

T18P34 - Urban regeneration policies in Europe: Theory and practice.

Urban regeneration policies: notes on the translation of European discourse in Spain

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The approval by the conservative Spanish Government in June 2013 of a new act on urban rehabilitation, regeneration and renewal in Spain¹ (following a State Plan for the promotion of rental housing, building rehabilitation and urban regeneration and renewal², developed some months before) meant a shift in the state urban legislation, traditionally focused on the development of new city. Although it is not the first regulatory text affecting intervention on existing urban patterns produced by the Spanish State (in none of its three levels: central, regional and local), it is the first text approved by the Central Government with the aim of regulating this public-action field. This change (which had already appeared on Act on Land Use from 2007³ and had been partially implemented with Act on Sustainable Economy from 2011⁴, both approved by social democratic governments) was produced in a context of long-term crisis, specially visible in Spain due to the burst of housing bubble and the slowdown in building industry, main economic engine in the country until then.

According to the legislator, Act 8/2013 has come up because of the verification that “*there is not any (legislative) development (...) which allows sustaining the operations of urban rehabilitation, regeneration and renewal, in which there are still legal obstacles preventing their implementation or even their own technical and economic viability*”. This shows special seriousness if this kind of operations must have –as it is expected by the Law– a “relevant role to play in economic recovery”.

Additionally, to legitimize the state intervention in this field “*without detriment to the (exclusive) competences of the Autonomous Communities in matters of housing and urban planning*”, the legislator (unlike all his state predecessors) refers to the “many requests demanded in relation to a sustainable urban environment, (which) come from the European Union or from international agreements accepted by Spain”.

Since the 1990s, and assuming that urban and town planning is not part of European competences, the advances in the consolidation of a “European Urban Policy” have been influent in the development of urban regeneration policies in Spain. Critical analyses bring this to light in the regional and local levels, as in the state action for development. In the Spanish context, the URBAN Community Initiative (1994-1999) and, later, URBAN II (2000-2007) favoured the development of local learning processes, allowing the spread of their whole intervention method (GUTIÉRREZ PALOMERO, 2007). In fact, the institutionalization of this process and its “model” or vision on governance inspired the appearance of new instruments, plans and programmes, primarily in the regional level: *Izartu Programme* (Basque Country Government, 2001), *Act 2/2004, 4 June, on the improvement of neighbourhoods, urban areas and towns requiring special attention*

¹ Act 8/2013, 26 June, on Urban Rehabilitation, Regeneration and Renewal (BOE, 27 June 2013).

² Royal Decree 233/2013, 5 April, for the regulation of the State Plan for promotion of rental housing, building rehabilitation and urban regeneration and renewal, 2013-2016 (BOE, 10 April 2013).

³ Act 8/2007, 28 May, on Land Use (BOE, 29 May 2007).

⁴ Act 2/2011, 4 March, on Sustainable Economy (BOE, 5 March 2011).

(Government of Catalonia, 2004), *Act on regeneration and improvement of neighbourhoods in the Balearic Islands* (Balearic Islands Government, 2009), *Act on integral action in special attention areas in the Autonomous Community of Extremadura* (Government of Extremadura, 2010), etc. (DE GREGORIO, 2010)

Furthermore, the document *Towards an Urban Policy for the European Union* (UE, 1997) showed the beginning of a significant momentum of Community action, confirmed in 2007 by the approval of the *European Territorial Agenda* and the *Leipzig Charter* (GONZÁLEZ MEDINA, 2011). This would motivate in Spain the progressive incorporation of modern patterns and the “deprived areas” to the objectives of urban regeneration and renewal policies (CASTRILLO et al 2014; CASTRILLO, 2013).

In this sense, it is noteworthy that the Act 8/2013 (as well as the Housing Plan 2013-2016) gives great importance to the topic of energy efficiency, whilst it does not do the same to the issue of deprived areas. While the expression “energy efficiency” appears 55 times in both texts, the references to deprived, vulnerable, deteriorated or obsolete neighbourhoods or areas are only 19. If we reject the sentences in which they are used as synonyms or similar, the references are less than twelve.

Does this switch in the state discourse correspond to an analogue inflection in the European discourse, what, as we have seen, is used as a legitimization? Is it inscribed in a stable trend of harmonization of the Central State action in matters of urban policies and urban regeneration with the criteria supported by the European Union?

Our hypothesis affirms that this state switch to the energy efficiency is supported on an “opportunist interpretation” of the European discourse. On the one hand, it does not correspond to a state trend of Europeanist legitimization. On the other hand, when this happens, the interpretation of the European discourse is at the service of other interests, so that it is functional to the legitimization of different objectives from those of the EU and from the ones which are characteristic of social policies.

In fact, this paper proposes a critical, comparative analysis of the discourse of urban rehabilitation, renewal and regeneration in Europe and in Spain in relation to priority subjects and criteria of intervention. The aim of the analysis is relocating the basis of the debate on those Spanish policies, as well as valuing in a more accurate way the European weight in the inflections expected by the State in present time, when the Government tries that this kind of operations are key elements for the “*economic recovery*” through “*the conversion of real estate*” (Act 8/2013).

This paper proposes to reconsider the most important documents of state and European discourses on “*urban regeneration*” and analyse their relation to deprived areas and energy efficiency. First of all, we will primarily refer to the European references on the legitimization of the main Spanish regulatory instruments related to urban rehabilitation, renewal or regeneration. We expect to demonstrate the special character both the Act 8/2013 and the State Plan 2013-2016 have. Later, in order to approach to the interpretation of the European discourse in this subject made from the Spanish policies, we will outline the contents of the main European texts from 2007 (symbolic moment for the European momentum to urban regeneration) and will compare them with the most recent Spanish regulatory texts: the laws from 2011 and 2013. This will allow us to point out some continuities and discontinuities, some uneven emphasis and shades from both discourses. Finally, as an epilogue, we will add new hints and hypotheses which can be useful to go forward in the comprehension both of the causes and of the possible effect in the relation between the Spanish and the European discourses, what could be described as a “misunderstanding” in the anthropological sense of the term (LA CECLA, 2002 in GATTA, 2014).

A sudden Europeanization of the arguments of the Spanish State regulation in matters of urban rehabilitation, renewal and regeneration

The Act of Accession of Spain to the European Communities entered into force on 1st January 1986. However, neither the Spanish State housing plans (which include as a promoting measure since 1987 the investment in interventions on “integrated regeneration areas” –ARI, according to the initials in Spanish– and, since 1993, ARIs specific programmes) nor the laws on land use (which objectify the Central State competences in matters of urban planning) have made an allusion in their arguments to any document from the European Economic Community or, since 1991, from the European Union.

With regards to housing state plans until 2013⁵, the only insignificant exceptions to this rule are from 1998-2001 -quoting “*the compulsory continuation of fiscal adjustment policies demanded by the European Stability Pact*”(RD 1186/1998)- and from 2005-2008 -in which the objectives are referred to the general compliance of “*constitutional mandates and, also, international agreements of the Spanish State, like the Kyoto Protocol; or European policies, like the European Spatial Development Perspective, the Lisbon Strategy and the Goteborg Agenda*”(RD 801/2005).

It is not until after 2007 that a state plan, named of “housing and rehabilitation”, valid in a period of great financial and building crisis (2009-2012), justifies its decisions on housing and urban areas rehabilitation relying on “*the recommendations established in the Leipzig Charter on Sustainable European Cities (...) and in the European Parliament’s resolution «The monitoring of the European Spatial Development Agenda and the Leipzig Charter: Towards an European action programme for the spatial development and the territorial cohesion», approved on 21 February 2008, in which it is recommended a better use of the points of view related to an integrated urban development policy and to pay special attention to deprived areas in the global context of the city*”(RD 2066/2008).

Regarding the regulatory legal framework, none of last Spanish laws on land use (1998⁶ and 2007⁷) focus their legitimization on European documents. Only the latter mentions them in its preamble as an authority quote (“*The European Union insists clearly on that, for instance in the European Spatial Development Perspective or in the recent Commission’s Communication on a Thematic Strategy on the Urban Environment*”) when standing for an urban planning in accordance with “*sustainable development requests*”, “*supporting the regeneration of existing city*”(Act 8/2007). However, this law will never articulate this issue.

On the contrary, Act 8/2013 not only establishes effective regulations on this subject, but also refers to diverse “requests” which would justify its decisions and which are gathered around two lines: the first one, a specific line on energy efficiency, quoting several European directives⁸; the other one, more generic,

⁵ Royal Decree 224/1989, 3 March, on funding measures for protectable interventions in matters of housing (BOE, 8 March 1989), Royal Decree 1932/1991, 20 December, on funding measures for protectable interventions in matters of housing in Plan 1992-1995 (BOE, 14 January 1992), Royal Decree 2190/1995, 28 December, on funding measures for protectable interventions in matters of housing and land use for the period 1996-1999 (BOE, 30 December 1995), Royal Decree 1186/1998, 12 June, on funding measures for protectable interventions in matters of housing and land use in Plan 1998-2001 (BOE, 26 June 1998), Royal Decree 1/2002, 11 January, on funding measures for protectable interventions in matters of housing and land use in Plan 2002-2005 (BOE, 12 January 2002) and Royal Decree 801/2005, 1st July, for the approval of State Plan 2005-2008 to favour the access to housing (BOE, 13 July 2005).

⁶ Act 6/1998, 13 April, on land and valuation regime (BOE, 14 April 1998).

⁷ Act 8/2007, 28 May, on land use (BOE, 29 May 2007).

⁸ European Parliament and Council’s Directive 2002/91/CE, 16 December 2002, recast in European Parliament and Council’s Directive 2010/31/UE, 19 May 2010, concerning building energy efficiency, and European Parliament and Council’s Directive 2012/27/UE, 25 October 2012, concerning energy efficiency.

concerning urban environment and sustainable urban development, referring other European documents⁹. In addition, the legislator reminds that these are convergent lines, since “*the main battle of urban sustainability must be played on the achievement of the maximum possible eco-efficiency in the consolidated city urban patterns*” (Act 8/2013).

The two legal texts from 2013 mean a strong breakdown with their precedents, in terms of Europeanist legitimization. Now then, what is the point in this sudden adoption of the European discourse as a guarantee for the Spanish Government’s decisions? The comparison between the European discourse, built with the guideline documents on urban policy, and the Spanish discourse, underlying the Sustainable Economy Act and the Urban Rehabilitation, Renewal and Regeneration Act, will not allow advancing in an answer to this question.

Main issues of the European discourse on urban regeneration since 2007: from the Leipzig Charter to the Toledo Declaration

Leipzig Charter (2007)

Signed in May 2007, before the crisis were visible in the European Union, the Charter relies mainly on the European Union *Sustainable Development Strategy* (EU SDS) nurtured by *Lille Action Programme*, *Rotterdam Urban Acquis* and *Bristol Accord*. This strategy expresses as main objective in its 2006 revision “*to identify and develop actions to enable the EU to achieve continuous improvement of quality of life both for current and for future generations, through the creation of sustainable (...)*” (COUNCIL EU, 2006).

The Leipzig Charter’s objective is “*protecting, strengthening and further developing our cities*”, affirming its support to EU-SDS. It keeps in mind simultaneously all the dimensions of sustainable development: economic prosperity, social equilibrium and healthy urban environment (COUNCIL EU, 2007). Moreover, in the framework of development and the proposed measures, the aim is to improve and strengthen the competitiveness in European cities, the reduction of inequalities and the prevention of social exclusion (COUNCIL EU, 2007).

This document places the cities in a central position as “*valuable and irreplaceable economic, social and cultural assets*”. As an economic entity, the city is considered as a “*social progress and economic growth engine*”, the same as in the *Lisbon Strategy*. As a social entity, the document values the cities’ “*strong forces of social inclusion*”, in a framework in which “*the social distinctions and the differences in economic development often continue to increase*”. Finally, the cities’ “*unique cultural and architectural qualities*” are outlined, standing out as “*knowledge centres and sources of growth and innovation*” (COUNCIL EU, 2007).

However, the text says that European cities show a series of problems – “*demographic problems, social inequality, social exclusion of specific population groups a lack of affordable and suitable housing and environmental problems*” – which damage their function as economic and social engine (COUNCIL EU, 2007). For that reason, cities must seek to ensure a social equilibrium and an environmental, cultural and architectural improvement.

The objective and the attention are focused on the city as a whole, attending not only to its elements, but also to the physical and administrative relationship with its environment in the context of the metropolitan area, the region and the network of cities. Although the Charter does not mention at any moment urban

⁹ In fact, the *Thematic Strategy for the Urban Environment*, the *European Reference Framework for Sustainable City* and the *Toledo Declaration* (approved by the Urban Development ministers from the 27 European Union Member States on 22 June 2010) are quoted.

regeneration or rehabilitation¹⁰, the measures for sustainable development not only include the creation of new city, but also the improvement of the existing one. In this sense, this Charter is focused in the deprived neighborhoods, characterized by the high unemployment and social exclusion, their lack of difficult access to economic and social opportunities and for their worse environmental conditions.

From the point of view of intervention in consolidated city, two kinds of areas are distinguished: the deprived urban and the rest of the city, having in advance different planned measures:

- The “non-deprived” city, where the intention is to strengthen the competitiveness through the creation and consolidation of high quality (attractive and humane) public spaces, the interaction between architecture and urban planning, the inclusion of modern infrastructures¹¹, the conservation of architectural heritage and the renewal of housing stock improving the energy efficiency.
- The deprived urban areas, where it is proposed to develop housing policies which ensure a healthy, appropriate and affordable housing stock, strategies for the improvement of environment (including the improvement of physical and energy conditions in existing dwellings), the strengthening of local economy and labour market and the improvement of education and transport systems.

Anyway, to achieve these basic aims in the context of EU-SDS, the Leipzig Charter highlights an integrated point of view, with the improvement of the coordination in all-level policies and administrations, the implication of all the agents (administrations, neighbours, private entities...) and the coordination in “*the spatial, sectoral and temporal aspects of key areas of urban policy*” (COUNCIL EU, 2007).

Regarding the funding (specially for the deprived urban areas), the text considers the need of focusing spatially the use of funds from public and private sector agents, in accordance with area-based interventions. It also understands that investments must be economically sustainable in time.

This idea for funding is developed in the text as an instrument which incorporates as something new the “*financial engineering instruments*” JESSICA. Considering the “*scarce public funds*”, the tool prioritizes the private capital investment and the attraction of firms, trying the investment to be refundable. This device, “*Jessica instruments can only be used to finance projects, or clusters of projects, that are, on the whole, capable of producing revenues*”.¹²(EU, 2008)

Marseille Statement (2008)

The Marseille Statement on “*The inclusive and sustainable city*”, approved only one year and a half later than the Leipzig Charter, admitted being born in “*context of global financial economic and social crises which could have a considerable impact on the lives of our fellows-citizens and on whole sectors of our economies*” (EU, 2008). Despite the change of scenario and the challenges described above, this declaration is almost exclusively a development document of the ideas proposed in Leipzig: the Reference Framework for European Sustainable Cities (RFSC) and the funding instruments.

¹⁰ Although the expression mentioned is “renewal”, and despite the controversy about the use of the different terms in the Spanish case (DÍEZ & MOYA, 2012; CASTRILLO, 2014), there is a consensus which understands that it implies the destruction and new building, being a different kind of intervention.

¹¹ *Baukultur* is “*the sum of all the cultural, economic, technological, social and ecological aspects influencing the quality and process of planning and construction*” (EU, 2007).

¹² *Conclusions and recommendations of the working group on the implementation of the JESSICA initiative* Annex to the conclusions adopted at the Informal Ministerial Meeting on Urban Development and Territorial Cohesion in Leipzig on 24/25 May 2007.

However, there is greater emphasis on keeping climate change in mind, which is linked to resource¹³ crisis scenario, problems derived from greenhouse gas and the “*economic opportunity to strengthen their competitiveness at a global level and create new jobs*”.

Although part of the outlined actions are focused on the improvement of the existing city (either physically, in favour of energy efficiency, or through the promotion of culture, innovation or education), the document does not still mention urban regeneration in a explicit way, just as its predecessor. Only in the description of new financial instruments it points to:

- *the regeneration of brownfield sites and the construction of buildings on them (with subsequent sale or lease);*
- *measures to upgrade deprived neighbourhoods or city centres threatened by desertion by creating office and commercial space, business parks and technology centres for small and medium-sized enterprises, retailers, hotels etc.; (...)*
- *modernisation of the existing housing stock (including measures to improve its energy efficiency) in the new EU Member States*

(EU, 2008)¹⁴

Revitalization of deprived neighborhoods is still a key element in a context in which “*social inequalities that might represent a hindrance to innovation, economic prosperity and our ability to live together.*” (EU, 2008). For this reason, the developed actions in these areas are planned to receive support from the Urban Development Funds, which compensate “*market failures*”. This EU non-refundable investment is an exception in favour of urban policies requests for those situations in which “*high risks, high financing costs or low revenues*” would result in trouble to get benefits for the aid return. This model of refundable loans is developed in the Marseille Statement from the suggestions in the Leipzig Charter, justified now: *Although there is a great need for investment, there is at the same time a shortage of capital*.¹⁵(EU 2008)

Toledo Declaration

In 2010, when Europe had been almost three years in a context of financial, economic and social global crisis, the European Union considered that had to face a series of global structural challenges with a strong urban dimension (EU, 2010). In that framework, and during the Spanish rotating presidency of EU, the Toledo Declaration was signed, what meant continuity for the discourse of sustainable urban development, the development of RFSC and the future of a territorial urban agenda. However, the text introduced a swift in the line defined by previous documents, focusing the interest on intervention in existing city through IUR. It is the only way proposed in this declaration by EU to act in the existing city, keeping the integrated point of view (social, economic and physical), the integration in the city and the coordination of the agents. All these aspects were mentioned above as bases for sustainable urban development.

¹³ Mainly energy, but also others like water.

¹⁴ Conclusions and recommendations of the working group on the implementation of the JESSICA initiative Annex to the conclusions adopted at the Informal Ministerial Meeting on Urban Development and Territorial Cohesion in Leipzig on 24/25 May 2007. In EU 2008.

¹⁵ Conclusions and recommendations of the working group on the implementation of the JESSICA initiative Annex to the conclusions adopted at the Informal Ministerial Meeting on Urban Development and Territorial Cohesion in Leipzig on 24/25 May 2007. In EU 2008.

Integrated urban regeneration is conceived as a planned process that must transcend the partial ambitions 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.

(EU, 2010)

The city is globally considered as a whole, linking to it a series of questions which were previously related to EU SDS and its actions in non-deprived city, like *assuring citizens' quality of life and welfare, acknowledging the importance of the alliance and implication of all other stakeholders (private sector, civil society, etc), recalling the recommendation to reflect and take due account of climate change, recalling that the overall urban quality, determined by the quality of public spaces and urban man-made landscapes and architecture..etc.* (EU 2010). Furthermore, in the same way of Leipzig Charter, it keeps a special interest on deprived areas, besides other questions like renewal and regeneration of existing housing stock, considering urban recycling and reduction of land consumption, questions which were not so clearly specified before¹⁶. Deprived areas were considered here *as source of untapped human talent and physical capital whose potential has to be unlocked in order to contribute to the overall civic progress and economic growth of the city* (EU 2010).

In this case, the text specifies which the operative tools for IUR are, including integrated actions which articulate social measures with physical interventions for building and urban space regeneration. It also develops ideas like increasing complexity and social and functional variety in the areas, as well as the notions of social mix and attraction of other social groups, pointing this time to the risk of gentrification. It also mentions the housing variety and the need to access to it.

The Toledo Declaration affirms that, in a scenario where public resources are limited, it will be necessary to combine public funding with other formulas and financial instruments. Even then, it considers public funding as *a key in order to guarantee social and environmental goals in the medium and long terms* (EU 2010).

Urban rehabilitation, renewal and regeneration in EU discourse

Since 2007, the European discourse in urban development ministers' consensus documents are defined in the support of corresponding Lisbon and Europe 2020 Framework Strategies. EU considers that *"cities and urban regions in general are the communitarian economy engines; if their competitiveness improves, the European Union's will"* (MARTÍNEZ, 2008). In this context, the preferred option is a city which favours knowledge and innovation, and improves competitiveness through sustainable development and integrated approach, measuring it in terms of ability to attract capital and firms, quality dwellings and public spaces, an adequate environment, safety...

With regard to deprived urban areas, the working line started in early nineties by the EU is continued. It frames urban regeneration into the paradigm of sustainable development and competition amongst cities, defining it as an answer to urban deterioration problems –*"vandalism and crime provoked by limited occupational choice, monotony and isolation"* (EU, 1990)–, considered as something damaging for the city's image (CASTRILLO et al., 2014). In this point, EU establishes a direct continuity from the Leipzig Charter to URBAN programmes. The first was signed when the latter started to bear fruit, *"specially regarding the integrated and participatory plans of urban regeneration"*. Thus, the definition for IUR appearing later in the

¹⁶ Nevertheless, the Leipzig Charter did specify the need of *"a strong control of land supply and speculative development"* (COUNCIL EU, 2007).

Toledo Declaration and its reference document is a reflection of the principles of the “*new generation’ of area-based urban regeneration programmes, focused on improving deprived areas through complex and interconnected multi-sectorial interventions*” (TOSICS, 2009). It seems that some aspects from area-based interventions in deprived areas had already been questioned, like social mix, social cohesion or governance (DONZELOT, 2006; GARNIER, 2009; KIRSZBAUM, 2008), the same as the term IUR itself, considered by some as a voluntarily ambiguous term (EUROPEAN COMMISSION, 2006).

From Integrated Regeneration to energy efficiency: slides in the discourse of Spanish state legislation on urban regeneration (2007 – 2013)

The global financial crisis started in 2007, specially affected Spain which “*background of economic developments (...) promoted an economic development model focused on the volatile building industry, mobilised a reserve workforce in a very precarious social situation and weakened the country’s tax base in a setting calling for higher spending*” (BANYULS & RECIO 2015).

As the Land Act 8/ 2007 and the Act 8/2013 stated: “*the history of Spanish urban planning is a story about development, focused in creation of new city*” (RDL2/2008). Moreover, most Spanish Land Acts have been focused in new area developments. Intervention in already-built areas has been of little, even marginal, importance; “*although intervention instruments have improved, a consensus in some conceptual issues has not been reached*” (MOLINA 2007). In any event, before the Act 8/2013, “*Spanish legislation did not take into account intervention processes in the existing city in a suited and satisfying way yet*” (ALONSO 2011).

Further, the 2007 Land act and its 2008 recast text incorporated at the prologue and in some articles European ideas about sustainable development. However, it continued being a law for urban growth, central issue in Spanish economy at this moment.

Sustainable economy Act (2011)

As the crisis worsened, the government was impelled to outline a series of temporary measures with financial support via investments in public works, for instance the well-known Plan E. The aim was to boost the economy. Throughout the text, building restoration and urban rehabilitation began to be considered as of strategic importance (ALONSO 2011). Following this direction, the Sustainable Economy Strategy, passed at the end of 2009, intended to introduce a series of measures that could help to update and reform the Spanish economy growth.

Throughout 2010, when Spain held the EU rotating presidency, this view remains in the discourse of the Ministry of Public Works. Several researches, congresses and publications were conducted to analyze issues related to Integrated Urban Regeneration. However, until the following year, 2011, there was no explicit statement about rehabilitation. It was so in the framework of Sustainable Economy Act. This law was intended to “*strengthen our financial system and tackle the ongoing loss of activity, relieving its economic and social outcome*” (Act 2/2011). Among the environmental sustainability measures area, which basically holds chapters about reducing energy consumption, there is also a chapter (number IV) about rehabilitation and housing.

The main goal of this IV chapter is to draw up and develop policies intended to let housing access to people and to improve environment, public services and resources. At the same time, it promotes a fair access to the resources, cutting down on emissions and resource consumption and enabling new activities creating jobs. All this activity must be carried out following the principles of social and territorial cohesion and energy efficiency (Act 2/2011).

More specifically, according to Act 2/2011, the central administration shall promote actions intended to qualify, renew, and enhance existing frames and fabric, or its close extensions, the plans, programs or integral instruments in urban abandoned or deprived areas, and individualized works whose intention is to support services or resources interesting for rehabilitation process.

On the other hand, it considers that the logic outcome of urban renewal and rehabilitation is restoration of both housing and public resources in those neighborhoods under physical deterioration¹⁷ as well people with difficulties¹⁸.

The scheme to achieve these goals involves inter-administrative coordination in the acquisition and management of information as well as in the management and implementation of actions.

Nevertheless, *“legislative reforms passed on 2011 by the Spanish Government, which were supposed to ease intervention on the existing urban structures by estimating rehabilitation activities, did not actually set up the legal and accurate Framework needed”*, stating in some cases simple *“soft laws”* and having a *partial understanding of urban sustainability*” (ALONSO 2011).

Urban rehabilitation, regeneration and renovation Act (2013)

The same year the Sustainable Economy Act was passed, there was a change in the Spanish government; with the entry of the conservative party. This party was interested in rehabilitation sector too, and after two years the Act 8/2013 on Urban rehabilitation, regeneration and renewal was passed on June 26TH. It was then 30 years from the pioneering *Royal Decree 2329/1983, on protection in the residential and urban estate rehabilitation*.

According to 2013 Act, there was a persistence in *“social and economic problems in the land and housing markets in Spain”* depicts a clearly separated scenario from the previous one (Act 8/2013). Constant new city production across real estate boom and abandonment of existing one has resulted in a housing stock that outnumbers the present and future demand, and needs in most cases intervention for improvement. Hence, the law reflects *“it will be difficult for the housing and building sectors to contribute to Spanish economy growth and new jobs in short and mid-term, if they keep biased toward developments in virgin land and building of new houses”* (Act 8/2013). Therefore, the text states *“urban rehabilitation and regeneration pose a key role in economic recovery, both as job and income creating sector and as a node helping the reconversion from other sectors, like tourism”* (Act 8/2013). According to the preamble, this change can support economy recovery and job creation in different ways:

- Building sector recovery through rehabilitation
- Helping other sector (like tourism) to adapt
- Energy saving and removal of the risks posed by energy dependence.
- Recovering industry related activities like goods trade, installation, etc...

To achieve these goals, the text suggests the creation of a new legal framework that removes obstacles, benefits operation feasibility, and gets closer to the European framework, especially in energy saving requirements and fulfillment of the climate change goals.

¹⁷ It says *“obsolescence or degradation processes of the urban fabric and architectural heritage or either”* (Act 2/2011)

¹⁸ *“A significant portion of the population living in these areas are in particular difficulties because of age, disability, employment, failure of the median income or similar causes”* (Act 2/2011).

Agreeing with EU discourse, the law lays out a sustainable and comprehensive model, as well in the environmental, social and economic fields, and also tries to keep the quality of life of the citizens at a good level. It outlines rehabilitation should seek intervention areas enabling integral policies (social, economic, environmental, physical and integration issues must be addressed). The “neighborhood scale” is referred to be useful as a choice. Nevertheless there is no direct link in the text with deprived neighborhoods, like in other documents.

The law appeared in “*an unfavorable context for private and public funding, due to budgetary discipline processes*” (Act 8/2013). So it seeks to boost the private funding by capital gains (in the estate itself or derived from energy savings), even though the traditional dependency on public support.

Despite the objectives expressed in the Act 8/2013 preamble, its actual development permits getting closer more concisely to its orientation; in contrast with other analyzed laws and documents which exclusively show a general framework and a few “intentions”. This development was positively evaluated because of its new methods in legal issues not having any instrument so far, even so, there have been some doubts and skepticism. (DEL VAL 2015, AETU 2013).

Conclusions. The European discourse reinterpreted for the legitimacy of Spanish state discourse in urban rehabilitation, renovation and regeneration

In spite of the influence of the European framework for urban rehabilitation, through declarations and charters, or through local development of programs, every country has carried out “*integrated urban regeneration*” policies by different means, searching for different goals, and with different priorities. These policies vary depending on different approaches to reality and previous policies implemented in each country (IUUV 2010)

In Spain, the influence of the discourse of the “*Urban European Policy*” on the state discourse on urban rehabilitation can be noticed in the adoption of sustainable urban development criteria and integrated approach. This is clearer in the Sustainable Economy Act, close in time to Toledo Declaration, than it is in Act 8/2013, which expresses both general concepts in a marginal way, focusing in contrast on more specific issues like energy savings and efficiency (these issues have gain momentum in EU discourse from the crisis outbreak as well). Moreover, the ongoing mentions to the necessity of coordination between administrations and public and private agents appear as common point, in relation with integrated approach and government.

In both European and Spanish cases, the relation between urban policies and economic policies is stated. This relation appears for the European discourse in Lisbon Strategy (2004) and in Europe 2020 (2010); whereas in Spain, the references appear in Sustainable Economy Strategy (2009) and in Economic Policy Spanish Strategy (2012). In both cases there is a common link between the Urban and Economical realities, even so, as result of different territorial and urban interests, concrete differences in the content of EU economic strategies and those of the Spanish Government are noticeable.

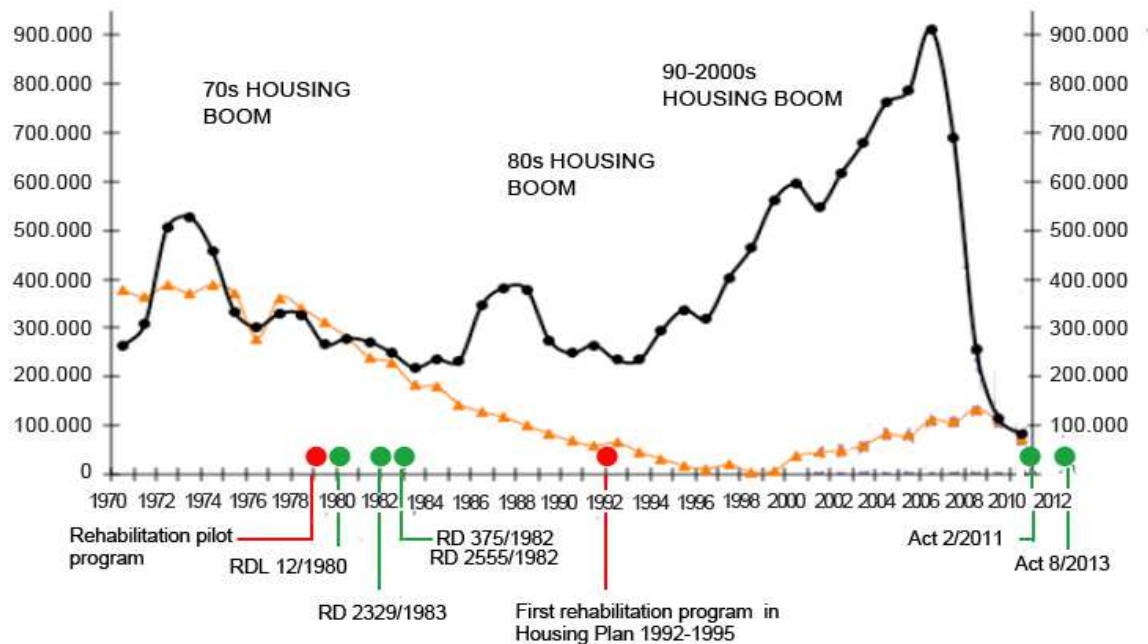
European Union considers of paramount importance the competitiveness in the European system of cities, A city will be more competitive if it has a series of attractive qualities for the companies to settle down. The knowledge-driven economy focuses on R&D, culture and innovation. Deprived areas and inequality may create problems; give the city a bad reputation and finally prevent the investment in the city.

In the Spanish discourse, meanwhile, the building and real estate sectors (in new developments or in existing areas) continue to be considered as key factors for economy, even though it introduces the competitiveness between cities concept and the need for them to be attractive to investors and to companies. It does not take a more comprehensive approach to urban economy. Therefore, rehabilitation or similar

policies are explicitly assigned to refloat building and real estate activities (basically working on energy improvements) rather than be in a closer place to the EU view.

This is not a new approach in Spain. State policies on urban rehabilitation have had a countercyclical role from their beginnings (CASTRILLO 2013). The aim of economic boost via a massive builder intervention on housing, which appears all along the history of the urban rehabilitation and social housing policies in contemporary Spain, projects itself until present time, not affected by changes in the government. What it is somewhat new; it is the attempt to achieve a European legitimization sliding the state discourse towards the energy sector.

Fig 2. Housing bubble and demographic decline, 1970-2010 and legislation on urban rehabilitation.



Caption: 1979 Rehabilitation Pilot Program; RDA 12/1980: Royal Decree-Act 12/1980; RD 375/1982: Royal Decree 375/1982; RD2555/1982: Royal Decree 2555/1982; RD 2329/1983 Royal Decree 2329/1983, Act 2/2011; Act 8/2013; RD 233/2013 Royal Decree 233/2013

Source: Compilation based on CARPINTERO (2015)

Epilogue. Energy efficiency, is it a new name for the same old concept of economic-financial boost with the excuse of social housing policy?

It is interesting to notice that the absence of public resources, noted both in European and Spanish texts, implies in the Spanish case that the duality (deprived neighborhoods or not deprived ones) is hold, the same as in EU discourse, but it is not explicitly stated. This can be verified in Act 8/2013.

The sources and method used for this paper do not let discover the causes and span of this omission. However, the development of the work supplies clues that make the hypothesis realistic about the central piece that makes global sense to the state discourse is the creation of a powerful business niche on improvement of energy efficiency of the housing stock (which is mostly private and belongs to small-holders).

We may say that the Spanish discourse gets closer to the European one when the interpretation made of the latter (with a lot of ambiguity) is convenient for the main aim of the law, the “economic recovery”.

That said, the goals brought to the front in EU urban policy, even when they belong to economic nature, do not match totally with this generic and classic aim of state-rule action in urban planning or social housing. In this regard, emergency in energy efficiency appears as an update of the historic trend of the Spanish policies of urban planning because it mixes up its goals with those of a financial-based economic recovery (before it was the time of real-estate businesses and now it is the time of energy efficiency). This happens in a very peculiar environment: local and regional budgetary crisis seem to enable that the central government could perform a recentralization by combining measures in urban planning both in promotion and in the legal framework. According to the present formal/legal framework urban planning depends on the local and regional governments, thus these levels (local and regional) have been operating in a more European way over the past years.

So, what can be pointed out as the possible scope of the new state-driven policies in urban regeneration could reach the public effort of the state across all its levels. And it could introduce an effective duality of operations derived from the chances of obtaining private benefits for energy, finance and building companies.

On one hand, the viability of the works on energy efficiency supported by state funds for middle-class neighborhoods (citizens with enough money to add to the state funds and, thus, make it profitable for the companies involved) is assumed. This feasibility also happens in those areas where the capital gains via energy savings and the increase in suitability for building.

On the other hand, the prospect of the necessary operations in “deprived” or “distressed” neighborhoods seems take a very different way. Even though they pose a central part in the European discourse inspiring Spanish government, this kind of areas is barely taken into account in the Act 8/2013, and totally abandoned in the 2013-2016 Plan. Integrated approach conceived for these areas implies a public action framework more complex than a sectoral law. Further, his type of operations needs public resources and the EU considers them as strategic to “*release the city capital*”. However, in Spain, they seem to have lost the little importance that they had in the previous state laws.

Taking into account that energy efficiency is greatly important in the texts defining the legal framework in 2013, and considering, as well, that many households in these areas are suffering energy poverty, one may guess that the capital return for private companies leading the public efforts could only happen in the cases where an increase in suitability for building and reclassification of urban land can generate enough capital gains to finance the operation. In this regard, it is required to remind that urban renovation so defined is usually followed by an increase in housing prices in mid and long-term and by a change upwards in the inhabitants social class. Thus, the lower-class people who were intended to enjoy the improvements can not actually do it.

Having said this, the new Spanish law has not meant any real change so far. However, apart from several (classic) speculative urban redevelopment operations in the central areas¹⁹, some other operations are explicitly developed under energy efficiency criteria. For example, some local and regional governments seem to have sidelined its “integrated” or “preferential” rehabilitation policies (ARI, ARP). They have been replaced by “energy rehabilitation” schemes involving an financing “ESCO model”.²⁰

¹⁹ Diagonal (2014) <https://www.diagonalperiodico.net/global/25793-chamartin-canalejas-campamento-madrid-vuelve-al-ladrillo.html>

²⁰ As example, at the autonomic level, in Navarra, the regional government is developing a decree about “neighborhoods urban rehabilitation”. At a local level, Valladolid housing and land municipal company, at the same time that finish its last ARI, announced the energy efficiency improve of some neighborhoods (anyone recognized as deprived neighborhood).

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