitting to society the knowledge that was being obtained (and not only the transfer of scientific results, as so often is the case in an academic enterprise), as well as the impact on citizens of some of the results of the research (especially those referring to the origin of the city) led to the generation of a flow of visitors to its "Open for Works" program. The dissemination to citizens of the knowledge obtained by GPAC also led to a general socioeconomic revitalization that ended up requiring the expansion of the scope of intervention in both the historic center and the rest of the city (Azkarate 2011). The response to this demand resulted in three important projects that have gradually shaped a strategy of urban organization: the restoration of Santa María Cathedral itself; the recovery of the city walls predating the actual founding of the city; and the design of a project for Vitoria-Gasteiz under the banner of "the City of Three Cathedrals" on the basis of work on the Armentia Basilica.

Figure 6.3. Interior of the Santa María Cathedral during the process of restoration and socialization ("Open for Works")

Santa María Cathedral: Initial Activities

Situated in the center of the city, Vitoria-Gasteiz's Santa María Cathedral (also known as "the Old Cathedral") was the first subject of study and activity within this chain of projects. It soon became a magnet for visitors interested in the history of Vitoria-Gasteiz, an element of the city's identification and an incentive for the construction of a reinforced identity for the "historic center" after an initial intervention that resulted from a demand on the part of citizens. The project grew out of a very specific *application context*: the Old Cathedral of Vitoria-Gasteiz suffered from serious problems with regard to its structural support and stability, presenting a picture of deformities and defects so anomalous that, in the face of a serious risk of collapse, it had to be closed to the public. How could its collapse be averted? We could see the damage that had occurred, but did not know the causes of the serious current pathology. Given that these latter could not easily be identified, there was a risk of misdiagnosing the problem. We also knew that the building and maintenance records for the cathedral included heartfelt concerns (dating back to at least the sixteenth century) about the possibility of the structure collapsing.

So from the very start, we suspected that the cathedral had chronically endured severe structural damage, including severe warping of its supporting elements and multiple cracks in its walls. We also knew that this structural problem had required carrying out a number of consolidation projects, and that these projects, far from resolving the problems, either aggravated them or shifted them to a different location of the cathedral. From all this information, we were therefore able to deduce that an exhaustive *knowledge* of the history of the old cathedral was going to constitute one of the keys to an accurate diagnosis, and that this knowledge required the participation of multiple disciplines under a strategy that of necessity had to be multidisciplinary in nature (Azkarate 2001).

We will soon also see that the restoration of the building required comprehensive intervention. In addition to addressing the tangible problem that presented itself, we also had to give the structure back the self-esteem that it had lost. We are referring here to "another" problem that we soon noticed, and that was not architectural, structural, or constructional, but instead sociological in nature; and specifically having to do with the city's collective psychology: the progressive transformation of the historical center into a center that had become home to radical movements, citizens with limited economic resources and, more recently, dislocated immigrants. All of these factors, along with the existence of a new neo-Gothic cathedral in an exclusive section of the modern city, had led to the city's residents turning their backs on the historic center of Vitoria-Gasteiz—a center which had, paradoxically, become relegated to the social periphery of the city's life.

In this context, it was necessary to transform the "cathedral project" into an engine of the historical center's recovery, and this required new activities involving more actors. The Santa María Cathedral Foundation, which was founded in 2000 for the purpose of implementing the recommendations of the GPAC's Plan, has administered the model socialization program of the project with one main objective in view: to transform the

restoration of the Santa María Cathedral into a citizen project. The slogan "Open for Works" was, in this regard, not merely a catchy marketing phrase but also—and above all—a declaration of principles regarding the social responsibility of scientific research. Renouncing from the beginning knowledge for knowledge's sake, a high priority was soon assigned to the commitment that arose from the context of application: a definitive commitment to a new "social contract" that modified and expanded the initial objectives, a social contract that required flexibility (namely, nearly daily adaptation of the discourse employed and a review of the specific circumstances of the ongoing restoration projections), that required the presence of new actors (in other words, administrators, guides, and communication specialists), and that finally called for going beyond the bounds of traditional quality control (that is, one that involved a "peer" review) as well as its replacement by a new system of evaluation that was both of broader social and, above all, more democratic scope.

No one currently doubts the decisive role played by cultural heritage (or, perhaps more accurately, the cultural landscape) in the social cohesion and economic growth of territories. This is so much the case that the consideration of this factor as a "resource" has now been incorporated into politically correct language. Yet there are few people who really believe in it, as demonstrated by the lack of serious studies that measure the real "value" of heritage. The most frequently used method for such measurement, despite its inadequacy, is the "input-output" model that recognizes and provides a detailed description of the relationships that arise among different sectors and economic agents of a territory, and that allows for the study of the measure to which an exogenous impulse (such as the demand for goods and services provided by some aspect of heritage) generates income and jobs. The Economic and Strategic Impact Study that the Santa María Cathedral Foundation commissioned the K Consulting group to carry out concluded that, taking into account the budget allocations of material investment for reconstruction and rehabilitation for the period 2000–2004 and the resulting activities implemented, the GDP or wealth generated in Araba during this period involved between three and three and a half times the amount of the original investment (Azkarate 2011).

The proven experience of the cathedral served at the time to demonstrate the economic impact that the revitalization of heritage could generate. However, even though that value has by now been internalized as a resource, it is still widely assumed that it is something that economists cannot or should not explain (Casson 1993, 418). The feeling of being anchored that is generated by collective memory, and the knowledge capital of societies that jealously guard such memory, modify the behavior of the individuals in that society in the sense that they establish new demands and preferences (namely, in terms of option, prestige, and legacy). Contrary to what authors such as Luis César Herrero Prieto (2002, 10) contend, these demands and preferences can indeed be reflected in the consumer market, especially in the real estate market (such as in surpluses, property easements, cadastral value, and taxation) and go beyond social profitability and the objective benefits that private companies obtain from sponsorship.

Until then, it was mainly those who visited the cathedral who generated the main source of income for making heritage profitable. In other circumstances, it had actually been the "desire to reside" within or near historical buildings that accorded the accommodations in or near such structures an added value that was exploited with varying degrees of sensitivity in the *paradores* or *pousadas* ("luxury inns") of the Iberian Peninsula. However, after the experience with the cathedral, we began to earmark these surpluses for the improvement of the quality of life of those who resided in these urban settings, on the basis of an effort to maximize their pride in belonging (in other words, their sense of being anchored). This is being accomplished by, first, not giving up on public-sector management of these external factors (namely, in attempting to secure maximum return on investment). The other key factor in this respect are cross-sectional initiatives that have an impact on urban planning, such as "Workshop Residences" (such as residences for young people eager to get hands-on experience with crafts that have been formally integrated into urban planning for the historical center, and that have been functionally adapted in order to include workshops open to the public as a means of social compensation for the subsidized rent enjoyed by their occupants).

These and other proposals shaped our MOTIVA management method, which was designed in 2007 for the purpose of promoting socioeconomic profitability of public investments in the cultural heritage of Vitoria-Gasteiz. The idea of this undertaking was not economic exploitation of the resources but rather the optimization and sustainability of them in order to guarantee the sustainability of our cultural legacy and the passing down of that legacy to the next generation.

The activities involving the Santa María Cathedral and related projects constitute an example of this conservation of the urban heritage, and of the social and economic development that UNESCO has recommended as the objective of all activities involving urban historical sites (Recommendation on the Historic Urban Landscape, including a glossary of definitions, UNESCO, November 10, 2011).

Recovery of the "Forgotten" Walls

The oblivion to which the historic center of Vitoria-Gasteiz has been consigned by the city's contemporary residents is one of the crucial elements for understanding its decay, and for explaining its continued loss of value. Thus, recovering that memory and restoring to the historic center at least part of its lost prestige constituted one of the most important endeavors of GPAC.

A new and startling "discovery" would soon compensate our efforts: that of the walls that had surrounded the ancient settlement of Gasteiz. We of course do not use the word "discovery" here in its literal sense. These walls had obviously been there all along, and scholars of previous generations were aware of their existence. Instead, we are using "discovery" in its social meaning. Only very recently did the original walls of ancient Gasteiz come to be gradually recognized by the city's residents. This was without them actually having been seen, or their true antiquity being given due justice.

In order to help explain their "invisibility," it is important to consider, first, the sociological considerations that we have just mentioned regarding the abandonment of the medieval city center, and the generalized oblivion to which that center had been relegated by the citizens of Vitoria-Gasteiz. There is, however, another purely visual (or spatial) reason. The walls of ancient Gasteiz surrounded an oval-shaped space that was situated at the top of a hill. The sections of wall that were most fully developed were logically those that faced outward from the ancient city. As was said at the beginning of this chapter, during the thirteenth century, this primitive center was "surrounded" by three new streets on its western edge, and another three streets on its eastern edge. In other words, the ancient walls *could not be seen* because they were hidden by the houses of the adjacent streets (that is, by the Calle de la Correría on the west and Calle de la Cuchillería on the east).

Figure 6.4 Previous state of the space adjacent to the walls.

But the "invisibility" of the walls was also historical in nature. Traditionally considered by historiography as the foundational walls of *Nova Victoria*, to which Sancho the Wise of Navarre had granted a foundational charter in 1181, the reality is that they had in fact been built at least one century earlier (Azkarate and Lasagabaster 2006).

The archeological excavations conducted in the Santa María Plaza and inside the old cathedral itself offered a stratigraphic richness that allows us to date the construction of the old walls to the second half of the eleventh century. This dating has been confirmed by radio carbon analysis.

These data are critically important for Basque historiography, and have been cited in numerous scholarly journals (Azkarate 2001; Azkarate and Lasagabaster 2006; Azkarate and Solaun 2009). On this occasion, however, we prefer to focus on other, less "academic" considerations that might end up proving to be of greater importance. We refer here to the walls as the protagonists of the process of recovering the prestige that the historic city center had lost in terms of the social and urban fabric of Vitoria-Gasteiz, and also to the potential of the discovery to both serve as a salutary lesson capable

of dignifying a space that had been steadily declining, and to increase the quality of life to which the residents of this area have every right by virtue of paying taxes that contribute to the maintenance of the city as a whole.

We are of course referring here to the implementation of another of the objectives resulting from considering Vitoria-Gasteiz as a historic urban landscape (Recommendation on the Historic Urban Landscape, including a glossary of definitions, UNESCO, November 10, 2011): improvement of the productive and sustainable utilization of urban spaces, preserving the quality of the environment in which their residents live. This approach involved the application of management experience acquired during the Cathedral project within the broader context of the walled ancient city. This application allowed work to be carried out on declining urban areas, and enabled us to face the challenge of integrating these areas into the city as reconfigured green areas of special historical significance.

The participation of the public administration of Vitoria-Gasteiz in the urban planning of the particular plots of land affected by this rediscovery would prove to be of fundamental importance for enabling an intervention encompassing all of the spaces adjoining the ancient wall. Our GPAC group, the Basque government, and the City Hall of Vitoria-Gasteiz made possible the drafting of the Historical-Archeological Study of the Ancient City of Vitoria-Gasteiz. Beyond its potential as a research tool, this study has supplied the guidelines for a planning of the historical city that is based on knowledge and memory.

The definitive intervention on the land plots that had been previously studied began in early 2006. Having been cleared of short-term unsightly structures and invasive vegetation, the potential of these lots as a system of free spaces around the pre-foundational wall could clearly be seen. This intervention has, as of the date we write, taken the form of two landscape/exhibition projects

Figure 6.5 Restored urban spaces beyond the walls of the Escoriaza Esquivel Palace.

that have incorporated the area into the city as a public garden exceeding 7,000 square meters right in the heart of Vitoria-Gasteiz.

The first phase involved the demolition of a building located at the gate of the ancient wall in Cantón de las Carnicerías. This demolition enabled visitors and residents to walk on a path along the perimeter of the wall, something that had previously been impossible. The path winds for the most part along green spaces that had previously been in a state of decline, strewn with the ruins of buildings whose significance is explained on discretely placed plaques. An effort was made to treat these places like gardens with a subtle, clean, and minimalist design inspired by the orchards of medieval monasteries.

This intervention would be complemented by another that involved an expansion of the guided walk along the walls that introduced the concepts of "intramural" and "extramural." In addition, this second phase involved connecting an area that had been nearly forgotten (the gardens adjacent to the wall that had been restored) with another that had been very well functionally integrated into the modern city (the Machete Plaza). For this purpose, a carefully planned system of walkways and ramps were created that served, at the highest level, as a viewing tower of the city. These walkways begin and end in a vertical orientation that does not obstruct the view of the impressive masonry walls, which continue to be preserved, and which serve as a visual reference point of the entire restoration project.

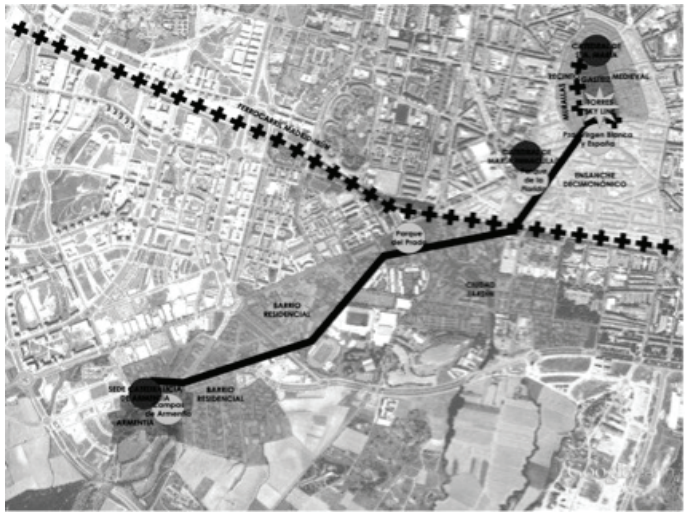
The city walls and the excavated structures (the Olave Icehouse, buttresses of the slaughterhouse, the market, and others) have been restored as

Figure 6.6 Wall panels and access ramps as seen from the south.

part of a preliminary consolidation process that is being carried out with the utmost caution when it comes to dealing with the complications involved in technical solutions to stabilize the structures. These solutions will be implemented in accordance with the opinions of the previous historical-architectural report. The materials in the original factory (masonry, lime mortar, and ceramic bricks) were used, with the new work being separated from the old structure by textile plaques in order to make any additions and repairs reversible.

One aspect of the development process of the actions planned for the urban enhancement was to include active and ongoing citizen participation in order to enable the city's population in general, and those living in the historic center specifically, to feel that they have some stake in this project.

Figure 6.7 Mental map of "3Ktd" (the "City of Three Cathedrals) and its southern entrance point (Camino de Castilla), which crosses railroad tracks.



The "City of Three Cathedrals"

The consciousness of working on the image projected by Vitoria-Gasteiz to visitors (in addition to an improved quality of life in districts that were in need of revitalization) was forged when a new research project was launched at the same time in the old bishopric and cathedral site of Armentia, located just a few kilometers from medieval Vitoria and currently incorporated into the modern city as an upper middle class residential zone. Armentia, an area of high symbolic importance for Vitoria-Gasteiz, had to constitute an essential link in the process of reassessing our cultural heritage.

The research we conducted in the Basilica of San Andrés in Armentia revealed that this old independent urban center was as important in terms of population and strategic value at one time as medieval Gasteiz. Therefore, in order to understand Vitoria-Gasteiz today, it was important to understand the dual roots of its origins—roots that had become obscured by the generally held concentric view of the capital and its area of influence. The im-

portance that Armentia once held (which has not yet been adequately transmitted to the current inhabitants of the Basque capital), as well as the vital role of the green belt surrounding the city and green zones penetrating the interior of the city as a series of natural areas, parks, and gardens, portrayed a more complete, complex, and contextualized picture of Vitoria-Gasteiz. Studying the city properly required moving beyond the concept of an "old quarter" in order to analyze the entire urban landscape. For this purpose, we were also able to draw on an important element of the city's heritage that we have not yet mentioned: the "New Cathedral."

On August 4, 1907, the cornerstone of a large church was laid. This building was consecrated in 1969 under the auspices of María Inmaculada as the new cathedral of a city that had traditionally had two others: Armentia, which had already become an unrecognizable parish following an extensive project that was completed at the end of the eighteenth century, and the Old Cathedral of Santa María. Vitoria-Gasteiz thus became "the City of Three Cathedrals." Each of these cathedrals was a reflection of an important era of the city's past. Armentia represented the dimmest mists of its ancient past and Santa María its medieval and modern epochs. María Inmaculada had been created in order to meet the needs of a Vitoria-Gasteiz that was entering a new phase of its history.

Of the three districts that define this urban evolution, we have worked on the two extremes: the medieval district and its integration with the modern city (the Santa María Cathedral) and the residential suburb and ancient Roman and High Middle Ages settlement (the Armentia Basilica). The historical relationship between these two districts is clear (namely, in terms of power rivalry, transfers of the diocese and principal cathedral, and so on), but so are its physical ties. Santa María and its walls are nowadays the destination of many visitors who arrive in the crowded and noisy medieval neighborhood, but are still in the process of socioeconomic integration. Armentia is located in an orderly and somewhat cold upper-middle-class suburban setting filled with single-family homes at the end of an urban avenue that features a succession of beautiful gardens and plazas leading to the new Cathedral of María Inmaculada and the historical heart of the city. The three cathedrals are connected by a path extending over some three kilometers, on which the city's residents take walks, jog, or ride their bikes, enjoying the grassy fields on sunny days or during open-air festivals. To a large extent, this avenue coincides with the ancient entrance to the city for travelers and merchandise (such as cereals, wool, and so on) that came from Castile, which has now been cast aside in favor of modern direct access points designed exclusively for cars. The avenue represents an itinerary associated with a narrative—a collective memory—destined to become an entrance point for cultural and ecologically sensitive tourists. (In this connection, it should be pointed out that Armentia is a gateway to the "Green Ring" of the 2012 European Green Capital, and an ideal location for a secluded parking site ~~location~~ for tourists that today crowd the city's center with their cars.)

The avenue and adjoining gardens and natural urban and peri-urban spaces not only offer a place for recreation. In our recent "Three Cathedrals" project ("3Ktd"), what we have sought is precisely this balanced and sustain-

able relationship between urban and natural environment. This, in fact, constituted the third objective of our intervention on historic urban landscapes, following the 2011 recommendation of UNESCO (Recommendation on the Historic Urban Landscape, including a glossary of definitions, UNESCO, November 10, 2011).

Conclusions and Future Outlook

During the course of 2013, we developed an innovative method to value and protect historic urban landscapes for the city government of Vitoria-Gastez. Our pilot experience involved work on an urban sector that clearly coincided with the nineteenth-century expansion of the city, including the Cathedral of María Inmaculada, the third axis of our 3Ktd project. This project laid the groundwork for an urban planning of the Basque capital based on a perceived and remembered image (that is, based on memory) and involved protecting not isolated assets with "monumental" characteristics, but rather values of our historical legacy—whether constructed or not (including open spaces, gardens, plazas, and natural areas). The pathways leading to the city in various eras (which to a great degree converge in this ancient southern access point), and the narratives associated with these pathways (for example, the Castilian wool route, the route by which wine and fish was brought from La Rioja, the St. James Way Route connecting the city with France), the way in which constructed urban spaces (neighborhoods, nodes, or "relational spaces," whether or not they constitute structures, milestones that oriented travelers, and historical boundaries such as railroads or city walls) all together constitute an image of Vitoria-Gasteiz that is now being asserted by means of specific actions that clarify and reinforce it.

To a large extent, this cohesion will be part of a schema that corrects the excesses of urban planning based on cars and growth (as dictated by general plans throughout most of the twentieth century) and that instead proposes a modern order based on a perception of the city by those who enjoy it: an image constructed and remembered by those who inhabit it (namely, from the inside out) and those who visit it (from the outside in).

In other words, the organization of Vitoria-Gasteiz as an image perceived in the present, remembered in collective memory, and projected toward the future.

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7

The Expropriation of Cultural Assets in Urban Regeneration: On the Ruling of the European Court of Human Rights in *Kozacıoğlu v. Turkey*, February 19, 2009

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Any urban renewal process necessarily involves a large number of legal operations that are sometimes complex. This is because the actions necessary to carry out such a process penetrate public spaces, while also involving privately held property and because, in many cases, the owners of the property affected by the renewal find themselves in a situation in which their property rights are restricted. While urban planning legislation envisions various systems for carrying out renewal processes (systems firmly rooted in urban planning law) in which the property owner is not forcibly deprived of his or her property, there are nevertheless processes that inevitably lead to the expropriation of urban planning rights.[1]

This chapter will present a number of the legal problems arising from the expropriation of cultural assets within the process of urban renewal or improvement.[2] I will be specifically analyzing a case resolved by the European Court of Human Rights (ECtHR) that addressed the question of whether compensation for expropriated property involving a cultural asset should

1. For example, in Spain, Royal Legislative Decree 2/2008 of June 20th, which approved the Consolidated Text of the Land-Use Law, established that approval of the instruments of territorial and urban-planning organization resulting from its regulatory legislation will involve a declaration of the public usefulness and need to use the corresponding assets and rights, when such instruments facilitate their implementation, and said facilitation is to occur as a result of appropriation. The cited legislation adds that the declaration in question must extend to those lands needed to connect activities involving urbanization activities with general service networks, when necessary (Article 2).

2. This work is part of the research project involving "The efficacy of fundamental rights in the European Union. Advanced topics" (Ref. DER 2011-25795).

take into account its intrinsic value or not. The weighing of the general interest in cultural assets and their individual usefulness make assessing their value a difficult matter. In this connection, it should not be forgotten that cultural assets serve a function that determines their legal nature. Thus, the owner of such assets is subject to having their content limit the purpose and general usefulness inherent in these assets.

Before delving into an analysis of the rulings of the ECtHR regarding the property rights to assets that are part of a cultural heritage, and specifically with reference to the case of Kozacıoğlu v. Turkey, it is first necessary to briefly touch upon the European dimension of the concept of urban renewal and the importance of cultural heritage in this renewal process. The concepts of cultural heritage and urban renewal are continually evolving, and this dynamism may prove decisive in determining their legal standing.

The Convention for Protecting the Architectural Heritage of Europe, which was adopted on October 3, 1985, indicates that its signatories are committed to adopting legal measures for protecting the continent's architectural heritage and that, within the scope of these measures, and with the means at the disposal of each state or region, the signatories must provide for "the protection of monuments, groups of buildings, and sites" (Article 3). This convention also indicates that the states in question are committed to avoiding the "disfigurement, dilapidation, or demolition of protected properties," and to adopt legislation that allows the expropriation of protected property (Article 4).

A reading of these legal principles allows us to infer that the cited convention is first and foremost committed to the conservation of properties of significance to the architectural heritage. Toward this end, the possibility of expropriating the property in question is contemplated in the document. Yet it could well be contended that, at present, there is a greater challenge facing properties of cultural interest. The European Council has not been content with limiting itself to defending and protecting the continent's architectural heritage. Instead, via the "Framework Agreement of the European Council on the value of cultural heritage for society," adopted on October 27, 2005, and its Explanatory Report 32 (note that, in this text, the concept of "cultural heritage" is used in a broader sense), the Council recognizes that the right to cultural heritage is inherent in the right to participate in cultural life, as the latter concept is defined in the Universal Declaration of Human Rights. The report further emphasizes that the preservation of cultural heritage and its long-term utilization are for the purpose of human development and quality of life.

It is precisely this viewpoint of cultural heritage as a component of human development and quality of life that is reflected in the approach to urban renewal of various documents approved by European institutions. Properties of cultural interest that are located in urban areas undergoing renewal could well constitute the very engine that drives the renewal process, and contribute to the overall human and economic development of the urban area and the city. The defense and the promotion of cultural heritage must form part of an integrated approach—of a planning that recognizes all of the potential of the surroundings, and that incorporates this potential as an integral part of urban renewal itself.

An analysis of the rulings of the ECtHR leads to the inevitable conclusion that the ocurt has also considered a new dimension of cultural heritage that reflects a concern with the preservation of the historical, cultural, and artistic roots of a region and its residents, as well as its role in both human development and the attainment of a particular quality of life. In the judgment of the ECtHR, cultural heritage constitutes an essentially important value that it is the duty of public authorities *to protect and promote*.[3]

In the following section, I will try to provide a concise explanation, within the context of the European Union, of some aspects of this new approach that treats cultural assets as veritable catalysts of urban renewal.

To the extent that the right to cultural heritage is a right that is part and parcel of human development, the framework convention of 2005 recognizes that the exercise of this right can only be the object of restrictions that prove necessary for either of two reasons: protection of the public interest and the protection of the rights and freedoms of others.

However, the convention itself draws an interpretive line in establishing that its provisions cannot be interpreted in a way that limits or violates the fundamental human rights protected by international instruments, and that they cannot affect more favorable provisions regarding cultural heritage and the environment that may be a part of other national or international instruments. Among such international instruments are the European Convention for the Protection of Human Rights and Fundamental Freedoms (1950). Article 1 of the First Additional Protocol of that document contains an expression of the principle of respect for property. This same document also envisions the removal of personal property in the public interest, and also recognizes the potential power of the state to regulate the exercise of such a right.

In this regard, the restrictions to which an owner of property of cultural interest is subject as a result of measures adopted by public authorities pursuant to the rulings of the ECtHR becomes a question of supreme importance. The difference between limiting the right to property and expropriating it will determine when administrative action regarding property or rights regarding cultural heritage require compensation. Many different rulings have addressed this question and have set legal precedent. However, there remain a good many rough spots to smooth out regarding the compensation to be received by a property owner who has had property of cultural interest expropriated. This is not a trivial matter because, far from what one might think, not all states assume as a factor meriting compensation the actual cultural character of the asset being expropriated. Later, I will address such problematic questions regarding the ECtHR with respect to the balance of rights between the need for protection and promotion of cultural heritage and those of owners of property that includes elements of this heritage. A good example that highlights the distinct treatment that owners of property of cultural interest receive involves a situation that occurred in *Kozacıoğlu v. Turkey*, to which I will turn my attention below. The wide variation in

3. Beyeler v. Italy, rulings of January 1, 2000 and May 28, 2002; SCEA Ferme de Fresnoy v. France, decision of December 1, 2005; Debelianovi v. Bulgaria, ruling of March 29, 2007; Hamer v. Belgium, ruling of November 27, 2007.

responses offered by the ECtHR is in itself indicative of the absence of a universal criterion in the different European states, and of the very evolution of property rights as applied to cultural heritage.

The European Dimension of Urban Renewal

I have already indicated that the Council of Europe justifies the exercise of the right of expropriation by public authorities for the purpose of either protecting cultural heritage or improving quality of life and human development. Cultural heritage as a factor of human development has come to constitute a factor that has driven urban development. As a consequence, it should be pointed out that the process of urban renewal may constitute a legitimate public interest that justifies the expropriation of property of cultural interest.

Within the context of the European Union, even though it is evident that there is no common policy for the cities of the continent, considering the fact that urban planning constitutes a category unto itself within the specific policies of each of the member states, European institutions have been approving a series of documents regarding the renewal of urban areas.[4] In these documents, there is an emphasis on the idea that cities are one of the defining characteristics of the cultural, social, and economic heritage of Europe. In this connection, it is important to note the communication approved by the European Commission in 2005,[5] which had the purpose of encouraging the introduction of measures for rehabilitating the physical environment, re-urbanizing former industrial lots, and *conserving and developing the historical and cultural heritage*. The European Commission took as its point of departure the premise that the urban renewal of public spaces and industrial plots may constitute an important element in the creation of the infrastructure necessary for sustainable economic development.

4. Among others, the document of the Directorate-General for Regional Policy titled Fostering the Urban Dimension: Analysis of the Operational Programmes co-financed by the European Regional Development Fund (2007–2013), of November 2008; the communication of the European Commission to the European Council, European Parliament, Regional Committee, and European Economic and Social Committee titled Green Book on Territorial Cohesion: Making Territorial Diversity a Strength, dated October 6, 2008 (COM [2008] 0616); the resolution of the European Parliament of March 24, 2009 on the Green Book on Territorial Cohesion and the State of the Debate on the Future Reform of Cohesion Policy (2008/2130(INI)); the report of the European Social and Economic Committee on "The Need to Apply an Integrated Focus of Urban Development" (CESE 760/2010), approved on May 26, 2010; the report of the Committee of the Regions on "The Role of Urban Regeneration in the Future of Urban Development in Europe," approved in its plenary session of June 9–10, 2010. On June 22, 2010, a session was held in Toledo, Spain, of the Informal Meeting of Ministers of Urban Development of the member states of the European Union, the main topic of which was "Integrated Urban Development."

5. Brussels, 5.7.2005 COM(2005) 0299. This refers to the communication of the European Commission on the Cohesion Policy in Support of Growth and Jobs: Community Strategic Guidelines, 2007–2013.

Another of the objectives of urban renewal that has been identified at the level of EU institutions is cohesion. Policies that promote cohesion must address economic, social, and environmental questions by means of integrated strategies of renovation, renewal, and development in urban and rural zones. In these strategies, cultural heritage proves a decisive element for confronting specific problems in each urban zone, and not only as assets that need to be protected. There is a persistent demand that urban renewal plans employ an integrated approach,[6] defending the value and utilizing the natural and cultural resources that can have a positive impact on urban renewal. This integrated approach must recognize the potential of the environment, and incorporate that potential as an integral part of urban renewal itself.

The actions undertaken in relation to cultural heritage need to serve as a catalyst for other dimensions of urban renewal. Conversely, any action undertaken for the benefit of urban renewal must also redound to the benefit of cultural heritage.

The multitude of factors that need to be taken into account in a renewal process, as well as the diversity of tasks that need to be undertaken as part of such a process, could not possibly be addressed without the benefit of underlying strategies. As indicated in the previously cited communication, the drafting of these strategies must rely on the participation of those in the public and private sectors who will be affected by, or who may hold an interest in, the urban renewal project in question. Collaboration of the private sector may improve the quality of project management and implementation. For the purpose of providing an incentive for private-sector participation, clear and safe legal frameworks are unavoidable.

Urban renewal must be presented as a legitimate objective of public usefulness, and every member state will decide upon the measures to be adopted in order to compensate for any intervention that might occur with respect to property rights involving cultural assets that result from this process.

Urban renewal should not be at the mercy of the whims or obsessions of the government that happens to be in power. Instead, it must be responsive to prior planning that has integrated each of the dimensions that are relevant to the urban space and its surroundings. An urban renewal plan must include the justification of each of the measures to be implemented after an analysis of the social, environmental, and economic effects that each

6. The 2010 Toledo Declaration on Urban Development, approved by the Informal Meeting of Ministers, understands integrated urban development as "a planned process that must transcend the partial ambits and approaches that have usually been the norm until now, in order to address the city as a functioning whole and its parts as components of the whole urban organism, with the objective of fully developing and balancing the complexity and diversity of social, economic, and urban structures, while at the same time stimulating greater environmental eco-efficiency." This concept of urban renewal seeks to optimize, preserve, and reassess the value of all existing urban capital. Such an approach diverges from other forms of intervention in which, within this urban capital, only the value of the land is prioritized, and all other urban capital is traumatically demolished and replaced.

of the measures, and the plan in its totality, generates. Urban renewal plans and programs must involve actions aimed at the physical rehabilitation of buildings and urban space, as well as those targeting specific sectors. In addition, public authorities must justify the need to occupy certain properties for the purpose of expropriation.

This new integral dimension of urban renewal is reflected in official European Union documents, and has a direct impact on the planning and management of properties of cultural interest, with such properties being seen as more than mere objects of protection, and instead as active factors capable of driving the renewal process. The utilization of art and cultural heritage as elements that promote both the understanding and appropriation of property is a challenge that cannot be averted.[7]

As part of these processes, public authorities face the need to designate properties that are of cultural interest. To this end, these authorities must necessarily justify the historical, architectural, and—most emphatically—cultural interest of the assets that are located in urban areas. While there is an obvious difficulty involved in establishing that a particular urban group of buildings is representative or emblematic of a culture,[8] there is an even greater difficulty in placing a value on such an attribute, as the rulings of the ECtHR that I am about to examine makes abundantly clear.

One of the most formidable challenges facing urban renewal has to do with the financing of projects. While EU Structural Funds have provided a great deal of support for urban renewal, the current financial crisis, combined with cutbacks in the budgets of local bodies, has had a decisive influence in this regard. The main financial instruments that cohesion policies have at their disposal are the Structural Funds (the European Regional Development Fund or ERDF and the European Social Fund or ESF) and the Cohesion Fund.[9]

The majority of demands presented to the ECtHR revolve around the amount of compensation to be provided to a property owner for an expropriated cultural asset.

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7. As indicated in the Toledo Declaration, from an architectural standpoint, it is essential to achieve architectural diversity, identity, and quality. The steady decline of historical centers of a number of European cities during the second half of the twentieth century has resulted in a significant decrease in property values as a direct consequence of lack of maintenance, new investments in privately owned real estate, and the discontinuation of funding for social services and public properties tied to those centers. The revitalization of cities and urban areas that have a distinct historical resonance has served as a catalyst for private-sector tourism initiatives, as well as for improving the residential attractiveness of those areas.

8. Article 15.3 of Spanish Cultural Heritage Law 16/1985 considers a "historical environment" any grouping of buildings that form a continuous or dispersed settlement unit dependent on a physical structure representative of the evolution of a human community as a result of said unit being emblematic of its culture, or constituting use and enjoyment value for the collectivity. Also qualifying as a historical environment is any individualized core of structures comprising a substantial population unit that has these same characteristics, and that can be clearly delimited.

9. In addition, urban renewal may benefit from the support of the JASPERS, JEREMIE, and JESSICA initiatives.

European Court of Human Rights Doctrine Regarding the Limits of Property Rights vis-à-vis Protection of Cultural Assets

Although the difficulty of offering a systematic account of the varied rulings of the ECtHR on the subject is clear, I can safely assert at the outset that the decisions of the court vary as a function of the various kinds of property involved. Rulings of the court have also varied in matters involving the expropriation of property constituting part of the cultural heritage.

As previously indicated, Article 1 of the First Additional Protocol of the European Convention for the Protection of Human Rights and Fundamental Freedoms (1950) recognizes the right to property of all individuals and corporate entities, and legitimizes the expropriation of property for the sole justification of public usefulness, and under the conditions provided for in the provisions and general principles of international law. Finally, Article 1 recognizes the right of states to approve laws that regulate the use of assets in accordance with the general interest. This provision is expressed as follows:

> Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions, except in the public interest and subject to the conditions provided for by law and by the general principles of international law.
>
> The preceding provisions are understood to be without prejudice to the right of states to enact the laws they deem necessary to regulate the use of assets in accordance with the general interest, or to guarantee payment of taxes, other levies, or fines.

The law distinguishes between, on the one hand, the expropriation of goods for reasons of public usefulness and, on the other, the power that legislative bodies have to define the rights of property owners in terms of the general interest. María Teresa Carballeira Rivera (2011) contends that expropriation rights are limited by the Convention itself, while the power to regulate the use of assets for reasons of general interest differs from state regulations, which enjoy a rather wide berth. Intervention with respect to property rights must be legally established. There is no requirement here that the regulation have the status of formal law. In this regard, the ECtHR has recognized that the concept of legality also includes regulatory laws. In any case, any regulations that allow intervention with respect to property rights must be sufficiently accessible, precise, and predictable.[10]

The text makes no reference at all to the right to compensation as a result of being deprived of property rights. As Javier Barcelona Llop (2011a, 2011b) points out, an attempt has been made to fill a legal loophole via the understanding that the reference made in the law to general principles of international law does not mean only that the state has the duty to compensate foreign residents deprived of their property, but that it has the same duty as regards its own citizens.

Notwithstanding the letter of this law, the ECtHR has understood that deprivation of property rights must be compensated pursuant to the principle

10. Hentrich v. France, September 22, 1994.

of fair balance between the demands of the general interest and the rights of the individual who has been harmed.[11] "Fair balance" is here understood as the mutual adaptation that exists between the demands of the general interest of the community and the imperative to protect private property rights. In the judgment of the court, this balance is upset when an owner is required to bear special or exorbitant burdens.

The problem arises when the time comes to determine if a concrete action merely constitutes a restriction that does not merit compensation, or a deprivation (in other words, a special and exorbitant burden that therefore must carry with it compensation for the property owner). This distinction is not determined by the formal appearance of the action in question. Instead, in light of the rulings of the court, it may well be argued that intervention can be considered deprivation when the property owner suffers an effective loss of power to dispose of the property in question. If the authority over disposal of the property is retained, then what is involved is a restriction required for reasons of the general interest that, in principle, is not compensable.[12] In addition, the ECtHR has indicated that the need to examine the question of fair balance "is only involved when it has been proven that the intervention being litigated has respected the principle of legality, and has not been arbitrary."[13]

Nevertheless, the court does not exclude the possibility of deprivation of property rights without any compensation in cases involving exceptional circumstances. In the ruling *Holy Monasteries v. Greece*,[14] the court maintained that "absence of payment of an amount reasonably related to its value will normally constitute a disproportionate intervention and a total lack of compensation can be considered justifiable under Article 1 (P1-1) only in exceptional circumstances."

The ECtHR does not describe such exceptional circumstances, and has recognized on only one occasion that deprivation of the right to property does not have to be compensated. Such recognition occurred in *Jahn et al. v. Germany*,[15] resolved by the Grand Chamber on May 30, 2005. The ruling

11. See ECtHR ruling in the case of Sporrong and Lonnröth v. Sweden (September 23, 1982). The court recalled that, according to its case law, Article 1 of Protocol No. 1, which fundamentally guarantees the right to property, contains three distinct rules (see especially James and others v. United Kingdom of February 21, 1986). The first, expressed in the first sentence of the first paragraph, is of a general nature, and involves the principle of respect for property. The second, in the second sentence of the same paragraph, contemplates the deprivation of property under certain conditions. The third rule, contained in the second paragraph, recognizes that the signatory states have the power to, among other things, regulate the use of property in accordance with the general interest. The second and third rules, which refer to particular cases of intervening with respect to property rights, must be interpreted in a way that takes into account the consecrated principle of the first rule (see Bruncona v. Finland, November 16, 2004, and Broniowski v. Poland [GC], no. 31443/96,).

12. In Sinan Yildiz v. Turkey (January 12, 2010), the court recognized that administrative limitations vis-à-vis edification or sale of land does not constitute a compensable deprivation, since it involves no loss of the freedom to dispose of the property.

13. See Iatridis v. Greece (March 5, 1999).

14. Of December 9, 1994.

15. Ruling of January 22, 2004. Regarding the 2004 ruling, see Díez-Picazo (2005, 119).

in this case held that there was a deprivation of property rights. However, it contended that, given the exceptional circumstances involved, the absence of compensation did not violate the fair balance between the protection of property and the demands of the general interest. In this case, the exceptional circumstances resulted from the reunification of Germany.[16]

It is evident that, in general terms, the ECtHR does not recognize the existence of deprivation of property without any compensation. However, the court has been more inclined to recognize that deprivation can be reimbursed via compensation that does not involve a comprehensive restitution for the harm done. In other words, the court allows the possibility that compensation can be for less than the value of the expropriated property, as long as there are "legitimate ends" that justify such compensation.[17] What are these legitimate ends?

As will be analyzed in the section regarding the *Kozacıoğlu v. Turkey* case, the ECtHR accord provides a wide berth to establish reasons of public usefulness that allow intervening with respect to property rights on the part of public authorities. The only requirement of the court is that the compensation criterion have a reasonable basis. In the case of *Jokela v. France*[18] the court maintained that Article 1 of Protocol No. 1 does not guarantee in all cases the right to comprehensive compensation, given the fact that the legitimate objectives of public usefulness may result in a reimbursement constituting less than the total value of the property, even while respecting the principle of fair balance. It is the responsibility of each national authority to define what constitutes public usefulness. From this, it is inferred that the "principle of fair balance" may be satisfied by means of compensation that is less than the market value of the property being expropriated, as long as considerations of public usefulness justify such action. The ECtHR provides a great deal of leeway to states when it comes to determining which measures public authorities must adopt for the purpose of satisfying the general interest. In addition, the court has, on occasion, and in cases involving intervening with respect to property rights, assessed whether there were any available alternatives or solutions that were less burdensome vis-à-vis property rights, and has also analyzed the suitability of the measure adopted for the purpose of safeguarding the general interest.[19]

As regards cultural assets, there are a number of rulings that highlight the wide variety of responses of the court to situations that are largely similar in character. Some of these rulings recognized that the limitations im-

16. A law approved in 1992 by the Parliament of the Federal Republic of Germany sought to correct what were considered the unjust consequences of a law adopted by the Democratic Republic of Germany in 1990 by virtue of which people became owners of farmlands, as a result of agrarian reforms enacted in 1945, who did not have the right to possess farmlands under the prior legislation of the Democratic Republic.

17. See the rulings in the cases James and others v. United Kingdom (February 21, 1986) and Lithgow and others v. United Kingdom (July 8, 1986). In these rulings, the ocurt indicated that Article 1 of the Protocol did not in all cases guarantee the right to total restitution. In the court's judgment, the existence of reasons related to public usefulness may justify the payment of a lesser amount.

18. Of May 21, 2002.

19. See Scollo v. Italy (September 28, 1995).

posed on the use of property, such as prohibiting construction, the imposition of easements, and the demand for special authorizations constitute non-compensable intervention because they are acceptable from the standpoint of the social dimension of those properties.[20] In other cases, the court has recognized that the exercise of pre-emptive rights vis-á-vis a cultural asset or the establishment of a moratorium[21] constitute true deprivations and must be subject to compensation.

In *Ferme de Fresnoy v. France*,[22] the plaintiff maintained that the classification of a chapel and chapel hall as historical monuments limited his exercise of property rights not only in reference to the property classified, but also in relation to the entirely of the farmed agricultural lands that were subject to a special and exorbitant burden, and that (it was argued) thus gave rise to the right to compensation, since if this did not occur, it would upset the balance between the demands of the general interest and the protection of property rights.

The plaintiff also contended that, as the multiple denials of requests for permission to construct or demolish demonstrated, the classification as a cultural asset involved the imposition of easements for the arm located within the field of vision of the classified monuments. The ECtHR held that the limitations imposed were acceptable from the standpoint of the general interest, given that they amounted to a demand on the part of the property owner to request an opinion from a technical body. The court justified its decision as follows:

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20. See Perinelli v. Italy (June 26, 2007). This case involved the assertion that it was impossible to construct on lands adjacent to an archeological zone in order to guarantee visibility of the Roman ruins in the zone. This constituted a means of protection of cultural heritage that enjoyed legal protection. The court recognized the existence of an intervention with respect to property rights, given that the land was classified as susceptible to urban development in the plan and because, as a result of this decision, such a right of development had been violated. However, the court maintained that this restriction was justified by the general interest being pursued, given that the need to protect the architectural heritage represented a fundamental demand, especially in a country that is home to a considerable proportion of the world archeological heritage. The court maintained that the restrictions imposed in the absence of compensation were in keeping with the general interest as defined in Paragraph 2 of Article 1.

21. In Debelianovi v. Bulgaria (March 29, 2007), the National Assembly established a moratorium on the use of property that had been declared a historical monument until legislation was enacted on that monument. In the court's judgment, such a measure was in keeping with those permitted to states for the purpose of regulating the use of property in the general interest. The court held that this constituted an intervention that had the legitimate purpose of assuring the preservation of protected elements of the national heritage, and therefore that no compensation was required. However, the adoption of the aforementioned law took place twelve years later and, for this reason, the court believed that the fair balance had been upset, given that the impossibility of use had extended beyond a reasonable duration. Thus, in the judgment of the court, the case involved a de facto deprivation or expropriation.

22. Ruling of December 1, 2005. Discovery on lands dedicated to agricultural pursuits of a chapel and chapel hall dating back to the twelfth and thirteenth centuries. The ruling in the case held that the High Commission for Historical Monuments declared the finding to be in the public interest because of the rarity and authenticity of the templar architecture of the structures, and it was thus inscribed on the list of historical monuments.

> The intervention that is the object of the complaint had the purpose of assuring, by means of control of the work and construction to be carried out in the vicinity, a quality of environment suitable for elements of the protected national heritage. The Court has taken into special consideration that this matter involves an object pertinent to the cultural protection of the country, and has taken into account the considerable leeway enjoyed by the national authorities in the matter of assessing the general interest of the community (see *mutatis mutandi*, Beyeler v. Italy (G.C) no. 33202/96 § 112 CEDH 2000-I). In this regard, the Court refers especially to the text of the Framework Convention of the European Council regarding the value of cultural heritage for society, which was adopted on October 27, 2005 . . . and which clearly asserts that the conservation of cultural heritage and its ongoing utilization have the purpose of human development.

However, in *Köktepe v. Turkey*,[23] the court held that deprivation of property occurred because, despite the fact that the plaintiff continued to hold title to a property, he was unable to cultivate it, harvest its crops, or make any decision with respect to the disposition of the land in question, and was thus deprived of any right of enjoyment thereof. Similarly in *Ptomska and Potomski v. Poland*,[24] the court recognized that a measure subjecting property to important limitations as to its use does not deprive the plaintiffs of their property, and therefore could be considered a measure for controlling the use of the property. However, the court held that the authorities had demonstrated a prolonged incapacity to expropriate it and to provide the owner with an alternative solution. Secondly, the court analyzed possible alternatives, such as expropriation, payment of compensation, or the offer of a suitable alternative property. However, the plaintiffs were not offered any of the alternatives and, in addition, given the lack of judicial and procedural recourse for demanding initiation of the expropriation proceedings, the ECtHR considered the fair balance between the demands of the general interest of the community and the demands for protection to property rights to have been broken, in the understanding that not allowing the building of new structures imposed an excessive burden that the plaintiffs could not be expected to bear.

It can be inferred from the rulings of the ECtHR that different declarations have been made in response to similar situations. The boundary between effective deprivation and an intervention deriving from the regu-

23. Ruling of July 22, 2008. The plaintiff had appealed because part of the land to which he held title, which had been classified as agricultural land, was reclassified as public forest land. The court held that there was an intervention on the plaintiff's right to property due to the fact that the land had been thus reclassified, which involved an important reduction in its disposability.

24. Ruling of March 29, 2011. In this case, the plaintiffs had acquired lands from the states that were classified as cultivable lands with the intention of constructing a house and workshop. The discovery of a Jewish cemetery on their property resulted in the decreeing of a resolution that inscribed that property in the Registry of Historical Monuments, which entailed a prohibition on building any structure on the site.

lation of use of property is unclear, and requires in-depth study in order to establish criteria that would provide a safe and effective judicial framework. On the other hand, states that have been accorded considerable leeway to determine what constitutes grounds for public usefulness that allow intervention with respect to property rights pursuant to the exercise of public domain cannot limit or violate the human rights and fundamental freedoms protected by international instruments. Moreover, states cannot enact provisions that are more protective of cultural heritage and the environment than those found in other national instruments, or in international instruments.[25]

Kozacıoğlu v. Turkey

I include an analysis of this case here because it involves an exercise of the discretion enjoyed by national authorities (in this case, the Turkish authorities) as regards the adopting of measures for the protection of property designated as being of cultural interest.

In Kozacıoğlu v. Turkey**,** the plaintiff (a Turkish citizen) was the owner of a building that in 1990 was declared a cultural asset by the committee for the protection of the cultural and national heritage of Adana, Turkey. In 1998, the building was included in an urban renewal project characterized as an adaptation of the urban environment. Furthermore, the property was inscribed on the Council of Europe's List of Protected Sites Relevant to Cultural and Natural Heritage. In 2000, the Executive Council of the Turkish province in which the site was located issued an expropriation order as part of a "project for environmental reorganization and the cleaning of the streets surrounding the Well of Saint Paul." In a report drafted by a committee of experts, the value of the building was estimated at 36,856,865 Turkish lira (about 65,326 euros) according to the price index for constructions within the category of "high-quality buildings" published by the Ministry of Urban Development. The plaintiff appealed to the Administrative Court of Tarsus for higher compensation for the expropriated building, and asked that a new committee of experts (in which he asked an art historian to be included) reassess the value of the building, taking its historical and architectural value into account. The plaintiff asked for compensation in the amount of 1,000,000,000.000 Turkish lira (about 1,728,750 euros) as complementary compensation.

The court rejected the plaintiff's request for a new estimate of the value of the building and held that, in applying Section 1 of Article 11 of Law No. 2942 regarding expropriation, the committee of experts responsible for assessing the value of the building could only determine its value *on the basis of well-defined objective data*. Nevertheless, the court did agree to entrust this valuation to a new committee of experts on the assumption that it would essentially base its results on construction prices published by the Ministry of Urban Planning, having concluded that the first committee had assessed the property as a simple ordinary building constructed of cut stone, without taking into account its architectural characteristics. Following this

25. See the lines established in the Framework Convention of the Council of Europe adopted on October 27, 2005 regarding the value of cultural heritage for society.

second estimate, the court imposed a complementary compensation of 144,591,723,000 Turkish lira (about 139,728 euros), reflecting an increase based on interest accrued since October 3, 2000, at the statutory rate.

In 2001, an appeals court nullified the ruling, holding that, by virtue of Article 15 of Law No. 2863 for the Protection of Cultural and Natural Heritage, none of the historical or cultural characteristics of the property could be taken into consideration in determining its value. On this basis, a 100 percent increase in the amount of compensation was considered unjustified by the Turkish Appeals Court. The property owner then resorted to the ECtHR, claiming that Article 1 of Protocol No. 1, guaranteeing the right to property, had been violated.

The plaintiff maintained that the total amount of compensation for the expropriation that had been determined by the Turkish judicial authorities did not reflect the real value of the expropriated building. He especially maintained that Turkish law did not allow adequate compensation because of an absence of legal criteria that would allow a determination of the value of buildings constituting part of the historical and cultural heritage of the country.

For its part, the Turkish government maintained that, by virtue of the aforementioned Law No. 2863, of July 21, 1983, privately held buildings of historical and cultural interest, as well as those that are the property of public establishments, are considered to fall within the scope of the state, on the grounds that such property belongs to the common heritage of the population. Therefore, its owners only enjoy limited property rights in the sense that these rights are exercised only on the land on which the buildings are located. In addition, the Turkish government held that public authorities must take measures to preserve these kinds of properties for future generations. In this regard, the government offered two options: expropriation of the property or classification of the property as a "historic site." The Turkish government is aware that this second classification would involve numerous restrictions of property rights given that owners of such property would be subject to Draconian requirements regarding the use of the property in question. As a consequence, the Turkish government maintained that, considering the leeway provided to national authorities by Article 1 of Protocol No. 1, the compensation determined by internal jurisdictional bodies was reasonable in relation to the value of the expropriated property.

In considering the claims of the two sides, the ECtHR began by indicating that the fact that the plaintiff was deprived of his property "under the conditions provided for by law" was indisputable, as was the fact that the deprivation had a legitimate objective: the protection of the nation's cultural heritage. The court considered it appropriate that the legislative authority enjoyed considerable leeway as regards implementation of social and economic policies it deemed fitting, unless such judgment reflected an obvious lack of reasonable grounds for the protection of either the environment or the historical and cultural heritage of a country.

According to the ECtHR, in order for the amount of compensation for expropriation of a property to be considered fair and equitable, that amount must be in accordance with the principle of proportionality. As a conse-

quence, the analysis of the amount is focused on determining if the fact that the architectural and historical characteristics of the property have not been taken into consideration in determining compensation can be considered "proportionate." The crucial question can be posed as follows: Is there a reasonable proportionality between the means employed and the objective pursued via the means applied by the state—including measures depriving a person of his or her property?[26]

In order to respond to this question, the court indicated that Article 1 of Protocol No. 1 does not guarantee the right to comprehensive damages *in all cases*. The legitimate objectives "of public usefulness" may justify a reimbursement of less than the full value of the properties being expropriated.[27] In the opinion of the court, the protection of historical and cultural heritage forms a part of the aforementioned objectives.

On the basis of these two essential pillars, the court asked if, in adopting compensation criteria in the Turkish case, the national authorities had not upset the required fair balance, and if the interested party was therefore not put in a position of bearing a disproportionate and excessive burden. It is important to remember in this connection that, in the case under discussion, the application of Article 15 of Turkish Law No. 2863 did not take into account the determination of compensation for expropriation, or its particular architectural or historical characteristics. The court indicated that the determination of this value may depend on multiple factors, and that it is not easy to assess these kinds of properties if we compare them with other properties on the market that are not subject to the same statute, and that do not have the same architectural and historical characteristics. However, the ECtHR held that the difficulty of assessing such properties cannot justify the characteristics in question not being taken into account.

As regards whether the historical value of a property needs to be assigned a value or not, the court reviewed how that issue is addressed in a number of different countries:

> In the United Kingdom, the historical value of a property is considered part of the assessment criteria of its "intrinsic qualities" (see Tadcaster Tower Brewery Co v. Wison (1897) 1 Ch 705; Belton v LCC (1893) 68 LT 411). In Greece, the state must take into account the possible historical status of a property when determining compensation. In Latvia, the expropriation law allows public authorities to take into account all of the specific characteristics of a structure in order to determine the amount of compensation. In Spain, the expropriation of buildings that have artistic, archeological, or historical value requires a special procedure, and the amount of compensation cannot be less than the amount that would result from applying the general procedure contained in the expropriation law. Each of these

26. See Pressos Compania Naviera S.A. and other v. Belgium, November 20, 1995; The former King of Greece and others v. Greece [GS], no. 25701/94; Sporrong and Lönnroth v. Sweden, September 23, 1982; and Beyeler (previously cited).
27. See Lithgow and others v. United Kingdom, July 8, 1986; Broniowski v. Poland; and Scordino v. Italy (previously cited).

> three countries, as well as Belgium and the Netherlands, do not ever exclude from consideration the architectural and historical characteristics of the expropriated property from consideration in determining compensation.

In sum, the court held that, in order to satisfy the demands of proportionality between deprivation of property and the public usefulness that is sought then, in the case of expropriation of a classified property, the specific characteristics of the property must to a reasonable extent be taken into consideration in order to determine the compensation due to the property owner, and accordingly ruled that there had been a violation of Article 1 of Protocol No. 1 of the European Convention.

The dissenting opinion of Judge Rait Maruste declared that the reason that there are no clear rules or common regulations regarding the valuation of properties classified as being of cultural interest has to do with the obvious difficulty of estimating and calculating the monetary value of unique historical and cultural objects. Moreover, after recognizing the court's stance in favor of the principle of fair balance, he made a declaration in favor of leaving in the hands of national authorities the valuation of properties of this nature. As an argument in favor of his thesis, he invoked the 1950 Convention, which provides ample leeway to states in this regard. He specifically cited the second paragraph of Article 1 of Protocol No. 1, which indicates that the provisions regarding the protection of property are without prejudice to the right of states to enact those provisions it deems necessary to regulate use of property in accordance with the general interest. The Turkish state had adopted a specific law that might appear highly restrictive because it excludes the possibility of taking into consideration the architectural and historical characteristics of a structure in determining its value. But, in the dissenting opinion of Judge Maruste, this does not prevent the state within which that structure is located from making any decision that it deems fit to resolving such a problem.

The debate to which Judge Maruste's dissenting vote gave rise was no trivial matter. Can the demands established in Article 1 of Protocol No. 1 be considered as having been met if the state excludes from the estimate of a property's value its artistic, historical, or cultural interest? It is obvious that the state authorities are better able to determine what is publicly useful than the European Court of Human Rights.

Given that the plaintiff acquired the structure in 1930, and that the classification as a historical site by national authorities occurred much later, to what extent does the owner presume to be compensated for the added value? Is it blatantly obvious that there is no reasonable basis to exclude consideration of this increase in value in determining the value of the property?

Urban renewal processes necessarily involve the adoption of political, economic, and social measures that have the aim of connecting with public interests that transcend the compensation for the appropriation of a single property. It should be remembered in this regard that, in the case under discussion, the expropriation of the property of cultural interest occurred within the context of an urban improvement project.

The ECtHR recognized the possibility of reimbursement for less than the real value of the property, but determined that this would upset the fair balance by excluding from consideration the specific nature of the property under consideration. In the judgment of the court, Kozacıoğlu v. Turkey involved a disproportionate burden upon the owner—a burden that upset the principle of fair balance. This is a case in which respect for adherence to the law on the part of the Turkish government did not constitute a necessary and sufficient condition for justifying the compensation that had been awarded.

Conclusions

Given that it is carried out under the auspices of public authorities, urban renewal is an activity in which public usefulness can legitimately be considered. It is also true that the concept of urban renewal is not limited to the rehabilitation of structures of historical and artistic interest. Urban renewal currently has an integrated dimension (in other words, an approach and way of thinking that is holistic in character). It no longer works to carry out renewal projects based upon a single focus. Instead, what is required is a multidimensional point of view in which the role of each part of the city in the metropolis as a whole is taken into consideration.

In assuming such a task, national authorities enjoy a wide berth for defining what constitutes public usefulness for the purpose of justifying expropriation, or any other intervention with respect to property rights. In accordance with the rulings of the ECtHR, national authorities can even decide, under certain specific circumstances, that the compensation to be paid an owner for interventions involving property rights does not have to match the real value of the property in question. But, in any case, what does not appear to be admissible is for the state to exclude *a priori* the possibility of any kind of compensation for the historical, artistic, or cultural interest of the property or right being expropriated.

Public authorities must assert the public interest inherent in property of cultural interest. The right to preserve and enjoy such property is shared by the community, given that what is in question are properties that hold significant value that make them deserving of special recognition by the legal system. This social function of cultural heritage determines the content of the law itself.

In the end, an important question arises as regards the subject of the present study: Can the urban development of cultural heritage sites constitute a legitimate grounds of public usefulness that enables assertion of the public interest?

In light of the rulings of the European Court of Human Rights, it does not seem exaggerated to suggest that there are *legitimate grounds of public usefulness* that may result in compensation less than the market value of the property in question. Each state has considerable leeway to establish what it is that constitutes these legitimate grounds of public usefulness.

As indicated at the outset of the chapter, an integrated approach to urban renewal generates an economic, political, and social complexity that

may prove decisive considerations for states establishing exceptions to compensation at full market value.

Property rights involving cultural assets are conditional on the existence of a collective purpose. Public interests that are inherent in historical and artistic resources must be subject to special protection and promotion on the part of public authorities. As a consequence, to the extent that the general interest demands them, restrictions on property use must be allowed.

As previously stated, except in cases involving exceptional circumstances, the European Court of Human Rights demands that deprivation of property rights be compensated for the real value of the property in question. As a consequence, when what is in question is a standard expropriation that does not involve such circumstances, there should be comprehensive reimbursement (namely, compensation that is in accordance with the market value of the property at the time of the expropriation).[28]

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28. The ruling in *Scordino v. Italy* (March 29, 2006) understands as "comprehensive reimbursement" that which corresponds to the market value of the property at the time of expropriation, duly updated in order to compensate for the effects of inflation, and with the addition of interest for the purpose of compensating, at least in part, the long duration of time that has elapsed since the dispossession of the property in question.

8

Urban Development and Commercial Invigoration through Cultural Clusters in Peripheral Neighborhoods of Bilbao

Gloria Aparicio and Jon Charterina

The competitiveness of a city is tied to its capacity to attract, and to generate value in a quality environment for the different kinds of people that inhabit it (namely, primarily its residents, tourists, visitors, and investors). For this reason, there is currently ample consensus regarding the need for an integrated management approach for the different urban planning, social, and economic processes that play a part in the urban center (Rovira 2000) and that require a dynamic vision adapted to the evolution of the city itself, and of its different actors (Lichfield 2010).

Since the 1990s, developed countries all over the world have witnessed intensive work on processes of urban renewal and development along a number of different lines. Some cities have advocated the encouragement of private initiative (Porter 1995), but the need for a public-private initiative, as proposed in management models based on commerce as the lifeblood of the city, has become increasingly evident. This has led to the development of "Business Improvement Districts" (BIDs), a model that originated in US cities, and "Town Centre Management" (TCM), which was introduced in the UK (Ysa 2000). Within the Spanish context, and as a derivative of the TCM approach, work has been done under the rubric of the "Open Business Center" (OBC) (Molinillo 2002), the development of which is the focus of the present study.[1]

For this purpose, after analyzing developments at the international lev-

1. AGECU is the Spanish acronym for the Spanish Association for the Management of Urban Centers, which serves profesional individuals responsable for the urban and commercial management of cities. See www.agecu.es/.

el of urban-commercial management, we confront the following essential issue: Despite the developments and experience in this area, there are still operational problems that need to be resolved that limit the contribution of the aforementioned working models to urban renewal and development processes (Dixon 2005). It is for this reason that we look for guideposts in the organizational and functioning outline of these models for the purpose of placing them in a broad strategic context of cities. This study will focus particularly on an analysis of the urban renewal that has been experienced in the different areas of metropolitan Bilbao, dwelling at greater length on the zones in which two of the principal plans are currently being implemented: Deusto-Zorrotzaurre and Bilbao La Vieja-San Francisco-Zabala), with a special emphasis on the factors of commerce and culture in the development process.

Transfer of Urban-commercial Management Models from an International Context to the Spanish Setting

Currently, the importance of commerce to the urban economy has been widely recognized, due to both its economic contribution as well as to its fundamental role in enabling the cohesion, dynamism, and vitality of the urban space, and in facilitating social relationships. For this reason, commerce has taken shape as a key element in the strategic planning of many cities, in their design as a "product," and in positioning them to compete on the basis of differentiating attractive characteristics (Elizagárate 2003, 2006).

The utilization of commerce as a focal point for processes of urban renewal and/or development in developed countries is a global movement that has been applied to all kinds of cities (Aldeiturriaga 2000; Criado & Rubio 2000; Llorens 2000; Llarch & Mathéu 2000; Lopes 2000; Coca-Stefaniak J.A. et al. 2005, 2008, 2009; Stokes 2006, 2007; Caruso and Weber 2006; Hernandez and Jones 2005; Lloyd and Peel 2007; Lowe 2007; Bennison, Warnaby, and Medway 2007; Emery 2006; Mitchell and Kirkup 2003; Paddison 2003).

> The most common working model in the US is that of the "Business Improvement District" (BID), which is based on the formation of organizations in which the owners of different businesses that are located in a particular area (generally, in the city center) pay a surcharge on general taxes in order to meet expenses involved in the promotion and improvement of that area. In Europe, the most popular model is the so-called Town Center Management (TCM), which originated in the United Kingdom. In their initial stages, these collaborations arose through what were called "Inner City Partnerships" during the 1970s, in which initiatives were primarily public. However, during the 1990s, these kinds of activities have evolved into the creation of organizational structures with their own legal identities, and in which actions to be undertaken in joint public-private projects are both decided and executed. These platforms of public-private cooperation should ideally include all actors—

both public and private—that have the potential to positively impact the vitality of a city and its commercial focal points.

More recently, there has been a trend in some European cities, also beginning in the UK but evident elsewhere (Kreutz 2009), of establishing the legislative mechanisms necessary to be able to collect an additional obligatory levy for all parties affected or benefiting from an initiative in a particular zone (Warnaby, Alexander, and Medway 1998; Warnaby 2006; Berry et al. 2010). This kind of solution avoids the problem of "free-riding"—businesses or other actors benefiting from an initiative without having contributed to the financing of activities aimed at promoting urban commerce in their districts (Forsberg, Medway, and Warnaby 1999). Experience in a large number of European cities reflects a wide variability with regard to both the formality of the structure underlying the collective efforts as well as the relative weight of the two principal actors spearheading the processes of urban-commercial development and/or renewal, namely, the public and private sectors (Coca-Stefaniak et al. 2009).

The shaping of the public-private relationship via such platforms helps resolve many of the operational problems and, therefore, enables the collaboration process (Van den Berg and Braun 1999). In addition, the existence of a professional and independent manager at the head of such platforms not only affords them visibility, but also legitimizes the interest of the city (or of a particular urban-commercial center within it) in the decisions adopted within these organizations. It is with good reason that professionalizing the management of these platforms has been recognized as "one of the factors conducive to the success of public-private collaboration in the United Kingdom" (Office of Domestic Commerce 1998, 61).

In the case of Spain, there has been a desire to extrapolate two aspects of the kinds of collaboration previously described: first, a transfer (that is perhaps excessively simplistic) of the techniques involved in managing conventional shopping centers and, second, the British techniques of TCM. This has resulted in the creation of a model, variously termed "Open Commercial Centers" (OCCs) or "Urban Commercial Centers" (UCCs), which establishes a framework that focuses on work involving public-private collaboration or partnership, but which is at the same time highly flexible in character. This flexibility is essential because, in order to manage the urban space in which commercial activity occurs, work operations or functions must vary in accordance with the characteristics of the urban or institutional fabric of each particular city (Ministry of Industry, Commerce, and Tourism 2008). This reality has been corroborated in recent studies conducted on public-private collaboration ventures designed to revitalize commerce in Spanish urban areas, and that have carried out creation and consolidation activities throughout the past decade (Aparicio, Tejada, and Zorrilla 2010a, 2010b; Aparicio and Charterina 2011).

These studies reveal that, in many instances, there has been no coordination or real partnership between the public and private sectors—or at least not to the extent required by the circumstances. Public administration entities perform important work in promoting the creation of OCCs financed with subsidy programs. However, many experiences involving OCCs have

seen the public sector's role limited to that of subsidizing aspects of management, projects, and/or activities that, in most cases, have been unilaterally designed and executed by the private sector. In other words, management structures have been completely integrated into the organization of merchant associations. The relationship of these associations with the local and autonomous governments has been limited to a request for subsidies for specific projects defined by such associations (despite the fact that, on occasion, the administrative entity had a stable financing arrangement in place).

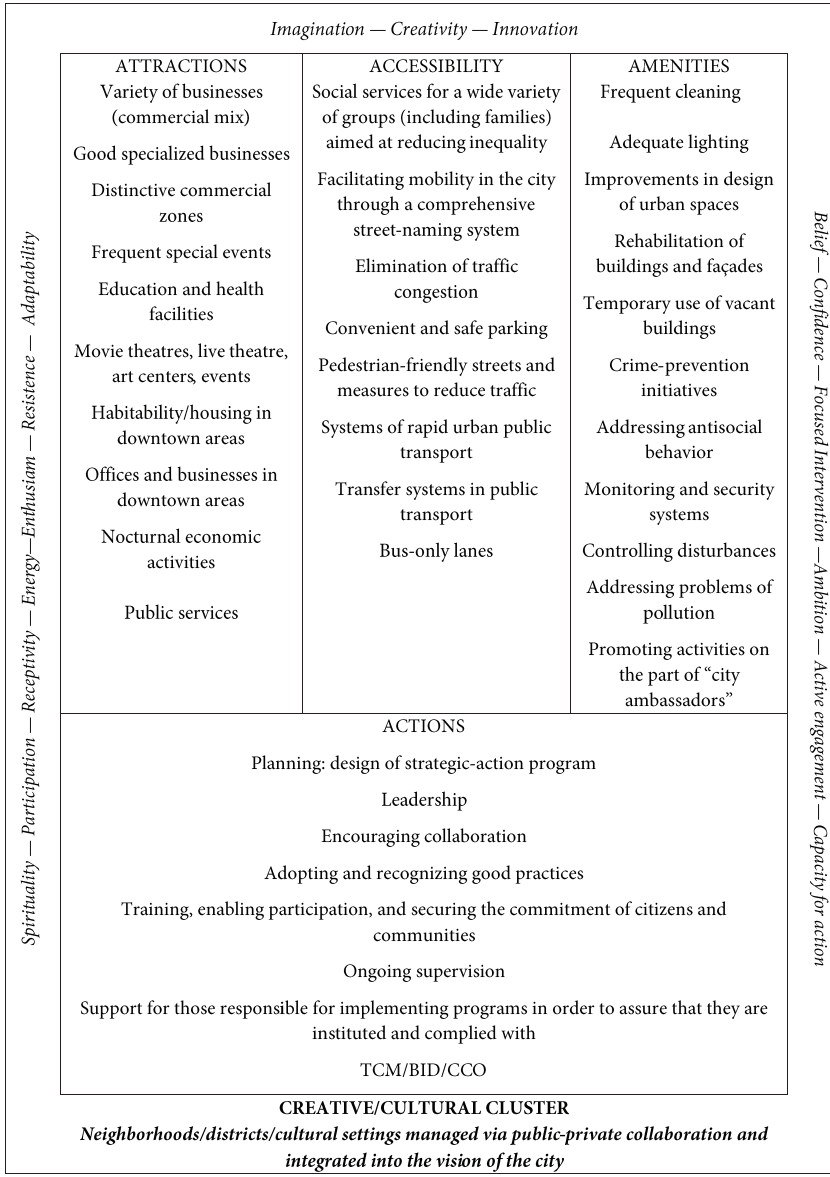
In addition, the problem of ensuring the stable financing for these structures in Spain continues, with no definitive solution in sight. The main reason for this state of affairs has to do with the absence of an underlying legal framework providing for such financing (Tarragó 2000; Davara 2012). There are very few OCC initiatives that enjoy the organizational support of a mixed independent entity, in other words, an entity in which there is both public and private participation, with its own legal identity, which is capable of self-financing and—most importantly—of implementing a comprehensive urban project. Moreover, even if such an organization were to exist, the legal concepts that structure these collaboration processes do not constitute a sufficiently strong binding force between the parties to develop this collaboration regarding an expanded vision of the city. In many instances, the associations function as no more than forums allowing representation and participation of the public and private sectors, but that do not necessarily represent processes of comprehensive collaboration for the purpose of implementing projects that have been previously agreed upon.

The promotion of these kinds of CCO initiatives without an accompanying vision of the city has in the case of many cities resulted from competition among different commercial areas that are involved in identical business endeavors. This leads to tensions and conflicts of interest among primary commercial centers (at least in the case of polycentric cities) and/or between these and commercial centers located beyond the city center (and therefore incapable of making a contribution to the sustainable development of the city).

Adequate strategic planning must identify points of differentiation among distinct areas of the city, thus promoting synergies of contribution that each of its zones, and each of the actors or different kinds of public making up the city, can make to the metropolis as a whole. A central objective of the management of CCOs must be achieving a differentiation with respect to other zones offered by the city as a way of generating consumer traffic. Toward this end, the following elements are critically important: a broad offer of services, both public and private; the existence of urban development elements that are architecturally attractive; and leaving consumers with a positive impression of the place (Warnaby 2009).

In this regard, it is our understanding that culture and organization of "cultural clusters" may constitute guideposts of the evolution that is necessary for this work model. In other words, models of commercial revitalization, which have traditionally involved focal points determined by the four "A's" developed by the British Department of the Environment (DoE, 1994, 62–66), can be naturally complemented by the creation and driving force

Figure 8.1. Toward a vital and viable city. An evolutionary model of the four "A"s



Source: Adapted from Lloyd and Peel, 2007.

of *cultural clusters* on the basis of an expanded and enriched public-private collaboration, and with contributions from the creative economy, as reflected in figure 8.1.

Culture as a Focal Point of Urban Development

Culture is a fundamentally urban phenomenon. Cities constitute the "nodes" that are essential for the new urban economy, given that they function as magnets for talent, and are the basis for creativity and innovation. There is no means of technological or entrepreneurial development that has arisen or been developed far from city centers. There are a number of successful technological parks located outside of urban areas that are tied to special government projects, but there are no innovative initiatives in those areas that have resulted in the generation of wealth (Castells 2000).

In recent years, urban renewal processes have received important contributions based on the idea that such processes should update their planning and development policies for the purpose of becoming creative cities (Landry 2000), or environments capable of attracting the kind of human capital that can lead to the creation of diverse and creative communities (Florida 2002). The principles of creative economy hold that the development potential of a city is increasingly based on the creativity of its inhabitants and workers (Landry 2000; Florida 2002; World Bank 2003).

A city without at least minimally attractive cultural offerings will rarely be able to attract—or even retain—the employees or investors necessary to construct an entrepreneurial fabric of even average creativity or, consequently, visitors, tourists, and residents. Culture can be utilized as a means for a city to position itself, namely to project an image tied to cultural values, along the lines proposed by "city marketing" studies (Elizagárate 2003; Eshuis and Edelenbos 2008).

Within the realm of economics, the production of culture also presents itself as a postindustrial alternative to old industries currently in crisis, taking into account the fact that creative industries[2] contribute economic wealth and employment, and that they are clearly experiencing growth (Walker 2007).

This state of affairs has resulted in a cultural shift in urban renewal policies resulting in a drive toward the creation of city areas or institutions to serve as cultural icons, such as the Tate Museum of Modern Art in London or the Guggenheim Museum in Bilbao, or the promotion of more open and less sharply defined processes of reorientation and reconfiguration of city neighborhoods as cultural enclaves, as is the case of Rope Walks Quarter in Liverpool, Trival in Madrid, or Raval in Barcelona.

In addition, in the evolution of these urban renewal projects with a

2. The classification used in the United Kingdom, "The revised mapping document 2001" and its first version, "Creative industries zapping document, 1998," is one of the most important international references on the subject, and proposes the inclusion of the following elements in this sector: publicity, architecture, art, antiques and the marketing of antiques, crafts, design, fashion design, movies and video, interactive entertainment software, music, performing arts, editing, software and IT services, television, and radio.

strong cultural focus, one can discern a transition from specific cultural installations, architecture, and spaces to the abstraction of creativity. This phenomenon has resulted in a shift in locus from external objects to the internal psychic experience of citizens. The promotion of this shift may in itself constitute a power strategy for activating the economy (Cassian 2012). Such developments have yielded both economic benefits (for example, job creation, activation of the economy, and the growth of the leisure industry) as well as social benefits (like revitalization of public space, promotion of citizen involvement, and education).

However, there are also critical opinions of these politics of urban renewal, reflected in the denunciation of the effects of social exclusion and dislocation suffered by long-time residents of targeted city areas—and at times by artists, which seems paradoxical, given that they are often the real initiators of the process of the cultural renaissance in renewed areas through the medium of the cultural industry (Catungal, Leslie, and Hii 2009; Waitt and Gibson 2009; Cooke and Lazzeratti 2008). Similarly criticized is the fact that, in many instances of urban development, the true interest of public and private actors has been "place branding" and the configuration of urban planning, with the organization of cultural events acting as a nothing more than an attention-getting ploy—rather than as a *bonafide* component of urban renewal through culture (Evans 2009).

Yet it is also necessary to acknowledge the reality that processes of urban renewal tend to become drawn out over time. Thus, particular cases lend more or less support to positions in favor of or against such processes.

The Bilbao Model: Forming and Consolidating Cultural Clusters in Peripheral Areas

In the urban and commercial renewal of cities and neighborhoods, the configuration of clusters may be based on a number of distinct factors: groups involved in artistic enterprises or individual artists that informally locate in declining areas and generate culture, thus elevating the profile of that area; professional managers engaged in cultural activities that spearhead the development of amenities and their inclusion in business, leisure, and tourism endeavors; or even iconic urban planning projects within abandoned industrial areas (Mommaas 2004). The case of Bilbao, at least during its initial phase, clearly reflects this last-mentioned path (Rodríguez, Martínez, and Guenaga 2001).

Beginning with the creation in November 1992 of the nonprofit corporation Bilbao Ría 2000, consisting for all practical purposes of a partnership among the Ministry of Development of the Basque government, the provincial government of Bizkaia, and the City Hall of Bilbao, a process of reclassification of abandoned industrial land in the Bilbao neighborhood of Abandoibarra was launched. This process also included certain properties dedicated to storing and transporting merchandise in that selfsame area. Most of Abandoibarra is located in the downtown district of Abando, adjacent to the Bilbao Estuary. In general, this process took the form of assigning these government-owned lands, for the most part held by the Port Authority

of Bilbao, ADIF (the Spanish authority charged with constructing and maintaining railroad infrastructure), and the City Hall of Bilbao. The purpose of this assignment, in addition to reclassification of the land, was the sale of part of the land for the purpose of constructing housing and businesses. These measures enabled the securing of part of the financing for the construction of some of these infrastructures. The remainder of the necessary financing was provided mainly by the Basque government and the provincial government of Bizkaia.

The Guggenheim Museum, designed by Frank Gehry, was opened in Bilbao in 1997, and the Euskalduna Conference Center and Conference Hall, designed by Federico Soriano and Dolores Palacios, followed suit in 1999. The first decade of the twenty-first century then saw the completion of a number of different projects, not only in the district of Abando but in other areas of the city, nearly all designed by world-renowned architects such as Norman Foster (Bilbao Metro), Santiago Calatrava (Loiu Airport), César Pelli (Iberdrola Tower and adjacent facilities), Arata Isozaki (Isozaki Ateak Towers) and Philippe Stark (reconstruction of Alhóndiga Bilbao, located in nearby Indautxu). Along with these works and infrastructure, there were several others worthy of mention within Abandoibarra: the Bilbao Maritime Museum, the University of Deusto Library, the Auditorium at the University of the Basque Country, the Campa de los Ingleses Park, the Paseo de Arrupe, the Zubiarte Shopping Mall, the Sol Meliá Hotel, and numerous residential and office buildings.[3]

The purpose of this provision of physical infrastructure space and services has been to propitiate conditions favorable to economic activities related to services, thus boosting commerce, recreation, and leisure activities, as well as promoting the development of cultural offerings. In addition, this new configuration of the city is allowing the advance of a change in defining policies and cultural organization in Bilbao.

Taking as a point of reference the theoretical schema of Hans Mommaas (2004), it can be asserted that, after an initial stage that consisted of utilizing a "flagship" to culturally position the city (the Guggenheim Museum), the current aim is to consolidate a second stage, which must necessarily involve the acquisition of sufficient capacity to offer a broad cultural agenda, and to intensify the programming of Bilbao's museums and theaters. And a third stage can also now be discerned on the horizon: one involving the creation of cultural clusters within districts, neighborhoods, or environments that constitute both a concentrated expression of cultural creativity and production and that serve as a spur to that selfsame activity within the city.

It should be noted that the consolidation of cultural clusters has often been a "bottom-up" process (Mommaas 2004) that cannot be guided—at least not at the level of public administration. A recent example of this in the case of Bilbao is in the two principal zones that are currently part of the plan to regenerate the city government, in which a kind of citizen participation at times highly critical of public initiative has been witnessed. These are the areas of Bilbao La Vieja-San Francisco-Zabala (in the District of Ibaiondo) and the Deusto-Zorrotzaurre Riverbank (in the District of Deusto).

3. See www.bilbaoria2000.org.

In the case of the Deusto-Zorrotzaurre Riverbank, we can see an example of the importance of providing mechanisms of participation and consensus with citizens (Bull and Jones 2006), given the current obstacles facing the Bilbao city government as regards both urban planning and the environment. In fact, the Bilbao city government has been forced to modify an iconic redevelopment project designed by Zaha Hadid. This decision resulted from a ruling of the Supreme Court of Justice of the Basque Country in favor of the residents' association of the Canal District, which had requested the cancellation of the plan because of its procedural flaws.[4]

Concomitantly, the zone has most recently witnessed intensive private-sector initiatives also having cultural production as an obvious focal point of renewal. We refer here to what are known as the "creative factories" of Bilbao, as well as the Zorrotzaurre Art Work In Progress (ZAWP).[5] This was an initiative of the cultural association of the district, Haceria Arteak, which was constituted in 2008 as part of the master plan for the urban renewal of the Bilbao neighborhood of the Deusto-Zorrotzaurre Riverbank. ZAWP projects itself as the artistic, innovative, and creative aspect of this process of urban transformation, and it seeks to transform the Riverbank into a new focal point of creativity and innovation. Its mission is to convert an old declining industrial zone into a space of possibilities, in which its social actors can express themselves freely, promoting dialogue and relationships among different artistic disciplines.

The other locus of urban renewal efforts with a pronounced artistic emphasis is in the neighborhoods of Bilbao La Vieja, San Francisco, and Zabala in the district of Ibaiondo. Since the beginning of the current century, this area of Bilbao has been characterized by a heavy immigrant presence, and is currently the part of the city with the highest rate of immigration. The area is home to families with limited economic resources that, following the economic and industrial crisis of the 1980s, fell upon hard times as a result of massive loss of jobs. The resulting social and economic deterioration of the area was accompanied by urban decline resulting from the poor condition of the district's modest dwellings.

Against this bleak backdrop, various neighborhood associations and nonprofit organizations began to work in the most disadvantaged areas of the city, while they called upon the city government to take a more active role in arresting the area's inexorable decline. Below is a brief description of some of the projects that have been carried out with the participation of public institutions and neighborhood, business, cultural, and other institutions in the area:

- *Project Open Port 1993–1997*, which was implemented in Bilbao La Vieja in order to promote the geographic and social integration of the zone with the rest of the city.
- *PERRI 1994* (Internal Reform and Rehabilitation Plan). This plan

4. Jon Mayoria, "Bilbao acuerda por unanimidad modificar el plan de Zorrozaurre," August 21, 2010, at El Correo, http://www.elcorreo.com/vizcaya/v/20100821/vizcaya/bilbao-acuerda-unanimidad-modificar-20100821.html

5. See www.zawpbilbao.com/.

was approved in 1994, and its two lines of work involved rehabilitating the area between San Francisco and the Estuary, and the restructuring of the area lying between San Francisco and the abandoned mining lands.

- *PIR (Comprehensive Rehabilitation Plan) 2000–2004*. PIR was approved in 1999, and its purpose was to promote comprehensive rehabilitation in the following areas: social improvement, creation of jobs and promoting economic activity, transformation of the urban environment, and harmonious coexistence among the city's residents.
- *Special Rehabilitation Plan for Bilbao La Vieja, San Francisco, and Zabala 2005–2009*: This plan represents a continuation of the PIR project described above.
- Comprehensive Community Plan for Bilbao La Vieja, San Francisco, and Zabala 2012–2016: Its purpose is to draft a document with citizen participation aimed at improving those aspects of the neighborhoods identified by the situation map as needing improvement. The goal is to accomplish this in a way that promotes cohesion and a sense of belonging, emphasizing and building upon the strengths of the three targeted communities.

With these various plans, there has been a noteworthy urban renewal of Bilbao La Vieja, San Francisco, and Zabala. Yet at the same time, and on an ongoing basis, it is in fact the actions being undertaken that emphasize the production and consumption of culture that currently show the greatest promise to renew the zone from a social point of view.

Focusing for the moment on business, the association of merchants in the area represents one facet of private initiative that has organized a comprehensive action program to promote and revitalize the zone under the auspices of "Project BilBi" (the motto of which is "a world waiting to be discovered"). Project BilBi involves activities and events such as a sampling of different world cuisines called "A World of Tastes," the famous flea markets of Bilbao La Vieja, the "BilBi Fashion Festival," a festival of improvisational cinema (with the area's streets in the leading roles) called "BilBi.Mov" that runs throughout the area and is open to the general public, a contest of videos recorded on cell phones, a photography contest, and other events. Each of these activities has the purpose of bringing consumers into the neighborhoods who are not yet acquainted with the areas. It is the businesses of the area that are the real driving force behind such events in Bilbao La Vieja, San Francisco, and Zabala. This project has an internet footprint through a new website that brings together everything these neighborhoods have to offer with respect to business, lodging, culture, and recreation/leisure.[6]

Culture as one of the elements that paves the way for the development and comprehensive rehabilitation of the aforementioned neighborhoods is an important facet of the Special Plan for Bilbao La Vieja, San Francisco, and Zabala, which has been implemented in the BLV-ART program,[7] and which

6. www.bilbi.es/.
7. www.blv-art.com/2011/.

is the successor of the previous "Bilbao La Vieja -Cultural Bridge" program.

This program was promoted by the Culture and Educational Division of the Bilbao city government, and aims at infusing new value into these neighborhoods through extensive cultural programming, as a platform for the participation of individual residents and neighborhood groups in these neighborhoods, and as a nexus of communication and attraction vis-à-vis the rest of Bilbao. Guided tours are offered of the new galleries and other spaces in which urban art has flourished—spaces that have been established thanks to the initiative of creative men and women who have made a commitment to Bilbao La Vieja.

In this area, there is also an artistic creation space called "Bilbao Arte," a center of artistic production that is funded by the Cultural Department of the Bilbao city government. Since its establishment in 1998, Bilbao Arte has placed at the disposal of creative young persons the means and infrastructures necessary to both carry out current artistic activity and to acquire professional artistic training.

Bilbao La Vieja is also where the city's Museum of Artistic Reproduction is located.[8] Because of the special characteristics of its collection, this museum has a markedly didactic purpose and, since its founding in 1927, has focused on the teaching of art history, constantly adapting itself to society's changing educational needs. As a landmark both within Bilbao La Vieja and the larger city, part of its programing is derived from the International Proposal of Educational Cities. This project is a completely public initiative, and enjoys the joint participation of the provincial government of Bizkaia and the City Hall of Bilbao.

The transformation of the use of buildings is a distinctive characteristic of this kind of renewal. In this connection, the role of the venerable de la Merced church is worth mentioning. This church is a baroque structure in the area that was initially constructed between 1663 and 1673. Over the years, the church fell into disrepair, and ceased to host religious services. Its future hung in the balance, as the possibilities of restoration, or private- or public-sponsored efforts in keeping with the structure's classification as an artistic monument, were discussed. In 1989, the City Hall of Bilbao made the church public property by buying it and, since 1997, the remodeled structure has been home to the BilboRock-La Merced project, which has offered concerts, plays, and other cultural activities for the most part organized by City Hall.

The cultural and commercial activity of this area of Bilbao has created a synergy between these two pillars of urban development via local associations community, commercial, and cultural associations that collaborate with public institutions for the shared purpose of developing this urban nucleus in a sustainable manner—a goal toward which important progress has thus far been made.[9]

8. www.museoreproduccionesbilbao.org/.

9. The Community Plan for Bilbao La Vieja, San Francisco, and Zabala was launched in June 2012 with a roundtable meeting involving political parties as well as community associations. Heads of departments of urban planning, health and consumption, and security proposed coordination toward the end of promoting activity in the business sector

Conclusions

As has been repeatedly analyzed and proven over the course of many decades, the joint collaboration between commerce and the city to shift the economic base to the service sector is of vital importance in confronting the challenges resulting from changes in the productive economy of urban areas. Furthermore, to reiterate what was stated earlier, creative districts, neighborhoods, and environments become seedbeds of commercial, creative, and cultural activities, as well as of leisure/recreational pursuits, thus placing a distinctive stamp of identity on such areas.

In this regard, culture as an instrument of urban renewal, the promotion of creative endeavors, and the constitution of "cultural clusters" have been set forth as innovative measures representing a step forward in the strategic planning of the city that, through the logic of the model of the governance of the collaborative economy, can come to serve as an institutional vehicle for asserting the confluence of common interests, and for promoting a city's competitiveness.

Measures supporting the creation and promotion of collaboration platforms to identify and serve common private- and public-sector interests, and that primarily involve associations of merchants have in many instances proven to contribute only modestly to advancing such interests. Such entities need to serve as more than mere promoters of a commercial zone whose members share some commercial strategy. Instead, such associations need to be endowed with other elements that enable collaboration, and that eliminate problems such as those arising from a weak development of business associations, "free-riding," the sustained financing of the business leaders of the urban center, and of their collaboration platforms, tensions among the commercial hubs within a single city, and/or the lack of municipal commitment to the business sector. These are all factors that have limited the progress of many of the endeavors within this area.

However, creativity and the encouragement of creativity through the creation of cultural clusters have emerged as the forces that have established the momentum necessary to enable the appearance of other intangible factors that will naturally spur a collaboration that will promote both the vitality and the viability of the city.

As regards the case of Bilbao, following an initial renewal phase that began in 1990 and consisted of iconic projects in central areas of the city that were spearheaded by governmental entities, other more peripheral areas have more recently become targeted by City Hall for renewal projects. We have witnessed how, in neighborhoods such as Bilbao La Vieja, San Francisco, and Zabala, and the Deusto-Zorrotzaurre Riverbank, there is a tendency to a different kind of intervention. The active participation of citizens and social groups, both on their own initiative and in defense of their own interests (as in the case of the Deusto-Zorrotzaurre Riverbank) as well as the result of their involvement in the very definition of projects

and putting a stop to improper practices. The general objective of this plan is no longer transformative urban planning, but rather social concerns and peaceful coexistence in this important area of Bilbao (El Correo June 8, 2012).

initiated by neighborhood associations (as in the case of Bilbao La Vieja, San Francisco, and Zabala) is of fundamental importance for assuring that these groups can, in collaboration with the municipal authorities, advance toward the configuration and consolidation of these "cultural clusters." It is evident that this process is for the most part occurring "from the bottom up," even though this process of evolution has reflected an incubation period for initiatives from which it has not yet emerged.

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9

Power and Potential: Enclosure and Eruption in Bilbao

Igor Ahedo Gurrutxaga and Imanol Telleria

According to Manuel Delgado (1999), an urban area can be understood as a meeting point between two rather contradictory tendencies: the emerging and unpredictable power of social groups and the will to power (namely, the *potestas* that craves predictability) of political institutions. This is a tension that has grown even more pronounced in recent times. We could express the current state of affairs as follows: Now more than ever, urban areas are places in which a conflict takes shape between, on the one hand, the tendency of a political and economic system to colonize urban life (Cohen and Arato 1992; Habermas 1984), introducing into social relationships the controlling mechanisms of money and power and, on the other, the reaction of a civil society in which many individuals and social movements try (as a defensive strategy) to both maintain community ties that neoliberalism tends to sweep away, and also attempt (in an offensive strategy) to modify the political and economic systems that keep them down.[1]

The first of the tendencies—colonization of social phenomena by economic and power interests—is clearly reflected in processes of "enclosure" (Federici 2004), both real and symbolic, of urban space, and a plundering of communal experience (Madrilonia 2011). This enclosure-plundering logic vis-à-vis communal urban life is expressed in the privatization of public space; in the dissemination of an ideological discourse regarding cities that tends to reduce real differences and conflicts to the aseptic notion of "urban requirements"; and in the increasing desire of public institutions to regu-

1. The present chapter is an adaptation of a similar paper published in the journal *Zainak – Cuadernos de Antropología* of the organization *Eusko Ikaskuntza*.

late and control the unwieldy creativity emerging from the city's grass roots (Delgado 2011). Each of these expressions of the enclosure-plundering logic represents the assumption, on the part of the institutional powers that govern cities, of the role of guarantor of a social order that is compatible with the neoliberal project. It is precisely for this reason that, concomitantly and in opposition to these processes of "enclosure" there also flourish—at times with tremendous force—what could be called "urban eruptions" (Lefebvre 2003; Delgado 1999) that constitute a manifestation of the potential of urban residents to react to the colonization on the part of the city's powers that be.

With this framework as a point of departure, we will track the manifestations of this tension in the city of Bilbao, a national flashpoint not only of strategies for consolidating the neoliberal city but also of resistance on the part of the citizens of the metropolis. We recently witnessed a consummate expression of this resistance in the surprising mobilization of citizens in defense of the Okupado Kukutza III Social Center in the Bilbao neighborhood of Rekalde. We will see how the conflict between the position of the City Hall of Bilbao and of city residents supporting the "Occupy" movement clearly reflects the tension between the two, previously noted opposing forms of logic. As we will see, for the purpose of legitimizing the strategy of "urban enclosure of the public sphere," the first model focuses on spectacular display, and its theoretical foundation is an urban discourse based on "good citizenship" that attempts to minimize the intrinsic contradictions of urban environments (for example, inequality, conflicts, exclusions, and so on). The second model, which represents a spearheading of urban eruption that attempts to regenerate urban life, is based on a logic anchored in community, and is supported by a movement-based discourse that claims citizen rights (namely, the right to beauty, marginalization, centrality, and culture) under the terms defined by Jordi Borja (2002), who places conflict at the very heart of the urban dynamic.

More important still is the fact that the surprising success of Kukutza III in legitimizing a project based on the "occupy" logic at both the local level of the neighborhood and city, as well as at higher levels (that is, of the Basque Country, Spain, and the planet) shows the creative potential of protesting collectives that focus their energies on the repurposing of abandoned spaces, as well as their capacity to disseminate discourses regarding cities that are based on a logic of countervailing grassroots power. At the same time, the success of the local government's legitimation of its own enclosure strategy is evident in the absolute majority obtained by the cabinet of Bilbao mayor Iñaki Azkuna[2] (of the Partido Nacionalista Vasco, the Basque Nationalist Party) in the most recent municipal elections. This success has its roots in the proactive attitude of the institution vis-á-vis urban transformation, an attitude closely related to its capacity to disseminate an urban policy discourse that neatly fits within the narrow bounds of its management model. Finally, this clash between neighborhood and institutional forces—between the center and the periphery, participation and spectacle, power and potential, enclosure and eruption and, most of all, between legality and legitimacy—ended with the destruction of Kukutza III following the eviction and

2. Azkuna died in March, 2014.

demolition of the building, which resulted in the arrest of seventy people and a police intervention that left two hundred injured in its wake, and that was denounced by the official ombudsman (*ararteko*) of the Basque Autonomous Community. The clash also led to violent protest on the part of some of the demonstrators, who extended their protests to the city center. This outcome reflected the unshakable will of the city's institutions to eliminate any countervailing power that could challenge its capacity to control the process of urban transformation, and that advocated community eruptions in response to enclosure of the public sphere. This official response included resorting when necessary to extreme force and to the symbolic harshness of earth-moving equipment (Ahedo 2011). In any event, the "resurrection of the spirit of Kukutza" in the Okupado Social Center of Patakon,[3] located in the Matiko neighborhood, demonstrates the fluidity of the currents of opposition to those who highjack the public interest in urban neighborhoods. These currents erupt as an expression of the potential of the grassroots, disrupting the blissful sleep of the enclosure drawn up in the blueprint. The fact that Patakon was quickly evicted does not change the fact that a profound change had occurred among citizens of the affected area, as demonstrated in the fact that the residents of Matiko and Uribarri hailed the occupation from the very start, in contrast to the prevailing suspicion with which these movements had previously been viewed. Against this backdrop, the new eruptions will continue to disturb the sleep of Bilbao's heartless utopians.

Enclosure of "the Ideal City"

"Bilbao is so small / that you can't see it on a map / yet known for its love of wine / by everyone—even the pope." These are lyrics to a song that has been sung by generations of Bilbao schoolchildren. It makes us proud ("Even the pope" knows us!) It also makes us feel safe ("Bilbao is so small"). The city is "small" in the sense of being a close-knit and sociable community of human relationships and interaction, of dreams and striving. "The Pope" here stands for what is distant, powerful, and global. And it is indeed true that, some forty or fifty years ago, the citizens of Bilbao could sense what was on the horizon—the times that we are living through now, of a globalization that is always rooted in the local. However, in this balance, what is considered "local" is in the very heart of the city. The peripheral neighborhoods—their dynamics and creativity—are disregarded, and do not even appear on the map. And if they should dare rear their heads, then they will need to disappear. The old industrial city in which "even the pope" knew of our "love of wine," drunk while intoning chants of protest that forced the resignation of mayors (as occurred with the *Francoist* mayor Pilar Careaga, who was expelled from City Hall as a result of the pressure exerted by her administration on the Rekalde neighborhood), has been transformed into a showcase (Amendola 2000) in which the world knows us for the Guggenheim Museum; into a prison city (Davis 1990) in which protest has been criminalized and law and

3. Patakon is a reference to a famous Basque pirate to whom the phrase "*denokari kendu, ez deonari emon*" is attributed ("Take from those who have, and give to those who have not.")

order are held up as the highest values[4]; and also into an efficient city-company (Cortina 2012) in which mayors win elections by an absolute majority.

Not only has the form of the city changed: so has its meaning. Thus, as Mercé Cortina (2012) writes, if the industrial city takes the form of a space in which the production and reproduction of capitalist relations takes place in terms of work, exchange, and consumption (Castells 1977), we are currently seeing a qualitative leap in urban development: the city is now not only a center of production space, but also is in itself both producer and product. In order to understand this change, we need to unmask the role of neoliberalism in urban restructuring. This is important because it is beyond question that restructuring processes have indeed been most intense at the urban level. Under the terms set forth by Cortina (2012), such is the case for two important reasons.

First of all, urban restructuring has occurred because cities have been thrust into a neoliberal economic market that has provoked the rapid intensification of intercity competitiveness, driving them to find a place on the map by accepting short-term and unstable projects for the purpose of attracting investment. As we will soon see, in this context, Bilbao has turned to the outside world in an attempt to bring tourists to the city, thus capitalizing on the "Guggenheim effect" as a means of contributing added value to a city that has lost its industrial base, and that is also seeing a decline in its commercial base.

Secondly, continues Cortina (2012), in many instances, systems of urban organization have internalized neoliberal programs based on privatization, deregulation, liberalization, and fiscal austerity for the purpose of revitalizing their economies. Here also, the case of Bilbao has been exemplary. In a city without any deficit, the 2013 budgets are contemplating cutbacks that have raised the hackles of even local opposition forces representing a party that, at the national level, is applying brutal austerity policies. It is at the very least surprising that the Partido Popular (Popular Party), which is in the opposition in Bilbao, is accusing Azkuna of being "the cutback mayor" (*El Correo*, 6/11/2012).

Regarding these premises, cities have become the perfect laboratories for implementing all kinds of neoliberal policies. This is why Cortina (2012) concludes that the process of globalization is not merely an economic process but also—and above all—a political process in which the local arena has emerged as the most suitable context for negotiation and policy initiatives that facilitate economies of scale and international commerce. Such policies sometimes require an "iron hand" to avoid any kind of "urban eruption" that might shatter the fiction of a pacified entrepreneurial (and neoliberal) city—in short, of "the ideal city."[5]

4. "Unions have placed themselves outside of the law" as a result of their "bullying tactics," declared Mayor Iñaki Azuna in *El Correo* (1/10/2012) in reference to mobiliation against the opening of businesses on holidays.

5. "I will not allow the emergence of any countervailing grassroots power," declared Iñaki Azkuna on June 3, 2008 in *El Correo* after the formation of the Federation of Associations of Bilbao Residents was announced for the purpose of demanding greater citizen participation. "I am authoritarian, because without authority, there is no order, and without order, there is no society," said Azkuna in an interview on the Basque Te-

This logic of the entrepreneurial neoliberal city has, in the final analysis, received concrete expression in a series of enclosures that reflect the neoliberal bent of the management and planning of urban space. One of the most important such enclosures (whose symbolic dimension we will discuss later) has taken the form of privatization of previously public spaces, a phenomenon readily apparent in the urban renewal of Bilbao. The mission of Bilbao Ría 2000 (Telleria 2012), as reflected in its own promotional material, is that of "recovering declining zones and industrial areas within Metropolitan Bilbao, thus contributing to a balanced development and improvement of urban cohesion" (Bilbao Ría 2000). The initial activities involved the area of Amezola, where there was an obsolete industrial space, and which saw the construction of a large number of housing units and extensive green zones. The project involved even more activity in the city center, specifically the Abandoibarra zone, the site of the main symbols of Bilbao's transformation: the Guggenheim Museum, the Euskalduna Conference Center, the expanded University of Deusto, the Bidarte Shopping Mall, and other structures. This selfsame corporation of Bilbao Ría 2000 will be tasked with the responsibility for selling some of this land (much of which is, as we said, public) to private entities, which will primarily be dedicated to constructing high-end and exclusive housing units. We are witnessing the moment of the crest of the urban development *tsunami* (Fernández Durán 2006; López and Rodríguez 2010) and the opportunity to take advantage of the speculative wave must therefore be seized. Use for the purposes of providing advanced services, as foreseen in the initial urban organization plan (namely, the PGOU) has been cast aside, and land is to be used instead to housing speculation, while public initiatives (such as the construction of the Guggenheim and the Euskalduna Conference Center), which were financed with funds allocated from the budgets of the Department of Culture and other departments, have contributed to increasing the value of this land and housing. This represented a perfect "enclosure loop" (the privatization and potentiation of a public space) that was violently disrupted by the bursting of the real-estate bubble. Today, the future of this public corporation and of its planned urban-renewal activities is very much in doubt. With the time having arrived to address the needs of neighborhoods, there is no money. It can justly be said that the supposed benevolence of "governance" that had the goal of "democratizing" the management of urban areas has, instead, in the long run, served to mask strategies that have promoted the voracious plundering of the city's public assets.

And yet, despite all of these developments, the urban renewal process in Bilbao has seen a relegation of the previously mentioned enclosures to the backstage of "urban theater," hidden behind the lights of the spectacle promoted by certain high-impact and high-profile activities. Specifically, the Guggenheim Museum Bilbao was inaugurated in October, 1997. Despite its controversial beginnings, this facility is now presented as the flagship of the transformation of Bilbao—a centerpiece of the marketing of the city (while, it must be added, serving as fodder for endless jokes). To this flagship of the

levision Nework EITB (9/23/2011) in reference to his proactive stance in ordering the eviction of Kukutza III.

Bilbao showcase was later added the Euskalduna Conference Center, and the Alhóndiga Recreational Center, situated in a building that had stood abandoned for some two decades, when the disgruntled vintners who had done business there were transferred to the Rekalde neighborhood. Concluding the analysis of this class of enclosure imposed by the powers that be, we can see how this process of urban renewal has involved an overemphasis on high-profile projects, and a quiet concealment of rather problematic elements (Esteban 2000; Larrea and Gamarra 2007; Telleria 2012). It is precisely because of this contrast in which the light detracts attention from the shadows, that it is understandable that some of the initiatives of this long and complex transformation of the central area of the city has enjoyed the widespread support of Bilbao's citizens, a support clearly reflected in the election by absolute majority of Iñaki Azkuna in 2011, a victory that represented a popular endorsement of the "ideal" government and city.

However, the legitimacy of the electoral results cannot hide the logic of "enclosure" of the public sphere that has been witnessed in Bilbao in recent years, an enclosure receiving concrete expression in the colonization process of the social interest, not only on the part of the economic system, but by the political system as well. In addition to what has already been mentioned, speculative interests have been promoted that have been involved other municipal assets, and the enclosure of the symbolic dimension of the public interest is readily visible in Bilbao. Thus, where there were once central spaces characterized by economic dynamism and social and labor conflict, there arose following the post-industrial revamping museums (such as the Guggenheim), institutions of higher learning (the University of Deusto and the University of the Basque Country, UPV-EHU), convention centers, luxury hotels, and a shopping mall (complete with movie theaters and McDonalds). As if this were not enough, the Iberdrola Tower, pharaonic in its majesty, serves as a stark symbol of the muscle and virility of multinational powers (namely, so that everyone knows who is boss). The phallic forms of these buildings rise in their immensity over the heads of humble passers-by, while tourists point their cameras upward and snap their pictures. A symbolic enclosure of the public sphere has received particularly grotesque tangible expression in a dispute among centers of economic power to see "whose is bigger" (that is, whose *building*, of course).

In this colonization process, the role of municipal government is far from secondary. Instead, it is has served as the battering ram of the interests of large companies in the face of citizen demands, as is clear in the push to open businesses on holidays—an initiative that was roundly rejected by the public. But this proactive role in the privatization of the public sphere is observed most clearly in the granting of a license to demolish Kukutza III to the company that owns the building in which it was housed (a company tied to corruption in the neighboring autonomous community of Cantabria) and which had acquired the building for a bargain-basement price in the courts. The land on which the building stood had initially been classified as "industrial," but was later reclassified as "urbanizable," that is, apt for redevelopment despite the demands of neighborhood residents for a public installation to be located there. As we will see, the land in question, which had

been abandoned in order to increase its value at the height of the real-estate bubble, would later be occupied and converted into the "dream factory" of Kukutza III, until it was demolished in September, 2011, at which time the city government of Bilbao issued a demolition license to the company owning the building, without the legally required land allotment project having been submitted. This irregular granting of a license (denounced in the courts by the Rekalde neighborhood association) prevented any postponement of the demolition, thus quelling the wave of solidarity with Kukutza III—a wave that threatened to become a *tsunami* of proportions hitherto unknown in Bilbao. This improper granting of a license is not just an example of the way in which Bilbao's municipal government capitulated to the interests of a group of speculators in the face of a majority of citizens who claimed their right to culture. Nor is it just a reflection of the role of city government as a willing collaborator with the mission of the economic powers to contain the public sphere. And nor, indeed, is it just the expression of the role of the City Hall of Bilbao as foot soldiers carrying out the colonization of the social sphere on behalf of powerful economic interests. More than all this, the irregular demolition license was, as the Rekalde neighborhood association declared, an expression of a "diversion of power," which saw City Hall utilizing urban planning for a clearly political end: the crushing of the potential of the urban sphere.

In reality, as we pointed out earlier, if there is something that characterizes the urban setting, it is its pure potential for *being*. The *urbs*, writes Delgado, is a place defined by its latent potential, by its "creative and amoral energy," and most of all by a "constant passion that endures unabated behind the back of a political order that tries to pacify it however it can, without succeeding in doing so" (Delgado 1999, 193). This attempt at pacification continues most of all because, as Delgado adds, the grassroots is also endowed with a deliberative and proactive dimension. And it is "at the grassroots level where integration of incompatible elements is constantly occurring, where the most effective exercise of reflection on one's identity can take place, where political commitment resulting from the possibilities of action takes on meaning, and where social mobilization enables awareness of the potential of currents of sympathy and solidarity among strangers" (Delgado 1999, 208). The integration of unlikely bedfellows was reflected in the solidarity that emerged in defense of Kukutza III, which saw real-estate firms place stickers on the windows of their offices in support of the project; senior citizens defend the place in which young people socialized; the *Casa del pueblo* (House of the People)—the neighborhood headquarters of the Basque Socialist Party (Partido Socialista de Euskadi)—and socialist senators supporting groups that did not hide their advocacy of ETA prisoners being transferred to correctional facilities closer to their families; and university professors ready to wield their pens in defense of civil disobedience, bringing their teachings to a building whose occupants were about to be evicted.

It is precisely this capacity of the grassroots to integrate incompatible elements, to reflect on our being, and to catalyze social mobilization that explains the ideal, orderly, and tranquil utopia of institutional entities. Such

a utopia makes eminent logical sense today, in the context of the collapse of social rights and increasing citizen dissatisfaction—a time when this order and calm is more necessary than ever in order to allow the entrepreneurial city to assume the role of beloved disciple of neoliberal strategies.

In pursuit of this utopia, the previous enclosures of an economic nature are now accompanied by new enclosures of the public sphere within the political space itself. This happens through both a perversion of the meaning of politics, by endowing the enterprising city with an ideology that tries to heal all of the factures that are present and, finally, by regulating the use of the public sphere through strategies involving its privatization. In reality, the urban renewal of the center of Bilbao has made possible the dissemination among its citizens of a kind of political action based on management alone (Del Águila 2002). This has resulted in the triumph of a model in which the most important goals include the functioning of the system, economic growth, international recognition of Bilbao and the city's competitiveness in a world of global cities (in this vein, see Ayuntamiento de Bilbao 2012). This approach assigns no importance at all to whom, why, and (especially) how such things are done, as long as they are done efficiently. Politics is thus no longer understood as "the art of making the impossible, possible" but instead as the mere management of "the possible" on behalf of a model of the neoliberal entrepreneurial city to which there is apparently no alternative at all.

In any event, this material and formal model of managing the neoliberal city is accompanied by an ideological discourse based on "good citizenship" that completes the circle of urban depolitization and repolitization. "Depolitization" occurs because this discourse transforms the grassroots (which is by definition conflicted, plural, creative, and so on) into a *public space* that makes conflict invisible, denies the plurality of what is not considered "good citizen practice," and nullifies the creativity of neighborhood citizens with a remote-control program characterized by passivity, the paradigmatic example of which are "autistic benches" that are designed to seat only one person, thus allowing the good citizen to rest—but not to speak, relate to others, or conspire. But this depolitization is also accompanied by what could be called a "repolitization," in which the administration regulates behavior, habits, and even the way one can walk in the city, in the name of urbanism, decorum, and a sense of good taste that will not upset the urban showcase that has been so painstakingly designed. As can clearly be seen, anything that upsets this order—anything that challenges the peaceful existence of the city that has been carefully arranged—must simply disappear from the city. In the words of Manuel Delgado and Daniel Malet (2007, 2), the concept of public space, "as it tends to be currently used, is not limited to carrying out a descriptive act of will, but instead carries a strong political connotation. As a political concept, public space means the sphere of peaceful and harmonious coexistence of the heterogeneous elements of society." Thus, in the public space, differences are overcome, without being entirely forgotten or negated, but instead relegated to a separate sphere—the sphere that we call *private*. Delgado and Malet (2007, 3) add that public space is a concept that relies on the discourse of "good-citizenship," an ideology concerned with

the need to harmonize public space and capitalism, for the purpose of attaining social peace and "a stability that allows the preservation of a model of exploitation without its negative effects having any adverse impact on its governing agenda." There is no question that the notion of public space, understood as the physical manifestation reflecting the hopes of those espousing the "good citizenship" ideology, "is expected to function as a mechanism through which the dominant class assures that the contradictions that sustain it do not become evident, while at the same time it secures the approval of the dominated class by making use of an instrument—the political system—capable of convincing the latter of the neutrality of the dominant class" (Delgado & Malet 2007, 4).

However, beyond its ideological dimension, the logic of enclosing the public sphere also has practical manifestations. In this regard, the city government becomes the guardian of regulating this "civic behavior." It does so by first controlling what happens in the city streets. The presentation of the Office of Public Space Utilization is clear on this point: "Remember: Walking and driving through the streets of Bilbao is free and advisable, as is resting on the benches of its parks and plazas. However, in order to allow other activities to take place in the public space of the city, you must always secure the authorization of your City Hall."[6] *Txikiteros* (groups in Bilbao that go to bars and sing traditional songs) now need permission to sing. This authorization is not always granted, because the new view is that this time-honored feature of the streets is no longer suitable in the "public space." Thus, during May and June, 2012, City Hall denied permits for holding parties to neighborhood associations, unions, and social groups. The denial was always phrased in the same way. In this connection, we think the following text produced by the Office of Public Space Utilization denying a request for a public initiation of a protest fast is telling:

> In response to the document presented by _____, requesting authorization for the installation of a couch, two tables, and placards claiming the right to dignified housing in the Plaza Circular on June 5–6, 2012, I am advising you that this involves private use of a public space that must be justified in terms of the general interest of the neighborhood, a requirement that has not been met in the present case. Therefore, it is deemed appropriate to deny this petition . . . given that the streets and sidewalks are free public space at the service of residents for general purposes: to drive, walk, and interact with one another. The activity being requested involves a special or private use of public space, of merely private interest, and without any public need that justifies it. Regards, Assistant Director of Public Space Utilization.[7]

6. See www.bilbao.net/cs/Satellite?c=Page&cid=3000065131&language=es&pageid=3000065131&pagename=Bilbaonet%2FPage%2FBIO_contenidoFinal (visited December 16, 2014).

7. Taken from the page of the group Ez irentsi – No tragamos ["We're not buying it"]: http://www.pintxogorria.net/index.php/es/euskal-herria/149-langile-borroka/2790-el-ayuntamiento-de-bilbao-prohibe-la-protesta-del-turno-27-de-ez-irentsi-no-tragamos-por-considerar-que-el-derecho-a-la-vivienda-no-es-de-interes-general [consulted on December 16, 2014].

In other words, fighting for housing and against cutbacks is possible, but at home (in other words, if you happen to have one!). But trying to do this in the streets involves privatizing public space!

It cannot be disputed that the transformation of streets into public space, refusals of the municipal government to authorize the neighborhood association to utilize the streets, and the silencing of the *txikiteros* have all been accompanied by a showcasing of the city that puts the finishing touches on a model of urban management that has been rewarded by absolute majorities. And as long as politics is reduced to efficiency, the "show" will go on. It is therefore not surprising that the height of this dynamics of urban showcasing is evident in the attempt by municipal authorities to secure international recognition of their practices. Thus, in early September, 2012, an international jury visited Bilbao to evaluate the city's candidacy for an Industrial Design Award. However, during this visit, two unforeseen events occurred that called into question the quality of the city's management and order. The "perfect management" model showed its least pleasant side when the Alhóndiga was flooded as a result of broken pipes just a few hours before the jury visited this iconic site. Similarly, a *ciudadanista* model based on the amputation of the urban conflict collapsed in the face of the dynamics that unfolded in the Rekalde neighborhood, which mobilized to avoid the demolition of the Okupado Kukutza III Social Center—a center that, curiously, was viewed by over one hundred urban planners and architects as an outstanding example of the recovery of abandoned industrial buildings.

Eruptions in the Dreamscape of Bilbao

For thirteen years, Kukutza engaged in intensive cultural activity in Rekalde, a neighborhood with a long tradition of advocacy (Ahedo 2010), as reflected in the fact that it has initiated three hundred times more cultural activities than the Basque government, the provincial government of Bizkaia, and Bilbao city government combined. Thus, in 2011, Kukutza housed the only circus school in Bizkaia, which held a workshop in acrobatics, juggling, adult circus, and children's circus. Kukutza was also the home to the largest rock-climbing wall in Bizkaia, a meeting hall that held up to fifteen hundred people that included a bar and concert stage, two rehearsal sites; a craft-beer cooperative; a vegetarian soup kitchen; a dancing area in which mini-courses in flamenco, contemporary dance, and capoeira were offered; an area for exchanging clothes; an area in which martial arts were taught, and rooms in which crafts were taught (Kukutza 2011). Among the numerous activities organized were one hundredth birthday parties for centenarian residents of Rekalde; fundraising suppers for the seriously ill; conferences on occupy activities; ten international circus events, and so on. Finally, the importance of Kukutza transcended the borders of Rekalde in the sense that its installations were used for social movements of the Basque Country as a whole (for example, feminist groups, groups preparing for carnivals involving parading through the streets in traditional dress, and so forth) and even by universities (such as training in citizen participation and the inaugural session of a master's program in citizen participation organized by the UPV-EHU).

On May 23, 2011, the same day that the mayoral victory of Iñaki Azkuna by absolute majority was announced, the company that owned the occupied building presented a request to the City Hall to demolish Kukutza III. From that moment onward, an intense solidarity campaign in defense of Kukutza took shape that lasted until September 21, 2011. During this time, five hundred residents of Rekalde participated in the making of a "Lip Dub" video that enabled viewers to visualize the magnitude of the project.[8] A demonstration was held on July 16 in which nearly ten thousand people participated, thus becoming the biggest neighborhood demonstration held in Bilbao since the transition to democracy in the Spanish state. At the same time, thousands of signatures supporting Kukutza were gathered, two hundred fifty people confessed their guilt for occupy activities in the courts, and various professional sectors made public statements demanding that the city government reach a political resolution that would involve compensating the owner of the building with other property, thus guaranteeing the continuation of the project. This demand was reflected in the manifestos signed by one hundred professors at the UPV-EHU, by one hundred twenty architects and urban planners, and by one hundred personalities involved in youth and cultural organizations. Kukutza also enjoyed the support of the Director of Cultural Promotion of the Basque government, of urban analysts such as Jordi Borja and Manolo Delgado, of the Director of Citizen Participation of the Generalitat (the autonomous government of Catalonia), of the director of the Public Policy Institute (IGOP) of the Autonomous University of Barcelona, and of artists like Manu Chao, Kepa Junkera, Fermin Muguruza, and Willy Toledo. Eruptions were to be seen within all kinds of personal stations and among all economic sectors. The legitimacy of Kukutza was on the rise.

During the month of August, Kukutza organized a number of resistance brigades in which hundreds of persons participated from Madrid, Catalonia, Germany, Italy, France, Latin America, and elsewhere. Some four hundred cultural events were held, including a concert by the group Zea Mays attended by three thousand people. Four companies cooperated in the cleaning of the exterior of the building in order to enable others to appreciate how good a condition it was in. Another demonstration was organized in which five thousand people participated during the traditional Bilbao fiesta celebration. Finally, a program was drafted aimed at restoring the People's University of Rekalde, with forty professors and teachers of the UPV-EHU making a commitment to teach classes in a building that was facing possible demolition.

Throughout this entire period, the Rekalde neighborhood association, along with representatives of the Assembly of Kukutza, met with municipal officials on three occasions, as well as with representatives of the provincial government of Bizkaia, the Basque government, and the Basque Ombudsman's Office. These meetings were made possible through the mediation of the Basque Youth Council. At each of these meetings, a proposed agreement was presented that was based on a joint management model for the building that was in the spirit of the original self-management model. The first reaction of the mayor was clear, and served as a taste of things to come: "If their

8. See www.youtube.com/watch?v=e2VieT5ksyo [consulted on December 16, 2014].

activities are based on self-management, then let them manage their own problems." Azkuna then made the following declaration to the newspaper *El Correo* (which emphasized in its reporting the support that Kukutza enjoyed in Rekalde): "This is a private matter. A construction company that owns the facility has asked for permission to destroy it, and we cannot stop that from happening." By September, 90 percent of the businesses in central Rekalde had placed a sticker in their windows with the symbol of a heart that incorporated the "o" for "occupy" above the legend "Rekalde supports Kukutza." This slogan also adorned hundreds of Rekalde balconies, on which residents not only hung the orange banners of Kukutza, but also placards bearing slogans in support of the center. Finally, flags could be seen throughout Bilbao that bore the slogan, "Bilbao supports Kukutza."

By September, Kukutza had crafted a strategy of peaceful resistance in the face of imminent eviction. Dozens of area residents (including welders, bricklayers, and plumbers) had worked over the course of months in order to "armor" the building (Kukutza 2011). On September 20, a group of fathers and mothers indicated that they intended to undertake a sleep-in with their children in Kukutza. Those children would never be able to return to Kukutza. On September 21, 2011, just days following the granting of the license by the City Hall, "the week of shame" began (a week characterized thus by the Rekalde neighborhood association). Thirty vans of the Basque police force, a helicopter, two small tanks, and two hundred police officers began a siege of the building, firing indiscriminately on the three hundred people who, at 5:30 in the morning, had managed to come and defend Kukutza. Throughout that morning, access points to Rekalde were closed. The police action took place in an area that was the home to many schools, sit-down demonstrators were beaten, and fire was even opened on a press conference being held by three Basque representatives of the Aralar, Eusko Alkartasuna, and Izquierda Unida parties (actions that the Basque Ombudsman's Office would later characterize as disproportionate). At 12 noon, the courts called a halt to the demolition, accepting the complaint presented by the neighborhood association that the demolition permit lacked the required land allotment project. That afternoon, seven thousand people took part in an authorized demonstration that was broken up in an excessively violent manner by the Basque police (despite the fact that the union representing Basque police officers protested their being employed "against the interests of the community"). On Thursday, the residents of Rekalde awoke to find that their community was under the control of police forces. On Friday at 12 noon, the decision of the court to lift the order to suspend demolition was released "without entering into the arguments of the neighborhood demand." By 5:00 p.m., a giant earth-mover entered Rekalde escorted by dozens of vans. The scenario was nightmarish, with people fleeing into local shops in search of shelter. Basque police officers forced their way into a local health clinic, destroyed the protective shutters of local businesses, and began arresting persons both in and outside those shops. At 7:00 p.m., a trash can was set on fire, and incidents spread throughout Bilbao. This was a time that UPV-EHU professor Imanol Zubero characterized as "garbage minutes." He saw the consequences of this demolition as nothing less than the "disaffec-

tion, privatization, social rage, and desertion of public space" (Zubero 2011). These "garbage minutes" allowed the mayor to portray the actual victims (there were a total more than two hundred injured people) as executioners.[9]

The demolition began on September 23.[10] By September 25, the heart of Rekalde, Kukutza, had stopped beating. This heart had been torn out of the neighborhood. Yet Kukutza continued to live in the hearts of thousands of Bilbao residents. In December 2011, the Assembly of Kukutza published a book with a particularly pointed title: "*Nosotras por placer, ellos por dinero*" ("We did it for fun; they did it for the money") (Kukutza 2011). Below, we set down the final words of Kukutza so that they may serve as a memory of what transpired:

> *a lesson set in stone*, another page in the struggle of a people that wants to be free, and that does not understand—and will never understand—any other way to live. Now, just as life goes on, the struggle goes on. We hope that we have ignited a flame in many hearts—and that we have reignited a flame in many others. We also hope that what is now *felt* will later be transformed into *thinking*—thinking about how, what and when. . . . We also hope that it won't be too much to ask that all this inexorable force will eventually take the form of *action*. *If not now, when? If not you, who? Feel, think…and act!*

The ruins of Kukutza were still there in all their starkness on September 29, when Porrotx, the clown beloved by tens of thousands of Basque children, went to Rekalde to work his magic. On that day, Porrotx transformed into smiles the tears of the boys and girls of Rekalde who had seen the destruction of the place in which they played, laughed, glided through the air on pieces of cloth that they fancied magic carpets, and imagined taking flight on the wings of their dreams. In November, in front of what had been Kukutza, a single rose served as a symbol of the mourning of many of Rekalde's citizens. Next to this rose, there was a note that read: "The tears of our daughters will enable new dreams to grow."

We would like to add that the experience of Kukutza has paved the way for new eruptions. One year after its destruction, the Patakon building in Uribarri was occupied. This time, years of work were not necessary for a neighborhood to rally behind the occupiers of a building. From the very beginning, citizens defended the occupiers and criticized the decades-long abandonment of the structure. Two months later, after they had made considerable improvements to the building, the occupiers were evicted. But Patakon was not in a peripheral neighborhood. In fact, it was located less than 200 meters from the City Hall. From its offices, one could clearly hear the threat: "*Hurrengo Gaztetxea, Bilboko Udaletxea*" ("The next Gaztetxe is the City Hall of Bilbao").[11] More importantly, from the heights of Patakon,

9. See https://bilbobranka.wordpress.com/2011/09/27/vecinos-de-errekalde-exigen-la-dimision-del-gobierno-de-azkuna-y-de-ares/ [consulted on December 16, 2014]
10. See www.youtube.com/watch?v=N-d1oeE0vg8 [consulted on December 16, 2014].
11. *Gaztetxe* (literally meaning "young people's house") is a reference to a youth cultural center in the Basque Country, typically established in an occupied building.

which served as a symbol of the impossibility of quelling urban eruptions, one could see at very close range the symbol of the enclosures—the towers that represent the power and money that attempt to colonize what properly belongs to city's residents. The flag of occupation flies dangerously close to the centers of power. And the heart of Bilbao's streets continues to beat.

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