Urban governance and regeneration policies in historic city centres: Madrid and Barcelona

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Abstract

This paper analyses the role of grass roots organisations in the governance patterns of urban regeneration in the historic city centres of Madrid and Barcelona, comparing the different urban policy frameworks, the structures of the associative movements and the logics of urban dynamics in the two cities.

Key words:
Urban regeneration, governance, integrated approach, grass root movements

Introduction

The historic centres in many European cities have developed in parallel with the development of public policies in general and town planning policies in particular. The period when the first comprehensive programmes began to be put into practice in the 1980s was one of large-scale transformations across Europe in the Welfare State system and in the rationale of governments, particularly at a local level. The Spanish case has been somewhat different, as the consolidation of democracy brought with it the Welfare State at the very same time when it was being remodelled in Europe. Against this background of an evolving Welfare State, local governments in Spain saw their powers and spending capacities extended, coinciding with a major effort of rationalising administrative structures. The administrative reforms inspired by New Public Management did not begin to be broadly applied in local Spanish government until well into the 1990s, and they overlapped with the emergence of new forms of network governance such as the Strategic City Plans and the Local 21 Agendas.

This article will illustrate the general trends in the transformation of local governance in Spain by analysing the strategies for regenerating the historic centres of Barcelona and Madrid from the 1980s until the present day. The analysis of these cases shows us that new forms of local network government have begun to emerge here, as in other European countries (although perhaps later and in less depth), based on collaboration between the different levels of government, public and private actors and social and community organisations. However, the analysis also reveals the significant differences between the two cities, both in terms of the composition and the dynamics of the governance networks, and the priorities and strategies for regeneration.
The aim of this article is therefore not only to point to the specific national features of local political change in Spain (a country that is usually under-represented in comparative studies on governance and urban regeneration); it also aims to highlight the diversity of models for governance and regeneration within the country and the possible factors explaining them.

The two first sections of the article stress the main trends in the changing forms of local governance and policies of urban regeneration identified in the literature. This allows us to sketch a general framework within which to place the specific experiences of Barcelona and Madrid. The following sections explain each of these two cases, highlighting what they have in common and how they differ. Finally, in the conclusions we identify the possible factors that can explain the differences observed, and stress how this comparative analysis fits into the general debate on the determinants of governance and urban regeneration.

From local government to local governance
Since the 1980s, political analysis of urban governance in Europe has stressed the notion of change. There are numerous reflections on how the socio-spatial morphology of cities is changing in the context of globalisation; on the pressures to which local governments are subject when these processes of structural transformation take place; and on the dynamics of change in public policy agendas and forms of urban governance. The analysis of public policies should try to understand the reasons for policy change, policy stability and policy variation (change in relation to context) (John, 1998). However, the concern shown by political scientists in the last three decades regarding government and public policies on urban development has focused much more on the question of policy change than on policy stability and policy variation.

One of the narratives that has gained most ground with regard to local policy change is that referring to the transition from "local government to local governance" (Andrew and Goldsmith, 1998; John, 2001; Brugué and Vallès, 2005). Local government (traditional) has been defined according to three main parameters: the institutional weakness of local government entities (due to insufficient resources and/or lack of political autonomy); the dominance of representative democratic institutions over participative institutions; and the development of a model of public administration based on Weberian principles of bureaucracy (public monopoly, hierarchy, specialisation…).

According to this narrative, the model of local government began to experience major mutations in the 1980s. Under the influence of neo-liberal ideas, local governments began to adopt management principles rather than bureaucratic ones. Public managers acquired greater autonomy with respect to elected politicians; the practice of outsourcing services to private companies became generalised; greater management autonomy was given to public organisations (although at the same time the mechanisms controlling results were made stricter); formulas for competition between service providers were introduced; formulas for improving the service provided for users/customers became more common; and in sectors such as education and health, the rights of users and consumers to choose between organisations (schools, doctors, hospitals, etc.) began to be introduced. It was a case of reforming the public sector at a local level to make it as similar as possible to the principles and operation of the market and private companies.

Starting in the late 1990s there was a new wave of reforms. The paradigm of network urban governance, on the rise throughout Europe (and in other parts of the world) since the end of the
1990s is based on the creation of a network of different types of public and private actors as a formula for producing urban public policies (Perri, 2002; Stoker, 2004).

More particularly, network governance reclaims inter-governmental coordination where before there had been a strict separation of powers or a subordination of certain levels of government with respect to others; it also reclaims administrative transversality where before there had been a rigid division of powers by areas or departments; it promotes cooperation between the public and private sector in transparent institutional frameworks that are multilateral in nature, rather than a public monopoly simply outsourcing of services to private companies; and finally, it favours the creation of new spaces for citizen participation instead of the institutions exercising the monopoly of political decision-making.

The underlying reason for these transformations is the growing complexity of local public affairs and the resulting need to offer a holistic response (Clarke and Newman, 1999; Christiensen, 1999), for which the regeneration of underprivileged urban areas provides a clear example.

The operation and results of network governance have been the subject of debate in the literature. Some authors have tended to celebrate the emergence of this paradigm as a Third Way (Giddens, 1998) that can overcome bureaucratic rigidities and market iniquities through the incorporation of a great variety of actors to the development of public policies. They have stressed not only on the capacity of the governance networks to provide efficient and effective responses to the most complex urban problems, but also the opportunities represented by this model of policymaking for the development of new forms of participatory democracy (Stoker, 2004). However, other authors question the concept of network governance as a Third Way and rather tend to interpret this paradigm as a reflection of a neo-liberal urban policy governed by an alliance between institutional and economic urban elites. Problems have also been pointed out, such as the co-opting of networks by the most powerful actors, and the lack of transparency and accountability in these kinds of institutional arrangements (Swyngedouw, 2005 and 2007; Geddes, 2006).

What is questioned less, however, is the degree to which these dynamics of change involve overcoming the traditional models of governance (Olsen, 2004; Lowndes, 2005); and, above all, to what degree such dynamics continue to follow the same pattern in different geographical areas and/or sectors of urban policy. In our opinion, this general narrative stresses the overall trends in urban policy change and tends to leave aside trends towards continuity with respect to the past (policy stability) and, above all, the diversity of trends in different areas and public policy fields (policy variation).

**New urban regeneration policies**

Urban regeneration policies (transformation of underprivileged urban areas) are among the cases most often dealt with in the literature dealing with the development of new forms of urban network governance. In part, this is because of their growing importance in urban policy agendas in Europe over recent years; but also because of the dynamic level of this field of public policy in recent decades. Their growing importance is the result of increasing awareness of the pernicious affects of the concentration of socially vulnerable population groups (Smith et al., 2007), fed in turn by the intensification of socio-spatial urban inequalities. The second question (dynamic public policy) has to do with the growing awareness that traditional town planning instruments
are unable to respond to the problems of these types of areas (Fraser et al., 2003).

Based on a comparative analysis of different urban regeneration programmes in Europe, a number of authors have observed a convergence in the approaches and methodologies used by different national, regional and local governments. The most notable dynamics of change in this sense are as follows (Andersen, 2001: 235):

- **Geographical focus**: i.e. the specialisation of regeneration policies in specific urban areas where the problems are concentrated and where the challenges posed by transformation are greatest.
- **Integral intervention**: based on recognition of the multi-dimensional nature of the problems of underprivileged urban areas, and the consequent need to act on them in a holistic manner.
- The adoption of a new organisational scheme of governance networks made up of different levels of government, public organisations, private organisations and social and community groups.

This model of intervention is not free from controversy. For example, some authors have criticised the geographical organisation of urban policies using three main arguments (Taylor, 2003: 31-32): a) low incomes and exclusion are not necessarily confined geographically and, in any case, prioritisation in favour of some neighbourhoods against others may become a source of social injustice; b) regeneration programmes lead to population movements, either by encouraging the exodus of people who improve socially thanks to them, or by expelling those who cannot afford the price increases of homes as a result of urban improvements; and c) regeneration policies are not an effective instrument of social inclusion, as they tend to focus on the neighbourhood level, rather than dealing with the structural factors responsible for exclusion.

Another focus of debate related to these policies refers to their actual content, and specifically to the underlying goals of regeneration. The relation between urban regeneration and social inclusion has tended to be taken for granted in some academic and institutional discourse, although research in this field reflects the existence of different motivations (Davies, 2007). It is true that some regeneration programmes are strongly associated with the idea of community development and social cohesion, but at the other extreme, other programmes are based on the radical transformation of urban use and residents to promote the gentrification of the area; often, somewhere in between these two extremes, programmes aim to mix social uses and groups, and try to balance the economic development of the area with social cohesion.

Finally, the composition and dynamics of the actual governance networks for urban regeneration is also a critical subject. In countries such as the United Kingdom, for example, there is a great deal of empirical research on the degree of community involvement in urban regeneration partnerships. It has been observed that the community actors represented in these partnerships tend not to be very representative of the population; that the governance networks tend to be dominated by institutional or institutionalised actors; and that in the last resort, there is little real influence by citizens on the design of regeneration policies. However, empirical research shows a great variety of experiences, some of them highly participative and others highly elitist (Taylor, 2007).

To sum up, urban regeneration policies are a suitable public policy field for analysing trends in the forms of urban governance and in the changes taking place in different areas by exploring the possible explanatory factors involved.
Regeneration in the historic centres of Barcelona and Madrid: a comparative analysis

We will now deal in more depth with a comparative analysis of the regeneration of the historic centres of the cities of Barcelona and Madrid, focusing on the democratic period (since 1979). This analysis is based on research carried out between 2007 and 2010 to explore the participative quality of the governance networks and the impact of citizen participation on regeneration. We will begin by providing a brief historical context to the start of regeneration policies in both cities in the democratic period, stressing the major effect of community protests in the 1970s against the urban policy of the Franco regime. We will then analyse the regeneration strategies for the historic areas in these cities, dealing with the main town planning instruments in each case. Next, we will review the institutional structure and the composition and dynamics of the networks that have boosted these regeneration policies. After identifying the elements of innovation in the most recent policies, we will make a critical balance of the models of both cities, highlighting the main differences. This will all lead us to an interpretation of the possible explanatory factors for the differences we have observed.

The beginnings of regeneration in Madrid and Barcelona: a brief historical context

Spanish cities experienced major demographic growth in the 1950s as a result of immigration from rural areas, due to their attraction as magnets for labour. However, population growth was not accompanied by policies for creating new neighbourhoods. Until then, urban intervention had basically aimed at reconstructing zones devastated by the Spanish Civil War, which led to an increase in overcrowding in the historic centres and the expansion of slums and shanty towns in outlying areas (Capel, 1983).

To tackle this situation, starting in the 1950s town planning in the Franco regime began a process of creating outlying neighbourhoods in which to house the working population through extremely low quality public housing. Starting in the 1960s, once economic growth and social mobility had been consolidated, private initiative began to construct homes in the suburbs.

During this expansion process, the regime increased the size of the city of Madrid by annexing many small towns on its outskirts (San Blas, Vallecas, Hortaleza, Fuencarral, etc.), which gradually became neighbourhoods housing immigrants from rural areas. For political reasons,

1 The research is based on around 60 semi-structured in-depth interviews, as well as an extensive documentary analysis, the SEJ 2007-673888/CPOL project, *Redes, participación y políticas de regeneración urbana en centros históricos* [Networks, participation and urban regeneration policies in historic centres] financed by the Ministry of Science and Innovation. The main researcher in Ismael Blanco (IGOP), and the research team is Jordi Bonet, Marc Martí, both from IGOP and Andres Walliser (Fundación CIREM).

2 In 1950, Ciutat Vella (the district that includes the neighbourhoods in the historic centre of Barcelona) had 255,000 residents in an area of 4.3 km²; in the Raval neighbourhood, the densities were among the highest in Europe (10,000 inhabitants/ha.). A similar process of densification took place in Madrid in the Centro district, which led to a degradation of living conditions in these areas. At the same time, the inability to absorb this population led to a growth of the periphery of the city in the form of shanty dwellings and self-constructed housing. The best-known of these areas are Somorrostro, Camp de la Bota and Montjuïc in Barcelona and Pozo del Tío Ramundo, Orcasitas and Peña Grande in Madrid.
Barcelona was not subject to the same process of annexation and its peripheral towns, which grew like those in Madrid, today continue to be independent (Badalona, Hospitalet, Sant Adriá, etc.).

This expansive approach to town planning was carried out to the detriment of the historic centres, which underwent a process of decline characterised by the exodus of the population and business activity, lack of interest on the part of owners with respect to the maintenance and refurbishment of the housing stock and institutional neglect in relation to the tasks of town planning and provision of facilities. The degradation was heightened in the 1970s and led to a situation of urban crisis (Gomà, 1997).

The response of the regime’s town planning to this situation of degradation, which had been continuing since the immediate post-Civil War period, was to prepare urban plans based on a rational and functional concept designed to open up large avenues and squares and "sanitise" those areas suffering the worst degradation. However, only a fraction of these plans were actually implemented. Most of them were stalled because of lack of public funds, no interest on the part of private capital for regenerating the historic centre and, to a lesser extent, community opposition.

The end of the Franco regime (1975) coincided with the emergence in Barcelona and Madrid of the neighbourhood community movement as a key actor in the defence of the local area and the struggle for collective use. This led to the establishment of a protest agenda which would be the basis for developing the political agenda following the arrival of democracy to the Spanish local councils four years later. As Manuel Castells (1983: 215) states: “The social mobilisation on urban issues that occurred in the neighbourhoods of most Spanish cities throughout the 1970s was (…) the largest and most significant urban movement in Europe since 1945.”

At the start of the democratic period, Madrid almost doubled Barcelona in population and its surface area was six times the size. Both cities had an enormous surrounding belt of shanties and slums with very active social protest movements. The relative weight of the historic centre of Madrid was much less important than that of Barcelona, whose historic centre was larger and more degraded, with less new neighbourhoods built in the outskirts.

Regeneration models in Madrid and Barcelona

With the arrival of democracy, the new city councils in both Madrid and Barcelona had similar political leanings (left-wing) and developed similar programmes relating to citizens' rights with respect to the city and citizen participation. However, starting in the 1980s planning policies in the two urban centres began to diverge.

In Barcelona, the City Council’s town planning department opted to maintain the General Metropolitan Plan of 1976, rather than to prepare a new general plan. At the same time, it decided to use the zonal plans for building plots known as PERIs or Special Interior Reform Plans to negotiate specific town planning needs with the community movement in each neighbourhood, particularly in those with greater community participation (Ajuntament de Barcelona, 1987). This approach, together with the redesign of the political and administrative structure of the city

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3 PERI (Plan Especial de Reforma Interurbana): Special Plan for Inner-City Reform.
(political and administrative decentralisation of the City Council), gave a more important role to
the neighbourhood and its residents. District councils were set up in the ten districts of Barcelona
as mechanisms for formal citizen participation. The PERIs were also drawn up following a
process of dialogue between the representatives of the City Council and the neighbourhood
community movement, so that in some cases (such as the neighbourhoods of Barceloneta and
Casc Antic), they were actually directly drafted according to the “popular plans” prepared in the
1970s by the neighbourhood associations themselves.

In Madrid, the decision was made to reform the General Plan. The political and administrative
reform did not consist of devolving political power to the twenty-one districts in the city, but was
rather a simple administrative de-concentration. In other words, in the 1980s town planning was
given a city dimension, while the districts became a mere administrative reference point for the
citizens. Participative mechanisms were also created in the districts, but their use was relegated in
importance due to informal participation. Protest and confrontation was common in the process
of conflict resolution between the neighbourhood associations and the City Council.

Another difference between the two cities was the priority given to regeneration of the historic
centre in each city’s agenda of town planning policies. In Barcelona, since the start of democratic
town planning, the ideal was the “restructuring of the centre and the monumentalisation of the
periphery” (Bohigas, 1984); in other words, the regeneration of the historic centre and the
introduction of elements of the centre into the outlying areas. In Madrid, in contrast, democratic
town planning put a priority on making outlying areas more dignified (40,000 social homes in ten
years, provision of facilities, town planning, etc.), based on the Neighbourhood Remodelling Plan
promoted by the City Council of Madrid and central government in partnership with the local
community movements, which had the real leading role in the process.

In Madrid, the first town planning measures in the historic centre followed an approach based
predominantly on the heritage preservation, and aimed at maintaining the monuments of the
historic centre, as well as isolated activity to refurbish some corralas (traditional blocks of flats)4
and provide a legal framework that would protect residents. This was in response to the initial
claims by local residents in the city centre in the 1970s who had protested against the
confiscation of homes and eviction of residents in the centre for speculative reasons.

Starting in the 1990s the focus began to move towards intervention at a neighbourhood level. The
actions were developed through subsidies for private rehabilitation of housing through the ARIs
(integral rehabilitation areas), without implementing measures for the social or economic
development of the neighbourhoods where the intervention was carried out. The eradication of
substandard housing became the main objective of intervention in the area of Lavapiés, in the
Embajadores neighbourhood, but despite the rehabilitation of 2,200 homes through subsidies
barely 93 substandard homes (4.2%) could be eliminated (Fernandez, 2005)5. The PERCUP
(Strategic Urban Centre Rehabilitation Plan) was approved in 2004 to integrate previous and
future actions in the centre for the failed 2012 Olympic bid.

4 This is a type of housing that was common in workers’ neighbourhoods in Madrid, consisting of
a block of small flats arranged in galleries around an interior courtyard.

In contrast, in Barcelona actions were more focused on urban rehabilitation of public space through urban redevelopment operations, first through urban “acupuncture” in Raval and the Gothic Quarter, and later by clearance in highly built-up neighbourhoods (Rambla del Raval), which led to the demolishing of 1,384 homes and the rehousing of around 1,000 people. Unlike Madrid, which chose a conservationist model, the implementation of reform in Barcelona was much more aggressive in urban terms, with greater intervention by the public administration based on a process of seizure, expropriation and freeing up of the land and less emphasis on private rehabilitation. The urban reform in Barcelona can be considered a success in this sense, as at the end of the 1990s the main operations planned via the PERIs had already been completed.

Finally, urban reform in the historic centre in Barcelona can be considered to be more clearly defined than in Madrid at this time. While in the years 1979-1985 in Barcelona the PERIs were prepared and negotiated with the community movement, in Madrid there were only isolated interventions. The trend was to deal with problems at the level of individual aspects (water treatment, slums, paving), and only starting in the 1990s. These interventions were carried out without a coherent perspective or strategic focus that linked them to a desired model for the city. The urban policy effort was at the periphery. Only in recent years have elements of coherent action been introduced in an isolated form. Citizen participation has been included in the design of regeneration programmes (the Pez-Luna Integrated Rehabilitation Area) and the management of accompanying social cohesion programmes (Neighbourhood Plans) (Arenilla et al., 2007).

**Structure, composition and dynamics of the urban governance networks**

One of the key elements in the design of institutional structure for intervention in historic centres is the incorporation by the Spanish government of rehabilitation of historic centres onto its political agenda. This was made clear in 1983 with the passing of Royal Decree 2329/83, which allowed the allocation of funds to finance regeneration in those parts of the historic centre that were declared an Integrated Rehabilitation Area (ARI). For the first time, citizen participation in urban affairs was given a legal basis through the incorporation of neighbourhood representation onto the ARI Management Committee.

In the case of Barcelona, after the preparation of the PERIs, which mark the design stage in urban reform, the process of creating institutional structure began. Its first move was the creation of the Integrated Action Programme (PAI) for Ciutat Vella in 1985, whose basic aim was to coordinate town planning actions with those carried out in other fields (such as social, cultural and educational policies), under the leadership of the local district councillor (Abella, 2004). Subsequently, in 1986 the Ciutat Vella as a whole was declared an ARI. This enabled the actions designed through the PERIs to be structured within the same framework and the central and regional government to become involved in financing and managing the reform. It is important to stress that Royal Decree 2329/83 originally designed the ARI for rehabilitating specific areas and not a district as a whole. This special use is thus linked to the strategy followed by the municipal government of reinterpreting town planning bodies and instruments in a flexible way to cover its needs. The ARI Management Committee was also created in 1987 as a mechanism for

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6 This flexibility would have its correlation in access to European ERDF funds, which despite not having been originally designed for urban regeneration, were used to finance the creation of the Rambla in Raval.
participation and concentration of the different actors linked to the reform (the regional government of Catalonia, the local council, the chamber of commerce and representatives of each of the neighbourhood associations in the neighbourhoods affected by the reform).

This use of the ARI is broadly different from that carried out by the City Council of Madrid. In Madrid, the ARI was not incorporated until the 1990s and has not been used as an instrument for institutional agreement and citizen participation, but rather as an element to support town planning activity for rehabilitation of specific areas (Dos de Mayo square, Pez-Luna area). The sole exception has been the two phases of the ARI in Embajadores, which covered a whole neighbourhood, but its scope was much more limited compared to the operations in Barcelona, as it was mainly aimed towards promoting private rehabilitation.

Another key element in setting up institutional structures in Barcelona was the creation of the company PROCIVESA (Promoció de Ciutat Vella, S.A.) in 1988. While the ARIs ensured the participation of the community movement and the different levels of government, PROCIVESA involved private capital in what would become a key instrument for the development of urban management (i.e. the expropriations and evictions resulting from the actions programmed). At the same time, its status as a company allowed PROCIVESA to use loans to help its activity. Barcelona City Council and the provincial deputation had a 53% holding to ensure public control of the company. At the same time, Barnacentre, the main association of retailers in the historic centre, were allowed to participate in the PROCIVESA board through a company created ad hoc (Promoció Ciutat Nova, SCP), so that while the management committee was opened up to participation by local residents, the retailers were involved in the reform via their representation as shareholders.

The main objective of PROCIVESA was to facilitate and speed up urban management operations, which normally suffer from time lags due to institutional bureaucracy. In 2000 the joint venture Foment de Ciutat Vella, SA was set up to continue with the work of PROCIVESA, following the expiry of its operating term of 14 years. Thus at the end of its active life in 1999, the process had led to the disappearance of 500 buildings, including around 4,200 homes and 800 commercial premises, as well as the creation of 2,800 new homes, most of them to rehouse those individuals affected by the urban intervention.

The creation of PROCIVESA was part of the public-private strategy for action promoted by Barcelona City Council following the city's nomination to host the Olympic Games in 1992. It successfully incorporated private capital into the design and development of the model of city (Casellas, 2006; Blanco, 2009). This strategy would represent a shift towards business in the development of town planning reform in the historic centre, with a greater importance given to private capital interests to the detriment of citizen participation.

Finally, the design of the institutional structure in Barcelona was completed with the creation in 1989 of the Office for the Rehabilitation of Ciutat Vella. The aim of this office was to promote private rehabilitation based on subsidies to individuals. Later it was incorporated into the network

In Madrid European funds were also obtained for reform through participation in the Urban programme. However, these were of less value and the tools used were less innovative (they were allocated to the creation of cultural pathways).
of housing offices that the City Council would open in the 10 city districts.

In contrast, in Madrid the operations to free up the land and rehouse residents were led by the Municipal Housing Corporation (EMV), which unlike PROCIVESA was wholly public in ownership. Its main sphere of action was the whole municipal area of Madrid. However, through the PERCU Plan the Madrid City Council has recently created a Centro Office, whose powers are still not well defined, particularly in terms of those connected with urban regeneration. One of the problems shown up by our study is the competition between the different bodies within the municipal government (Urban Management, the Municipal Housing Company and the Centro Office, the Environment Department, the General Area for Public Works, etc.). This makes it difficult to develop a comprehensive approach to urban reform.

Traditionally, the programmes for regenerating the historic centre of Madrid have covered aspects such as the improvement of roads, public areas and street furniture, as well as the private rehabilitation of housing. The buildings in worst condition are upgraded through the use of soft loans to their owners. In some cases an effort has been made to eradicate substandard housing\(^7\), although positive results have not been achieved due to the complexity of negotiations with owners. In the case of Madrid, the ARIs have not included any specific mechanism for participation, although they have included the provision of social services for residents who are at risk in terms of housing. Thus on occasions, urban intervention has been combined with social programmes, but not in a way that has been integrated into the project itself. Only in recent years has this form of participation been incorporated into one of the ARIs: Pez-Luna. However, this has been on an experimental basis, at the request of the neighbourhood community movement, with the incentive of obtaining European funds and due to some political willingness on the part of the political representatives on the Municipal Housing Corporation (EMV).

**Exhaustion of the model and renewal**

By 2006, the main reforms included in the PERI in Barcelona had been developed, and there was a renewed interest on the part of private capital to invest in the historic centre as a result of the rise in the tourist industry. However, throughout the process other factors appeared that threatened the achievements of the previous regeneration policy. First, the boost provided by private capital, particularly from the property sector and the tourist industry, had given rise to dynamics of gentrification and expulsion of residents in certain zones in the centre. These were seen by the local community as a threat to social cohesion. In addition, the arrival of a significant contingent of non-EU immigrants settling in Raval and Cast Antic led to the urgent need to rethink the model of social policies to cover the new needs and problems resulting from the changing socio-demographic composition on the ground. What is more, the plural reality of the district could no longer be represented by traditional residents’ association. New channels for participation had to be opened up to give room for the plurality of voices and realities present in Ciutat Vella.

This will to change was shown in the determination of the Cuitat Vella district council to

\[^7\] Substandard housing is defined as a unit that is under 25m\(^2\) in size and/or does not have basic services (water, bathroom, lighting, ventilation, etc.), according to the modification of the General Town Planning Programme (PGOUM) (Centro Office).
encourage a variety of participatory processes (the urbanisation of Pou de la Figuera, Plaça de la Gardunya, etc.) where traditional neighbourhood associations were no longer the sole representatives of local residents. This change has its origin in the approval in 2004 of new rules for citizen participation, which aimed to give a renewed boost to participatory democracy in the city. These rules were complemented in 2008 with the approval of the government measure “neighbourhood Barcelona”, which created neighbourhood councils as new channels for citizen participation. In addition, the new integrated projects in neighbourhoods such as Barceloneta and Casc Antic have generated specific structures and participatory processes. All this has steadily replaced the role of the ARI Management Committee as the space for agreement and participation. The Committee itself was wound up in 2006.

However, the transition from a public-private to a participatory model may not be considered as fully consolidated. As has been shown by research carried out, there has been a growth of participatory bodies in Barcelona in detriment to the rationality and global operation of the model. Most of these bodies are only consultative in nature and their effective decision-making powers are extremely limited, particularly at the district level.

In the case of Madrid, until 2004 an incremental model had been used for policies designed to regenerate the historic centre. Following the approval of the plan to revitalise the centre and the creation of the Centro Office, the foundations began to be laid for the development of a strategic model, including some components of citizen participation. However, the focus of urban regeneration policies has begun to take on an increasingly neo-liberal stance, in which public action focuses on urban intervention (rehabilitation and town planning), leaving the regeneration of the commercial and residential fabric mainly to private initiative. The most notable example of this model is TRIBALL, a group of investors in the southern part of Malasaña (a nightlife area linked to prostitution). The group is aiming to transform the commercial fabric of the area through the purchase and rental of premises, of which they now own more than 50 either directly or indirectly. This organisation has also become a manager of the privatisation of the limited public space in the area by acting as intermediaries between the companies that want to organise promotional events and the district authorities. The over-use of public streets and squares for these activities limits their use by residents.
<table>
<thead>
<tr>
<th>Concept</th>
<th>Barcelona</th>
<th>Madrid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban policy model for the city</td>
<td>Aimed at reform of the constructed city (intensive town planning)</td>
<td>Aimed at urban growth (expansive town planning)</td>
</tr>
<tr>
<td>Identity of the historic centre</td>
<td>Defined (located in the district of Ciutat Vella)</td>
<td>Undefined (ranges between the historic centre and the central &quot;almond&quot;)</td>
</tr>
<tr>
<td>Priority of the political agenda for intervention in the historic centre</td>
<td>High (since 1981 with the idea of monumentalising the periphery, cleaning up the centre)</td>
<td>Low (until 2004, when the process of revitalising the centre began and the Centro Office was created)</td>
</tr>
<tr>
<td>Orientation of urban policy in the historic centre</td>
<td>Strategic (based on a hierarchically ordered and coordinated project-programme)</td>
<td>Incremental (based on scaled interventions that do not form part of a common programme)</td>
</tr>
<tr>
<td>Relation between government and the private sector</td>
<td>Public-private agreement (including both private business and private society in the private sector: the third sector and associations)</td>
<td>Differentiation of functions (the public sector aims to create economic incentives for private initiative; the private sector is limited to private business)</td>
</tr>
<tr>
<td>Types of rehabilitation</td>
<td>Clearance and intervention in the urban area (emphasis on the promotion of new housing for rehousing of residents affected by urban clearance)</td>
<td>Housing rehabilitation (scant intervention in the urban area, the intervention in public space is limited to semi-pedestrianisation)</td>
</tr>
<tr>
<td>Object rehabilitated</td>
<td>Public space (the interventions for reform are mainly aimed at intervention in public spaces: squares, roads, public facilities...)</td>
<td>Housing, infrastructures and roads (the interventions are mainly aimed at rehabilitation of housing)</td>
</tr>
<tr>
<td>Intervention in housing</td>
<td>Public initiative (expropriation through Compensation Boards promoted by PROCIVESA, now Foment de Ciutat Vella)</td>
<td>Private initiative (subsidies for private rehabilitation of buildings)</td>
</tr>
<tr>
<td>Strategic value of the centre in relation to the city as a whole</td>
<td>High (the historic centre is conceived as a key element in the economic development of the city in terms of tourism and the cultural third sector)</td>
<td>Low (the historic sector is conceived as a secondary element with respect to the core economic development of the city concentrated in the financial sector and its geographical core on the Castellana axis)</td>
</tr>
<tr>
<td>Influence of previous planning</td>
<td>High (previous planning marks the interventions on the historic centre)</td>
<td>Low (no path dependency on previous planning is observable)</td>
</tr>
<tr>
<td>Negotiations of the intervention in public spaces with the neighbourhood community movement</td>
<td>High (particularly in the 1981-2006 period, first with the negotiation of the PERIs and then since 1987 in the ARI Management Committee)</td>
<td>Low (the negotiations are carried out in bilateral meetings of the local neighbourhood movement and local government representatives of the area involved)</td>
</tr>
<tr>
<td>Decentralisation</td>
<td>Post-bureaucratic (creation of PROCIVESA as a joint public-private company to implement the urban reform, using administrative structures (ARI, Llei de Barris…) in an innovative way to respond to needs in the area)</td>
<td>Bureaucratic (strong compartmentalisation between areas, not using administrative means in an innovative way…)</td>
</tr>
<tr>
<td>Medium (strong coordination between the urban areas and the ARI Management Committee)</td>
<td>Medium (based on the 1984 administrative decentralisation policy for districts)</td>
<td>Low (the district has very limited powers, except for social services)</td>
</tr>
</tbody>
</table>
Critical balance

In the previous section, we have shown how two major Spanish cities resolve in different ways the problem of the urban crisis faced by their historic centres, thus giving rise to distinct models of regeneration and urban governance. In Table 1, we compare the most significant differences. The differences that can be seen show that we cannot consider that there is a single model of urban governance and regeneration in Spain, but that rather it varies widely according to the city in question. This can be explained above all by the wide-ranging autonomy of local councils in the field of town planning, and by the lack of urban policy at national level. The lack of national guidelines apart from legislation governing land use and subsidies for rehabilitation introduced by Royal Decree 2329/83 means that each municipality has approached the problem of rehabilitating its historic centres differently according to a variety of factors.

If we restrict ourselves to the two cities studied here, a number of points are worth highlighting. First, the different importance given by the two cities to the regeneration of their historic centres (very high in Barcelona and rather low in Madrid). This explains the strategic vision with which the policies for regenerating the historic centre have been formulated in Barcelona and the rather incremental approach used in the case of Madrid. Another point to highlight is the great importance given to interventions in public spaces in Barcelona, unlike the case in Madrid, where regeneration has been focused above all on promoting private rehabilitation.

Second, in relation to the composition and dynamics of the governance networks, we can see how since the 1980s Barcelona has developed an ad-hoc structure of governance for the regeneration of the historic area, which freed up the strategies for intervention under the PERIs. This structure could be defined as post-bureaucratic, and consists of a strategy for public-private agreement under the leadership of the public sector. The use of agencies (through the joint company PROCIVESA and other bodies such as the Rehabilitation Office) has given much more flexibility to the process of executing the PERIs. In Madrid, in contrast, no specific organisational structure for the rehabilitation of the historic centre was in place until very recently. Although there is a public agency with significant competences in questions of rehabilitation (the EMV), it has not incorporated private capital and operates at the city scale. The elements of management innovation represented by the EMV are much less significant than those of PROCIVESA.

Third, it is important to highlight the importance of the geographical scale at which interventions have taken place. Whereas in Barcelona the regeneration of the centre has been based on administrative decentralisation to the Ciutat Vella district and the recognition of neighbourhoods as functional units in the development of urban policies, in Madrid the interventions had a much more individualised character based on the definition of sectors to be rehabilitated.

Fourth, transversality and citizen participation are elements that have been developed only to a limited extent in the two cities, although in general terms the results of Barcelona in both respects are more positive than those of Madrid. The PAI of Ciutat Vella shows some will on the part of political leaders to promote an integrated geographical vision, although there are no formal mechanisms for coordination between areas. Participation by residents has been promoted above all within the framework of the ARI Management Committee and the informal negotiations with representatives of residents’ associations, at the cost of excluding for a long time many other...
social grass-roots collectives. In Madrid, as we have seen, there has been practically no cross-sector implementation or design of policies. Citizen participation has also been relegated to informal forums where an attempt has been made to resolve specific disputes.

However, it should be pointed out that starting in 2004 there has been a change of approach in both models. Whereas in Madrid the approval of the Centro Plan may represent a turnaround in the adoption of a more strategic approach, in Barcelona the previous model appears to have reached exhaustion, now that the main urban operations included in the PERIs have been completed. Currently, the PERIs are being replaced by some integrated neighbourhood projects, such as those of Barceloneta and Casc Antic, and the global vision of the district as a whole is being lost to a certain extent. This crisis of the model of regeneration is linked to a more structural crisis affecting the model of the city itself, as has been made clear by Capel (2005), Borja (2010) and Muntaner (2003). At the same time, the negotiation of the Neighbourhood Plans between the FRAVM and the City Council of Madrid may represent a greater recognition of the neighbourhood scale in urban policies and favour participatory processes that have been absent until now. In the case of Barcelona, the political commitment to extending mechanisms of participatory democracy are facing enormous difficulties, and the future scenario in this respect is extremely uncertain.

Conclusions

In the first part of this work we identified a number of trends in the transformation of forms of local governance in Europe, and in particular, in the field of urban regeneration policies. A comparative analysis of the cases of Barcelona and Madrid has shown that local governments in Spain - at least those in the major cities - have not been unaffected by these dynamics of change. There has been a commitment to the integrated regeneration of the historic centres in both cities, based on agreement between different types of urban actors (different levels of government, private actors, residents’ organisations) and using a more or less strategic approach. However, the limited time scale and intensity of these changes make them different from those seen in other European cities. In Barcelona, although the PERIs date back to the start of the 1980s, the new model of network governance did not begin to be developed until the end of that decade. In Madrid, the ARIs did not emerge until well into the 1990s and until only a few years ago, their implementation was developed using fundamentally bureaucratic parameters. In terms of the intensity of the transformations, until the end of the 1990s, the regeneration programmes in the historic centres of both cities had an eminently urban approach (focused on the rehabilitation of physical space). Transversality was not significantly promoted within the municipal government; and the programmes were very restrictive in terms of citizen participation (more or less intense depending on the city, but in each case restricted to traditional neighbourhood community associations).

However, it is difficult to include the experience of these two cities within the same model, given the significant differences between them. Rather than allowing us to point to the specific nature of the Spanish case within the framework of European dynamics, our analysis has allowed us to highlight the difference in the pathways of political change taken within the same country. This takes us to the debate already covered by other authors (Di Gaetano and Klemanski; Stoker) on the explanatory factors of the models of urban governance. Thus in a tentative way we can...
suggest that the main explanatory factors of the differences observed in these cities are as follows (many of them are closely related to each other):

First, the morphology and geographical context of each city. Madrid has a much greater margin for territorial growth compared with Barcelona, which is geographically limited by the sea and mountains. This has meant that the strategic priority of Madrid, in terms of urban development, has been expansion towards the outskirts, rather than rehabilitation of the constructed urban fabric; precisely the opposite of what has occurred in Barcelona.

Second, the economic and productive structure, specifically the strategic value of the historic centre for the economic development of the city. Barcelona has made a firm commitment in this respect to tourism. The historic centre, due to its wealth in terms of history and culture, is one of the main attractions (together with the sea) of this city. In contrast, in Madrid there have been other main sources of wealth creation until recently, which has meant that the historic centre of the city has played a secondary role. However, in the last decade Madrid has become a tourist and business destination and revalued the potential of its urban centre.

Third, there is the political leaning of the two cities’ local governments. Barcelona has been run by a left-wing coalition of social democrats and communists since 1979, with the participation in some governments of the pro-independence left. Thus urban regeneration in the city tends to respond to social-liberal ideological principles, as can be seen for example in the way public leadership has been combined with the participation of private capital, and the commitment to mechanisms of consultation and agreement with the main representatives of community associations (McNeill, 1999). In Madrid, in contrast, a left-wing government was in place until 1989, when it was overturned by a centre-right coalition. Since then, the conservative PP has dominated the City Council with an outright majority. It has favoured the development of a strategy of urban reform with a clearly neo-liberal leaning (Observatorio Metropolitano, 2007), very little citizen participation, little public leadership and a great deal of confidence in private business initiative.

Fourth, the dynamics of the associative fabric. In Barcelona the neighbourhoods in the historic centre have a broad and dense network of associations that include local residents’ associations, cultural associations, entities in the third sector and commercial groups that have shown an interest, and a notable involvement, in the mechanisms or processes of citizen participation in urban reform operations, while at the same time boosting the second-level networks of associations. In contrast, in Madrid the associative network is more dispersed and has participated less in the reform. Its representation has been limited to structures on a metropolitan scale, such as the FRAVM, although in recent years local neighbourhood movements in the centre have managed to win a greater role in the structures of local governance.

Finally, it is worth highlighting how the institutional structure of governance has itself become a factor to explain the differing models of governance and regeneration. The administrative decentralisation in Barcelona and the specific political weight of the Ciutat Vella district has favoured public leadership in the process and dynamics of agreement between the institutions and the associative fabric. In contrast, the centralisation of urban policies in Madrid, the lack of political relevance of the district and the absence of ad-hoc bodies for the regeneration process, have taken away the leading role from the actors most linked to the geographical area, among
them social and community organisations.

Elements of structure and agency are thus linked in a complex fashion to give rise to dynamics of political and urban transformation that are very unequal within the context of the same city. An analysis of policy variation within the paradigm of network governance thus suggests itself as one of the major analytical challenges for this current of literature, which as we have seen is highly focused on the analysis of global changing trends (and their democratic consequences) and is less sensitive to the great variety of experiences in different countries and cities.

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[1] In 1950, Ciutat Vella (the district that includes the neighbourhoods in the historic centre of Barcelona) had 255,000 residents in an area of 4.3 km²; in the Raval neighbourhood, the densities were among the highest in Europe (10,000 inhabitants/ha.). A similar process of densification took place in Madrid in the Centro district, which led to a degradation of living conditions in these areas. At the same time, the inability to absorb this population led to a growth of the periphery of the city in the form of shanty dwellings and self-constructed housing. The best-known of these areas are Somorrostro, Camp de la Bota and Montjuïc in Barcelona and Pozo del Tío Ramundo, Orcasitas and Peña Grande in Madrid.

[2] Among the aims of the Big Cities Law of 2003 (Law 57/2003) was the modernization of local management in cities over 250,000 inhabitants. This included the division of cities into districts and the reinforcement of citizen participation at the district level, with some political representation on city councils and some financial resources for their management. In 2006 the Law on the Capital Status of Madrid (Ley de Capitalidad y Regimen Especial de Madrid) of 6 July 2006 was enacted but it did not address issues related to the devolution of political power to the district level.


[4] This is a type of housing that was common in workers’ neighbourhoods in Madrid, consisting of a block of small flats arranged in galleries around an interior courtyard.

[5] Since 1989 the rehabilitation of the centre was led by the Municipal Housing Company (EMV), which was part of the Town Planning Department. The EMV developed the ARIs in the centre and outlying areas, although only in strictly physical intervention programmes.

[6] This flexibility would have its correlation in access to European ERDF funds, which despite not having been originally designed for urban regeneration, were used to finance the creation of the Rambla in Raval. In Madrid European funds were also obtained for reform through participation in the Urban programme. However, these were of less value and the tools used were less innovative (they were allocated to the creation of cultural pathways).

[7] Substandard housing is defined as a unit that is under 25m² in size and/or does not have
basic services (water, bathroom, lighting, ventilation, etc.), according to the modification of the General Town Planning Programme (PGOUM) (Centro Office).