Public Sector Intervention in Embodying New Economy in Inner Urban Areas: The Barcelona Experience

Montserrat Pallares-Barbera and Antonia Casellas
Objective of the paper

► To evaluate the level of success of an urban cluster of innovation created with high level of public intervention at the beginning of the 2000: The 22@bcn
Summary. Moves to urban environments? Policy intervention?

- The Barcelona Model. The theoretical framework of urban development plus other visions
- Public-private intervention
- Social participation
- Why the 22@bcn?
- The Olimpics/The Fòrum/The Glòries Plan
- The Amended Plan of Urban Expansion
- A techno-cluster inside a neighborhood
- Fuzzy definitions of economic sectors
- Urban success and economic uncertainty
- Future hopes and reflections
Background. The policy development model

- The Barcelona Model. The theoretical framework of urban development plus other visions:
  - Origen: “Good ideas are better than big finances” Maragall 1999
  - Changing strategies 1999-2009
  - Tools: Public-private intervention
    - Public sector policies
    - 22@bcn Inc. Agency
Background. Why they cluster?

- Theoretical approach to study Poblenou:
  - Production-side. The rent-gap concept (Alonso, Von Thunen, Smith)
  - Consumption-side. Cultural values; economic preferences
- Key references of cluster environment: Zukin, Lloyd, and Florida
- Complex phenomenon:
  - Characteristics of places that have industrial past
  - Characteristics of built environment
  - Features of positive externalities? How is good environment created? The myth of the city
  - Public sector policies to create centrality: the 1976 Amended Regional Plan of Urban Expansion of Barcelona
Sant Martí District: five standard statistical zones
The Poblenou context. Policy makers’ response or pre-conditions

- From the end of 19th century

Main firms in 1895 and the reticule planned by Cerdà

Women workers in the Can Jaumeandreu textile companies in 1920

Can Ricart in 1888
The 22@Barcelona project: the data

✓ The zoning reforms and the design of the 22@Barcelona

Centrality:
- Adjacent to inner city
- Infill development
- The Olimpics/The Fòrum/The Glòries Plan

Magnitude of transformation: New zoning 2000 - “22@”
- 198.26 Ha., 115 blocks
- Total roof potential: 43 million square feet
  - Economic activities roof potential: 80%
  - Housing and other uses roof potential: 20%
    - New housing: 3,500 up to 4,000 units
    - Re-qualification of pre-existing housing: 4,614 units
- Jobs: 130,000 aprox.
- Real-state potential: 12,020 Million (2005 €)
- Infrastructure investment: 180 Million (2005 €)

Implications of Development:
- Change in zoning classification + Increase density
- Hybridized Space: high-tech industries, housing, offices, commerce, hotels, amenities and open space = cultural/tourism related activities.
- Industrial Gentrification: and Residential Gentrification
The 22@Barcelona project: definitions and fuzzy concepts. Why high-tech or knowledge intensive industries?

- The Amended 1976 Plan of Urban Expansion
- A techno-cluster inside a neighborhood
- Fuzzy definitions of economic sectors
  - "a knowledge intensive activity"
  - The NACE context, the IAE context
  - The Agency’s CEO’s interpretation (interview (2005), data base of 2001):
    - 80% of new activity is knowledge intensive activity
Discussion of new firm allocation, 2001 and 2008

- The sectoral analysis of 106 new firms in 2001,
- The 22@bcn Inc assessment of 1031 new firms in 2008
- The uncertainty of knowledge economy results in the 22@bcn
Conclusions

- Not clear cluster of knowledge cutting edge activities in the area by 2009
- Public sector and the Amended Plan or Urban Expansion: key agents of the production gentrification process
- Public commodification of the 22@bcn rent-gap
- The 22@bcn as a city symbol
- New firms and sectorial interpretation
- What next? Ten years of the ideal urban and economic development Plan

- This paper is going to appear in *Urban Studies*, nº 46 (5-6). May 2009
- Complementary presentation by Esteve Dot, entitled “The role of public policy in a production gentrification process” Tuesday 24 at 3,50 hours, session 3501.
Thank you for your attention

Montserrat Pallares-Barbera
Geography Department
Universitat Autònoma de Barcelona
Montserrat.Pallares@uab.cat

Antònia Casellas
Geography Department
Universitat Autònoma de Barcelona
antonia.casellas@uab.cat