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# Public-Private Partnerships, Sport and Urban Regeneration in Britain and Spain

by

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## SYNOPSIS

### **Public-Private Partnerships, Sport and Urban Regeneration in Britain and Spain**

In a period of apparent new economic, political, social and cultural configurations in Western cities, a general diminution of belief in the ability of local government itself to affect significant policy change in response to the global restructuring of the economy has facilitated the emergence of new forms of urban governance in the post or neo-Fordist era, often following American models. Despite the fact that there are some differences in the interpretations of which new forms of urban governance are emerging, there appears to be a general recognition of the need for policy solutions represented by the development of partnerships and coalitions of interests ('regimes') in urban contexts, involving not only local authorities but also a range of private and semi-public actors.

The rise of the entrepreneurial model among city governments also forms part of the so-called new urban politics of the post-Fordist era. Similarly, it is commonly argued that there is a growing inter-urban competition between cities for prominence as centres of consumption as one means to replace those traditional urban industrial activities which have gone into decline. This 'post-modern' strategy, including the use of a wide range of prestigious urban projects in areas of consumption such as sports, culture and leisure, has recently become commonplace in the restructuring of many Western cities. In Britain and Spain as elsewhere, some cities are using sport and leisure to drive the regeneration of their cities.

Focusing on two European cities subject to large-scale deindustrialisation, Bilbao (Spain) and Sheffield (Great Britain), this thesis applies an urban regime analysis to evaluate the emergence and operation of public-private partnerships in a process of urban regeneration. This comparative study of urban politics also examines the role of sport and leisure in urban regime or coalition construction and the role of urban regimes or coalitions in the development of a sports strategy in the case of Sheffield and a cultural strategy in the case of Bilbao.

Following an introductory chapter, the second chapter examines new practices and forms of urban governance, using traditional and 'new wave' urban theories, in particular the formation and operation of urban regimes and their implication for sports policy changes. The contribution of this thesis is to examine the applicability and validity of American models of urban change to the analysis of two different Western European cities that may help to understand how contemporary cities respond to contemporary urban problems. In

addition, this thesis expects to expand the analysis of the role of sport in urban regime construction and the role of urban regimes in the development of sports or cultural strategies. The choice of regime theory has implications for both methodology and the subsequent interpretation of events. Thus, the third chapter addresses the general description of the ontological, epistemological and methodological assumptions underpinning regime theory. The fourth and fifth chapters review how urban planning and sport policies have evolved in Spain since the Spanish Civil War and in Britain since the World War II. This provides a context to the core of the thesis, which evaluate urban regime formation and operation and their implications in the development of sports strategies in Bilbao and Sheffield. The concluding chapter seeks to summarise the findings of the empirical research and relates the examples of Bilbao and Sheffield coalitions or urban regimes for economic regeneration to the nature and characterisation of contemporary urban and sports politics.

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## LIST OF ABBREVIATIONS

The following abbreviations are used throughout the thesis:

ACTURS - Urgent Development Act  
ADO – Spanish Association of Olympic Sports  
ASFEDEBI - Association of Bizkaia Sport Federations  
ATP – Association of Tennis Professionals  
BAS - British Academy of Sport  
BBC – British Broadcasting  
BBK – Basque semi-public bank  
BBV - Basque private bank  
BOA - British Olympic Association  
BSky B – British Satellite Broadcasting  
CCP - Comprehensive Community Programmes  
CCPR - Central Council of Physical Education  
CCT - Compulsory Competitive Tendering  
CDP – Community Development Programme  
CiU – Catalan Nationalist Party  
CLG – City Liaison Group  
COE - Spanish Olympic Committee  
CSD – Spanish Sports Council  
DA - Development Areas  
DCMS - Department of Culture, Media and Sport  
DND – Spanish National Sports Delegation  
DNEF – Spanish National Sports and Physical Education Delegation  
DNH - Department of National Heritage  
DoE – Department of the Environment  
DOT – Basque Directives of Territorial Arrangement  
EA - Basque Solidarity-Eusko Alkartasuna  
EC – European Commission  
EE - Basque Left -Euskadiko Eskerra  
ETA – Euskadi ta Askatasuna  
FEMP – Spanish Federation of Municipalities and Provinces  
GNP - Gross National Product  
HB – Herri Batasuna  
IAS - Inner Area Studies  
ICV - Iniciativa Ciudadana Vasca

IMD – Bilbao Sports Institute  
IMF - International Monetary Fund  
INEF – Spanish National Institutes of Physical Education  
INI – Spanish National Institute of Industry  
INV – Spanish National Housing Institute  
IU – A coalition of different left-minded parties and organisations Izquierda Unida  
LED – Local Economic Development  
MOPTMA - Ministry of Public Works, Transport and the Environment  
MP – Member of Parliament  
NATO – North Atlantic Treaty Organisation  
NR – New Right  
PERI - Internal Reform Special Plan  
PNV - Centre Right Basque Nationalist Party  
PP - National Conservative Party  
PSI - Policy Studies Institute  
PSOE – Spanish Socialist Workers’ Party  
PSOE-PSE - Socialist Party in Euskadi  
PTPM - Partial Territorial Plan of Metropolitan Bilbao  
RENFE – Spanish National railway company  
SAF - Sports Aid Foundation  
SIVL - Sheffield International Venues Limited  
SLRT - Sheffield Leisure and Recreation Trust  
SMGI - Sport Marketing Group International  
SRB - Single Regeneration Budget  
SSA - Sheffield Sports Association  
TEC - Training and Enterprise Councils  
UDC – Centre Right Party of Suarez  
UDC – Urban Development Corporation  
UKSI - United Kingdom Sports Institute  
UP – Urban Programme  
URT – Urban Regime theory  
US – United States of America  
WB – World Bank  
WFA - Women’s Football Association  
WSF - Women’s Sports Foundation  
VW – Volkswagen  
ZUR - Zones for Urgent Reindustrialisation



## **CHAPTER I**

### **INTRODUCTION**

## 1. Introduction

In the economic, political and cultural studies literature of the 1980s and 1990s, one can discern a general consensus in acknowledging that the major features of the developed Western economies had begun to crumble in the 1970s. In particular, social democratic politics, 'Fordist-Keynesian' economic and social arrangements, and even modernist cultural patterns, had given way to new social, political, cultural and economic configurations. Whether or not, these should be termed as a transition from the dominant Fordist regime of accumulation to a new phase of capitalism variously described as 'post-Fordist', 'neo-Fordist', 'post-industrial', 'post-modern', or 'late modernity' is contested (Amin, 1994; Harvey, 1990; Jessop, 1990, 1994; Painter, 1995; Scott, 1997). The first three terms have been associated with economic and political change, while the latter, though related, are more often associated with changes in the areas of consumption, aesthetics, culture and lifestyle in Western societies. Despite the lack of a broad consensus about the new social, political, cultural and economic configurations of this new period, what is nevertheless accepted in the 'post-Fordist' debate is that significant (if not, for some commentators, structural) changes have occurred.

In this new period, different traditional and 'new wave' urban theories have also emerged to highlight the progressive decline of the nation-state as the relatively unchallenged, primary actor for territorial governance and economic regulation, reflecting the increased significance of de-centralised agencies, sub-national governments, transnational bodies and, in particular, cities in the restructuring of the economy (Amin, 1994; Moulaert and Demaziere, 1996; Hambleton, 1990; Jessop, 1990; Borja and Castells, 1997). There are those who argue that the degree of such change has been exaggerated, and that the nation-state's role, though diminished is still central to both economic accumulation and social regulation (Harvey, 1990; Harding and LeGales, 1997; Scott, 1997). In line with the current political success of neo-conservative assumptions, several commentators argue that we are seeing a gradual reorientation of the local state, from the characteristic 'managerial' city of the Fordist period (involved as a direct provider of local services) to the 'entrepreneurial' city (aiming to promote local capital accumulation) over the last two decades as part of a dominant urban entrepreneurialist stance to solve economic, social and environmental problems of the large urban areas (Cochrane, 1991; Hall and Hubbard, 1998; Harvey, 1990; Harding, 1995; Logan and Molotch, 1987; Osborne and Gaebler, 1992; Stone, 1989). Cities have thus seen an enhancement of their role in local economic development activities, as well as in their place in the political agenda in Britain and Spain and in many other advanced Western economies.

However, a general diminution of belief in the ability of local government itself to affect significant policy change has facilitated the emergence of new practices and forms of urban governance in the post or neo-Fordist era, often following American models (Amin, 1994; DiGaetano, 1997; Hambleton, 1990; Harvey, 1990; Harding and LeGales, 1997; Stone, 1989; Stoker, 1995; Stoker and Mossberger, 1994). Although there are some differences in the interpretations of which new forms of urban governance are emerging, there appears to be a general recognition of the need for policy solutions represented by the development of partnerships and coalitions in urban contexts, involving not only local authorities but also a range of private and semi-public actors.

A further development of the urban entrepreneurialist approach is the growing inter-urban competition between cities for prominence as centres of consumption as one means to replace those traditional urban industrial activities which have gone into decline. This 'post-modern' strategy, including the use of a wide range of prestigious urban projects in areas of consumption such as sports, culture and leisure, has recently become commonplace in the restructuring of many cities. In particular, sport has traditionally been a key element in the economic regeneration strategies and in the re-imagining of American cities (Baade and Dye, 1988; Chapin, 1996a; Crompton, 1995; Robinson-Barnes and Wright, 1996; Sack and Johnson, 1996; Shropshire, 1995). In Britain and Spain as elsewhere, some cities have become part of a trend of what Harvey has called 'serial reproduction of strategies' of using sport to drive the regeneration of their cities (in relation to both countries, see for example, Brunet, 1994; Roche, 1992; Hill, 1992; Loftman and Nevin, 1996; Williams, 1997). Despite some homogeneity of urban policy responses, cities also recognise the need to promote their comparative advantages. This dualistic approach (homogenisation and differentiation) also forms part of the entrepreneurial stance adopted among city governments; and indeed is reflected in wider globalisation processes (Robertson, 1996). However, some commentators highlight some of the social and spatial stresses inherent in the current redirection of urban policy (Daniels, 1993; Harvey, 1990; Hambleton, 1990; Hall and Hubbard, 1998; Mayer, 1994).

This thesis seeks to evaluate the nature of homogeneity and differentiation in policy responses by urban authorities in Britain and Spain in relation to cultural policy, and in particular sporting policy in the two countries. One of the emerging approaches, urban regime theory, which originated in the US context in the late 1980s (see Stone, 1989, 1993; Fainstein and Fainstein, 1986; Elkin, 1987) has been employed to evaluate the role of sport and leisure in the process of urban regeneration in two European cities subject to large scale deindustrialisation, Bilbao (Spain) and Sheffield (Britain). In addition, the relevance of this theoretical tradition for cross-national urban political analysis of new forms of urban governance in a European context is assessed (Stoker and Mossberger, 1994; DiGaetano

and Klemanski, 1993; DiGaetano, 1997; Harding, 1994). As will become evident from the literature reviewed in chapter 2, despite the recent growing literature on sport and economic development, little research effort has specifically been expended on identifying the role of sport and leisure in regime or coalition construction and the role of regimes and/or coalitions in the development of sports strategies (see for example, Chapin, 1996a, 1996b; Cochrane *et al.*, 1996; Henry and Paramio-Salcines, 1998, 1999; Logan and Molotch, 1987; Sack and Johnson, 1996).

At the heart of the thesis lie several related research questions, which are structured in the following way: firstly, what changes are taking place in contemporary urban and sports policies and how might these be explained?. To answer this question, chapter 2 reviews theoretical accounts of urban politics and policy, including urban regime theory, to explain the nature and the degree of these changes; identifying why, in the North American context, regime theory and growth coalition accounts have become the dominant theoretical orientations. A second substantive research question asks: to what extent are these approaches useful for conceptualising, explaining and characterising policy changes in contemporary Western European cities?. To answer this, the two case study cities were selected for detailed empirical investigation. Chapters 4 and 5 outline how urban planning and sports policies have evolved in Spain since the Spanish Civil War and in Britain since the World War II, providing an essential context for understanding the nature of policy in the two cities. Analysis is undertaken of the wide range of urban programmes designed to address urban problems in both countries. In terms of sport, it also explores the nature of the major changes and developments operating, particularly, the recent phenomenon of using sports-related projects as part of the urban regeneration of some of British and Spanish cities and the commitment to sporting excellence in both countries (as elsewhere see Roberts and Kamphorst, 1989). In addition, with the traditional bureaucratic management approach of public service delivery of the Fordist period coming into question, an increasing 'new managerialist' approach has been recently adopted in the running of public services, including sports and leisure services. This situation is found extensively in Britain under compulsory competitive tendering (CCT) and to a lesser extent in Spain (in relation to both countries, see for example Farnham and Horton, 1993; Gratton and Taylor, 1991; Henry, 1993; Leach *et al.*, 1994; Puig, 1996; Taylor and Page, 1994).

Subsequently, chapter 6 and 7 report the empirical analysis of policy in the two cities selected and develops evaluation of how such policy may be explained via an urban regime approach. The manifestation of the crisis of Fordism brought about similar socio-economic problems to Bilbao and Sheffield to that of other major European and American industrial cities. In the case of Sheffield, an introductory discussion of the role of the local authority in tackling urban regeneration in the city focuses on how the nature of Labour politics at

the local level, as in other major cities in Britain, has been subject to change over time. After difficult relationships with central government, Sheffield City Council adopted a new strategy of collaboration in relation to urban regeneration, called 'new realism' with local capital, with the development of different governing arrangements between business and political interest groups. As an element of the restructuring of the city, sport has formed an important part of the strategies for revitalising its economy and promoting itself through sport prestige projects. Since the 1991 World Student Games, numerous sports events together with professional teams, have been developed in a city which today proclaims itself as a 'City of Sport'.

In the case of Bilbao, a long-term regeneration process with ambitious urban projects is concentrated around its city centre, seeking to regenerate its economy and to change its image from an industrial city to that of a modern service based economy. As part of this re-imagining, cultural prestige projects such as the setting of a spectacular post-modern building, the new European franchise Guggenheim Museum, on Bilbao's riverfront form an important part of the strategies for achieving both aims. After a period of ongoing tension between the Bilbao City Council, (when Mayor Gorordo was in power), and the other levels of Basque government, and central government, an increasing pragmatism on the part of the Bilbao Council under a new Mayor Ortuondo, as related in the case of Sheffield, has facilitated the emergence of governing coalitions.

Core research questions for the empirical analysis of the two cities focuses on the development of governance and in particular the roles of partnerships and coalitions. They include the following:

1. How do local governments make policy in urban, sport and leisure?
2. How can the partnerships or coalitions involved in urban governance in sport and leisure be characterised? In other words, were there simply loose coalitions of interest or could they be characterised as 'regimes'?
3. Who are the participants in these partnerships, coalitions or regimes?
4. What are the goals of these participants?
5. What were the types of policy initiated or sustained by these partnerships, coalitions or regimes, in particular in the sports policy field?
6. How did participants evaluate the impact or success of policies?

From the nature of the questions themselves and the theoretical perspectives employed it is clear that an interpretative approach to the study of policy in the case study cities is appropriate. Chapter 3 therefore reviews the strengths and weaknesses of interpretative approaches, as well as reviewing other aspects of methodology such as the rationale for selecting the case study cities, and the process of selection of respondents as representative of participants and their constituencies. Finally, chapter 8 reflects on the extent to which global forces and strategies are manifested in, mediated by, or resisted at, the local level.

## **CHAPTER II**

### **URBAN ECONOMIC REGENERATION, SPORTS AND URBAN POLITICS**

## 2.1. Introduction

The function of this chapter is to undertake a review of the competing theoretical frameworks developed to explain the political economy of the city in developed economies. It does so by highlighting particular theoretical traditions and evaluating their contribution to understanding the nature and characterisation of the contemporary city. The urban politics literature of the 1950s and 1960s has traditionally been characterised by debates between those who have adopted a pluralist, neo-pluralist or hyperpluralist approach on the one hand (Dahl, 1961, 1986; Lindblom, 1977; Polsby, 1980; Ross *et al.*, 1991), those who have promoted the view that elites invariably control urban politics (Hunter, 1953; Mills, 1956; Bachrach and Baratz, 1970; Logan and Molotch, 1987), or that urban politics invariably operate to facilitate the interests of capital (Cockburn, 1977; Castells, 1978; Duncan and Goodwin, 1988).

However, since the mid 1970s it has been generally accepted that the main features of most Western economies, such as social democratic politics, with the nation-state as the main actor of economic and social intervention and a dominant Fordist regime of accumulation, have given way to new economic, social, cultural, and political characteristics. With the globalisation of the economy, it is argued by some commentators that the declining significance of the nation-state, clearly evident in the economic, cultural, and social and political fields, has been accompanied by an increased significance in the roles of decentralised agencies, sub-national governments, transnational bodies and, in particular, cities in the restructuring of the economy (Amin, 1994; Moulaert and Demaziere, 1996; Hambleton, 1990; Jessop, 1990; Borja and Castells, 1997). There are those who argue that the degree of such change has been exaggerated, and that the nation-state's role, though diminished is still central to both economic accumulation and social regulation (Harvey, 1990; Harding and LeGales, 1997; Scott, 1997). Nevertheless, commentators are virtually unanimous in acknowledging the significance of such change even though they may differ in relation to the degree of change acknowledged. These changes represent a transition from the Fordist regime of accumulation to a new era variously described as 'post Fordist', 'neo-Fordist', 'post-industrial', 'post-modern', or 'late modernity' (Amin, 1994; Harvey, 1990; Jessop, 1990; Painter, 1995; Scott, 1997).

This chapter will argue that the emergence of urban regime theory must be seen in context, that is, as a vehicle for theorising at the level of an urban political-economy paradigm, the urban dimensions of such structural changes. Regime theory argues that the nature of the outcomes of contemporary urban politics is a contingent matter (and not reducible in any simple terms to, for example, class interests or market processes), and one which (in principle at least) is open to empirical investigation (Stone, 1989; Stoker, 1995; Orr and



Stoker, 1994). This approach accepts Judge's (1995) argument that there is in effect little significant epistemological difference between more radical versions of the pluralist and neo-pluralist accounts (those which refer to 'stratified', 'bounded' pluralism or 'hyperpluralism'), and the accounts of competition between urban elites given by elite theories. In effect such accounts may be characterised as outlining different forms of 'competitive elitism'.

Pluralist accounts of urban governance have tended to focus on voter strength as a key factor of political power, and to treat the public and private sectors as relatively distinct actors in the policy process, while elite theories have focused on how a unified economic or status elite has either shaped public policy agendas (as represented in 'non-decision making') or has worked beyond the formal machinery of local government to achieve particular ends. Regime theory is a product of the attempt to get away from the conventional theoretical characterisation of the exercise of power in urban politics in the post-war period as a social control (Dahl, 1961; Hunter, 1953), moving on to consider how the power or control over the policy process is achieved (Stone, 1989). As a response to the economic decline of most Western European cities, the literature on local governance indicates that there is a growing emphasis on the increasing entrepreneurialist role adopted by many Western European local governments and in particular, on the development of partnerships and coalitions of interests ('regimes') in shaping urban politics in the 'post-Fordist' or 'neo-Fordist' era (Amin, 1994; DiGaetano, 1997; Harding and LeGales, 1997; Lawless, 1994; Mollenkopf, 1992; Stone, 1989, 1993; Stoker, 1995; Stoker and Mossberger, 1994).

Regimes are generally coalitions or compromise groups, which seek to effect particular types of outcomes at urban level. Unlike pluralist and elite accounts of urban governance, regime theorists seek to establish how such regimes achieve their goals. In effect they are concerned with questions of how power is gained and exercised to achieve their ends (in Stone's terms, 'power to') rather than how power is exercised in controlling, subverting or excluding other parties in policy processes ('power over'). It might be argued that this implies an 'amoral' approach to social explanation, one in which the moral issues of who should exercise power in certain situations are deemed to be of no significance. However, though the role of social theory may have shifted from the view of the theorist as 'legislator' of values to one of 'interpreter' of values (Bauman, 1992), questions such as how power is exercised, and in whose interests, remain of key importance. Nevertheless these will invariably be preceded by questions of by whom power is exercised, how groups exercising power are mobilised or which groups are excluded.

As Stoker and Mossberger have indicated, one of the significant contributions regime theory can make is in the field of comparative studies (see also DiGaetano and Klemanski, 1993; DiGaetano, 1997; Harding, 1994). Stoker and Mossberger provide an account of three ideal types of urban regimes, and invite a response as to how such regimes may form, be sustained, and evolve or degenerate in different contexts to the American cities. These three types of regimes are:

- a) *organic regimes* which seek to sustain existing social and economic conditions within the city, mobilising themselves to oppose change such as development proposals for the city;
- b) *instrumental regimes* which promote particular types of urban development, often organised around a central project. The primary concern of such regimes is almost invariably with local economic development; and
- c) *symbolic regimes* which focus on changing the image or orientation of the city, for example in promoting a service-based profile for in the face of deindustrialising tendencies.

Such an approach offers a convenient point of departure for the empirical analysis of two Western European cities, Sheffield and Bilbao. Since what Stoker and Mossberger provide are in effect ideal types, it will be important to establish ways in which the nature of the regimes identified in empirical work cohere in their rationale, structures and modes of operation when compared to 'anticipated findings' in respect of their typology. The symbolic regime reflects to some extent the type of regimes which might be directly associated with a current worldwide trend of city 're-imagining' through sport and other symbolic means. However, sport could be implicated in both of the other types of regimes and their strategies.

Sport in general and sports facilities, professional teams and sports events in particular, have traditionally been used as key elements in the economic regeneration strategies and 're-imagining' of American cities (see Baade and Dye, 1988; Chapin, 1996a; Noll and Zimbalist, 1997; Shropshire, 1995). This phenomenon has also expanded, following what Harvey called 'serial reproduction', to urban regeneration processes in other cities worldwide. In particular, some British (Birmingham, Glasgow, London, Manchester, Bradford or Sheffield) and Spanish (Barcelona, Seville or Palma) cities are examples of this 'post-modern' trend, which includes the use of sports prestige projects and other means to replace those traditional urban activities in decline (Brunet, 1994; Cochrane *et al*, 1996; Roche, 1992; Henry, 1993; Hill, 1992, Loftman and Nevin, 1996; Williams, 1997). However, despite an extensive literature on sport and economic development, few

researchers specifically address the role of sport in regime or coalition construction and the role of regimes and/or coalitions in the development of sports strategies (see, e.g., Chapin, 1996a, 1996b; Cochrane *et al.*, 1996; Harvey, 1987; Henry and Paramio-Salcines, 1998, 1999; Logan and Molotch, 1987; Sack and Johnson, 1996).

This chapter seeks to develop an understanding of the role of sport and leisure in contemporary urban economic development strategies. Different traditional and 'new wave' urban theories have been used to conceptualise the emergence of public-private partnerships for economic regeneration and their implications for sport policy changes over the 1980s and 1990s in the two case studies. Structurally, this chapter is divided into four sections. The first section discusses the chronology of the development of theories, considering the socio-economic and political circumstances that facilitate their emergence. The second section reviews epistemological issues involved in the conceptualisation of the city, highlighting epistemological strengths and weaknesses. The third section considers global and local change as reflected in urban development and sport. The final section examines central-local government and their contexts in transnational relations.

## **2.2. Urban politics and economic, political and social circumstances**

### **2.2.1. Pluralism, Neo-pluralism and Hyper-pluralism**

After its emergence in the United States, pluralism experienced its greatest support in the post-war period when most Western governments, in a time of relative economic growth and political consensus, favoured the expansion of a welfare state, as in the case of Britain. At the same time, pluralism has traditionally been regarded as the starting point for the development of other urban theories (Banfield, 1961; Dahl, 1961), which have reflected opposition to, or extension of, pluralist approaches (Judge, 1995). In this respect, pluralism has been particularly relevant in the study of nation state-society relations, policy-making and input politics (elections, party competition and interest groups) in liberal democratic political systems.

The electoral process and its outcomes are considered central to the legitimating of political power. However, pluralists have recently recognised some defects in party competition at the same time that established political parties are facing problems of legitimacy (Dunleavy and O'Leary, 1987). For pluralists, groups form society, with particular interest groups making demands on government on their behalf, competing with other interest groups. In contrast to the electoral process, pluralists value the interest group process as continuous rather than episodic. In addition, groups can influence policy in more subtle ways than electoral processes that deal with many issues at any, single, given election. However, it is

recognised that the number of politically active people in the interest group process is limited. Thus, the influence of lobbying may have less weight (or legitimacy) in policy-making than the electoral process. Nevertheless, governments will contemplate three factors to evaluate the relevance of particular interest groups: first, membership size; second, their degree of mobilisation; and third, the intensity of their members' activity (Dunleavy and O'Leary, 1987; Cawson, 1986). Nevertheless, an 'imperfect pluralism' is found when competition between interest groups is unequal (Dahl, 1961; Dunleavy and O'Leary, 1987). In particular, some economic groups are likely regularly to exert systemic power to further their interests in certain areas where other groups may have limited influence.

For classical pluralism, political power reflects the capacity of one or more actors to achieve ends against resistance by others. This conceptualisation of power comprising control and resistance suggests a 'social control' model. However, pluralist accounts assume that power is not itself a property of individuals, but instead all decision making will be the outcome of a process of bargaining among a multiplicity of groups (Dahl, 1961; Polsby, 1980; Mollenkopf, 1992). Power is seen to be dispersed among both politically active citizens and a plurality of organisations, with different groups being influential in different areas. On such a view, no group is likely to exercise absolute control, though elected politicians, unlike other elites, are the key players in urban politics. The political system is thus regarded as open to all prominent groups (influenced by the three factors underlined above) and explainable in terms of a group process.

Pluralism has a strong normative component associated with an empirical descriptive analysis of decision making which seeks to explain who has made political decisions and who has influenced governments (Dahl, 1961; Judge, 1995). Dahl used his study in New Haven, Connecticut to assess the pluralist model of power. At the same time, Hunter (1953), writing from an elite theory perspective, analysed the distribution of power in Atlanta, provoking what was subsequently known as the 'community power' debate (partly concentrated on methodological issues) in the 1960s and the 1970s. Hunter claimed that the economic and social structure of Atlanta, consisting of politicians and businessmen, exerted control over city politics. To this end, he used a reputational analysis and asked prominent local members to identify where the power lay in the city. His findings confirmed his initial hypothesis, though his methodological approach has been criticised by traditional pluralists such as Dahl, Wolfinger and Polsby. Dahl's study used a decisional analysis based on three key areas (urban development, education and political nominations) (see Dahl, 1961, 11 page appendix). Under Mayor Richard Lee's leadership an extensive urban development programme was undertaken in the city. Dahl concluded that political power in New Haven - and by implication other cities - was fragmented (Dahl, 1986; Mollenkopf, 1992). Pluralists were concerned about generalising their findings. In Britain, some case studies of local

politics have used a pluralist framework (e.g. Newton's study of Birmingham between 1966 and 1972). In Newton's study (1976), three areas (housing, education and race relations) were examined in order to ascertain the extent to which groups had been more involved in urban politics. Newton found, as did Dahl, that different levels of group activity in decision making influenced the outcome of different political decisions. Despite differences, both theories suggested that local power was either highly concentrated in the hands of a small socio-economic elite (elitism) or fragmented in a series of elites with different resources (pluralism).

Following Dahl's study, classical pluralists claimed that politics were still of significance in shaping public decision making and thus rejected the elitist model of urban governance. In the same line of argument, in response to criticisms about the limited participation of citizens in urban politics, pluralism considers that policies demands flow from the "moderate degree of indirect influence" of citizens to elected politicians (Dahl, 1961, p. 164; Wolman, 1995). Other critics focus on Dahl's methodological approach, in particular, on the limited number of key areas selected (Waste, 1986). At another level, Bachrach and Baratz (1963) attacked Dahl for focusing only on the "first face" of power, namely its overt exercise, while ignoring the second (described by Lukes (1974) as the 'hidden face of power') which considers how the interrelation between politics and the economy shapes urban politics. In this respect, there is a 'bias' presented and many relevant issues are not even open to public discussion. Potential decisions are suppressed from the agenda and disregarded. They are thus described as 'non-decisions', in which power is exercised but not overtly (Bachrach and Baratz, 1970). Pluralists responded to the arguments of Bachrach and Baratz, claiming that whilst decisions can be observed and identified, non-decisions are more problematic to analyse because of their invisibility (Mollenkopf, 1992; Waste, 1986). Polsby went further, considering that a non-decision is itself a certain type of decision, in that it is an observable decision not to act. Thus, Polsby (1980) integrated the concept of non-decisions after saying that "the second face of power in practice merges with the first face and becomes identical" (pp. 212-213).

Classical pluralism treated the public and the private sectors as relatively distinct actors in the policy process, with the economy always subordinate to politics (Dahl, 1961; Judge, 1995). On such a view, in Dahl's study, Mayor Richard Lee "exerted more direct influence on redevelopment decisions than any other" (p. 137). Therefore, under the dominant control of mayors, political leaders and private groups could form coalitions around specific issues, though they might tend to be short-lived (Dahl, 1961; Mollenkopf, 1992; Stoker, 1995). However, Domhoff (1978) challenged the central role of mayors, after re-examining Dahl's study and relying on documents and correspondence not available to him. Domhoff noted that, in turn, national business organisations, (in particular, First New Haven National Bank

and Yale University) were at the centre of the city's decision-making before Mayor Lee took power. Similarly, in later work, Dahl (1986) and Lindblom (1977), evolving from their classical pluralist stance, recognised the constraints imposed by the economy over politics and accepted the privileged position of business in capitalist societies.

In the study of state-society relations, American pluralists rejected the nation-state system as part of a normative political theory considering that in the US authority resides in the people rather than in the nation-state (Keating, 1991; Wolman, 1995). Nevertheless, since the 1950s pluralists have subscribed principally to one of three different models of the state, the neutral state characterised as "mediator, balancer and harmonizer of interests" of pressure groups with the non-organised groups (Dunleavy and O'Leary, 1987, p. 46; Dahl, 1961). This and the 'cipher' model were both identified by Dunleavy and O'Leary to explain the relevance of the nation-state as the main actor of social and economic intervention in most Western economies in the post-war period. The cipher model refers to a state highly responsive to political parties and to the dominant interest groups. A third model, the broker state, in turn, reacts not only to external groups but also to actors with their own interests inside the state. At the local level, pluralism recognises the important role of local government to counterbalance the nation-state's power (Dunleavy and O'Leary, 1987). Despite this assumption, it is perhaps rather more in the British case that local government plays this role, rather than in the American context where pressure groups more readily perform this function (Keating, 1991; Wolman, 1995).

If in the post-war period, pluralism was conceptualised as the dominant theoretical approach in urban political analysis with the city characterised as non-conflictual, with limited political power of groups and a stable process of group competition which was responsive to politicians; the emergence of political, economic, urban and social crises in American (e.g. the civil right movements and the anti-Vietnam protests) and European cities (e.g. increased levels of inflation and unemployment) in the 1960s and 1970s, forced a reconsideration of pluralism as a normative theory (Dahl, 1961; Dunleavy and O'Leary, 1987; Fainstein and Hirst, 1995; Mollenkopf, 1992; Thomas and Savitch, 1991). With the increasing challenge to pluralist assumptions, these two decades witnessed in turn an increase in political activism parallel to the growth in the number, diversity, and scope of urban social movements in Western European countries (e.g. May 1968 in France or political activism in the early 1970s in Spain). This occurred in conjunction with claims about a diminution in the capacity and legitimacy of the nation-state, established political parties, and elected politicians (Mills, 1956; Thomas and Savitch, 1991; Castells, 1981; Fainstein and Fainstein, 1974). Neo-pluralism, unlike studies of community power, focused its analysis on these new economic and political situations (Dunleavy and O'Leary, 1987; Dunleavy, 1980; Harding, 1995). In this way, neo-pluralists like Marxists and neo-Marxists

recognised the limitations of elected politicians in contemporary urban politics with the systematic subordination of politics to business (Dahl, 1982, 1986; Lindblom, 1977). In such new context, the state plays a new role not only as a direct promoter but also as a facilitator of economic growth. Nevertheless, neo-pluralists insist that, although business exercises considerable control over decision-making, political power is still legitimised by the existence of democratic elections and a multi-party system.

The combination of new social movements, political activism and the relative decline of the nation-state led to a period of an increasingly fragmented and ineffective process of decision-making (Yates, 1977; Mollenkopf, 1992; Thomas and Savitch, 1991). Yates postulated (after analysing American cities such as New York and New Haven) that policy making was “fragmented to the point of chaos” (p. 34). It was also claimed by Ross *et al.* (1991, p. 58) that the proliferation of urban movements has contributed “to make power in cities...more pluralistic”. Previously, Wirt (1974), in his study of San Francisco, described the combination of both a decentralised government system and a highly fragmented interest group as hyper-pluralistic. Hyperpluralism was characterised by “diversity, variability, complexity, instability, and interdependence of interests and decision games, and by the fact that policy making involves direct and well crystallised conflicts about urban goods and services” (Yates, 1977, p. 37). On this basis such cities were deemed to be ungovernable. His perception led to a characterisation of contemporary urban politics as incoherent and ineffective where “nobody really makes decisions, or if decisions are made it is remarkably difficult to trace exactly who exerted influence and at which stage in the process of decision-making”. Similar findings emerged from a study of 13 American cities undertaken by Thomas and Savitch (1991). All these findings fostered a description of urban politics of the last two decades as hyper-pluralist characterised by both a proliferation of groups and a crisis of the public authority (De Leon, 1992; Stoker, 1991; Mollenkopf, 1992).

Neo-pluralist also point to the fragmentation of urban political power accompanied by the decline of the state as an effective actor is reflected by an increased influence of decentralised agencies, sub-national governments, transnational bodies and cities in the restructuring of the economy. In this way, neo-pluralists challenge the unitary notion of power of elite theory (Dahl, 1982, 1986). With the increasing complexity of current urban politics, neo-pluralists emphasise the importance of power-dependency relations between central and local government. Indeed, local government can exert substantial influence on local economic development strategies, but their limited financial capacity forces them to be still dependent on central state funds and to a lesser extent, on European funds. Additionally, Stoker agrees with neo-pluralist writers on the importance of business interests in influencing these processes (see Judge, 1995). Indeed, as we shall see below,

most of the neo-pluralist assumptions inform, to some extent, new theories such as the growth machine and the urban regime.

### **2.2.2. Elitism and Neo-elitism**

'Classical elitism' or early modern elite theory emerged at the end of the nineteenth century as a response to Marxist theory. Contrary to the strong egalitarian claims proposed by Marxism, classical elitism advocated the control of society by a small elite (see Mosca, 1939; Pareto, 1935; Michels, 1959). Building on Mosca's later thinking, another version of elite theory, 'democratic or technocratic elitism' evolved in the work of Weber and Schumpeter. This variation of elitism synthesised some of the main assumptions of both classical elitism and pluralism to explain the operation of the nation-state during the social democratic period, with the emergence of a growing bureaucratisation. Schumpeter (1944) (cited in Dunleavy and O'Leary, 1987, p. 142) defined democracy as "an institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people's vote". However, democracy does not mean equality for all people in terms of liberty and participation, but it is more concerned with filtering political inputs in order to produce elite pluralism. Democratic elitism assumed the compatibility of bureaucracy and democracy and stressed elite competition. This version of elitism as with neo-pluralism, was opposed to the reductionist classical Marxism as a valid framework to analyse emerging economic, social and political characteristics.

Elitism does not offer a unified view about political power. Classical elitism took as axiomatic that power is an inherited part of human nature. Lukes (1974) defined power essentially as an unequal relationship that can not be considered consensual (Dunleavy and O'Leary, 1987). Democratic elitism suggests that power remains in the hands of the few who lead bureaucracies (Weber, 1968; Harding, 1995). In other words, power is a structural property of organisations that subsequently exert control over the state. Critical elitism regarded as the most influential approach to urban politics, emerged in opposition to classical elitism but shared many assumptions of the democratic approach. One of its representatives, C. Wright Mills analysed the structure of power in contemporary American society. He suggested that power, unlike pluralism, had become increasingly bureaucratised and hierarchical. At the top, three groups (named the 'power elite') exerted major control, in particular, large business corporations, the military and the central executive machinery of government who shaped all important national and international decisions, leaving the less relevant to elected politicians (Mills, 1956; Domhoff, 1978). Elected politicians, according to Mills, were thus relegated to a secondary level of power. At the same time,



various special interest groups struggled for promotion, for example, labour unions. Finally, at the lowest level was the mass society.

The 'power elite' was not an economic class based only on ownership of capital, but also formed to some degree a unified group inter-linked through a series of personal networks as well as the desire to maintain their own power (Mills, 1956; Domhoff, 1978). However, this unelected power elite may sometimes disagree or fail to use their power. But, according to Mills, they are the only group who can exercise this capacity. Power in Mills' terms is domination. However, Mills' conceptualisation of power has been criticised on methodological and theoretical grounds (Domhoff, 1978; Dahl, 1961). Both pluralists and Marxists criticised, in particular, Mills' inability to demonstrate empirically how the leaders of the power elite were united. Pluralists considered that there was competition rather than cohesion. Additionally, despite the fact that Mills identified who held power in America and what kinds of interests were served, he did not say anything about what the elite did with its power or about the process of decision making. What is more, elected politicians were not an effective counterweight to this unelected power elite. Surprisingly, Mills (1956) regarded academics as the only group with capacity to challenge this elite.

Going on methodological grounds, classical elitism recognised the difficulty of demonstrating empirically the direct exercise of power itself. As indicated earlier in relation to the debate about pluralism, Hunter (1953) was the first to apply elite theory to test the exercise of power. To this end, in his study of Atlanta, a reputational analysis was used to prove that power of individuals was associated with their reputation for having that power. He asked well informed local people to identify and rank, according to their reputation for power, the most influential local leaders. After that, 40 top leaders were then interviewed in order to ascertain who among them was perceived to be the most powerful (Harding, 1995; Dunleavy and O'Leary, 1987). Hunter confirmed that the 40 leaders, all knew each other well and formed themselves into groups depending on their main interests. The leaders of each group consorted to form a powerful core of policy makers. Despite the fact that most of them were senior executives within key Atlanta businesses, only a few were visible to the local people. In particular, the mayor was the only government figure seen as belonging to these cores. However, in contrast to pluralists, Hunter claimed that although elected politicians play an important role in the implementation of policies, the formulation of policy remained outside the formal structures of local political institutions. In this way, the small elite identified by Hunter focused on local politics rather than on national and international issues of Mills' power elite.

These findings emerged in the context of a broad community power debate. Pluralists criticised Hunter's findings based on methodological issues. In particular, he was accused

of using inadequate empirical methods, which predetermined his findings. Firstly, the formulation of the list of influential leaders was dependent upon the institutions of both Hunter, and the selected members on panels consulted, rather than being independently empirically verified. Secondly, the reputational analysis ignored systemic power by assuming that power was simply owned by individuals (Dahl, 1961; Polsby, 1980; Harding, 1995). The first critique did not discredit the reputational method. However, the second, as Harding points out, totally opposed to pluralists' accounts, was entirely justified. Neo-elitists counter-attacked pluralists' methodological criticisms. They highlighted defects in pluralist analysis of decision-making and observable political conflicts (Dunleavy and O'Leary, 1987; Harding, 1995). With respect to decision-making, pluralists, unlike Hunter, failed to take account of the fact that power may be, and often is, exercised by confining the scope of decision making to relatively safe issues (observable decisions) while putting aside non-decisions. In fact, elite groups might exercise considerable power to ensure that only certain issues, rather than the important ones, appear on the political agenda (Bachrach and Baratz, 1970). One of the mechanisms used in biasing decisions in favour of the power elite, as neo-elitists along with the growth machine theorists recognised, is through the media (Harding, 1995; Molotch, 1976).

In contrast to pluralists, elite theorists such as Hunter and Mills, focusing on the upper class as one dimension to the power structure, did not give much attention to the electoral process. While Mills directly relegated political discussions to a secondary level, Hunter's brief account of relations between the Atlanta power structure and the Georgia State government left little room for independent action on the part of elected politicians. Unlike pluralist accounts, elitists acknowledge inequalities of political influence between interest groups, with some groups' interests excluded or marginalised from decision-making, while others enjoy more favourable conditions. In practice, elites are aware that there are certain interests not represented in decision-making. Olson (1965), Mills and growth machine accounts shared the assumption that certain interest groups are primarily united by their shared interest in selective incentives. Elitism as well as regime theory and growth machine accounts expects stability within the interest group, by contrast to instability predicted by pluralists. In essence, the community power debate focused on understanding power and how it should be measured, but failed to place the analysis within a wider process of economic change (Harding, 1995; Mollenkopf, 1992; Stoker, 1995).

### **2.2.3 Marxists and Neo-Marxism**

Unlike pluralism, Marxist theories have sought to provide an explanation, critique and alternative prescription to the capitalist system in advanced democracies (Pickvance, 1995; Harvey, 1990). In this respect, Marxists accounts have been traditionally critical of the

nature and requirements of the capitalist mode of production and the role of the nation-state in this process. While pluralism conceives power as dispersed, for Marxists the dispersal of power is restricted to those issues where the structural power of capital is not challenged. Indeed power might appear to be pluralistic but the reality is different. Capitalist societies are structurally dependent upon economic production which capital controls. Marxists and neo-Marxists agree that economic power reflects political power. Under these circumstances, the ownership of the means of production is translated to advantage capital in terms of power over political elites. In this way, Marxism has tended to argue that the differential distribution of power between capital and labour generates exploitation and subsequently class conflicts (Castells, 1978; Cockburn, 1977; Duncan and Goodwin, 1988; Miliband, 1973; Harvey, 1987; Pickvance, 1995). However, Marxism and neo-Marxism start from the premise that capitalism cannot guarantee its own reproduction because it has prerequisites which the market cannot secure and produces conflicts which need to be regulated (Pickvance, 1995; Judge *et al.*, 1995).

Marxism does not offer a unified view about the degree of autonomy of the state in relation to the dominant classes, the unity of state institutions, and the influence of external actors in urban politics. In this debate, 'instrumental' Marxists along with elite and neo-pluralist accounts, have suggested that the state favours, through a wide range of policies, the interests of capital (Cockburn, 1977; Dunleavy and O'Leary, 1987; Harvey, 1990; Miliband, 1973; Pickvance, 1995). In addition, this strand of Marxism accepted the unity of state institutions with local government having little autonomy from the nation-state. As a result, local urban politics were relegated to a secondary level of analysis. In later work, 'structuralist' Marxist authors re-defined their view of the state by saying that the state is relatively autonomous from capital (Miliband, 1973; Poulantzas, 1973; Castells, 1977; Gurr and King, 1987). In fact, Poulantzas suggested that the state seeks to guarantee the long-term benefits of collective interests. The state does not exercise power by itself; rather it is argued to be the terrain on which class struggle takes place. State actors are, in turn, not autonomous, but respond to pressure from different groups. Public policies therefore emerge from this class struggle. Castells' initial thought argued, in turn, that the main role of the nation-state during the Fordist regime of accumulation had been to guarantee the reproduction of labour forces and to reduce class conflict, both essential for the maintenance of the capitalism system (see also Harvey, 1990). Miliband went further and differentiated the operation of the state in periods of economic growth and of economic crisis. In the former case, the state becomes more autonomous and responds to a wide range of interests while in the latter, the state responds primarily to the interests of the dominant classes. In later work, Miliband (1973) along with corporatist theory, noted that the interests of capital and labour are asymmetrical, that is, trade unions are subject to constraints which do not apply to organisations of capital.

As mentioned above, Marxists and instrumental Marxists have traditionally undermined the importance of local politics to the extent that local government, far from responding to local needs, was seen as concerned with legitimising the capitalist system as well as with favouring local economic interests. Along the same line of thought, local government was considered the local version of the nation-state with both entities shaped subsequently by capital (Cockburn, 1977; Pickvance, 1995). Saunders in his 'dual state' thesis (1981) also denied the independence of local state. This model revolves around the allocation of functions between different levels of government, in particular, related to production and consumption areas. As such, national and regional states are concerned with production whereas local government acts as the main provider of collective services (see also Castells, 1978; Dunleavy, 1980; Cockburn, 1977; Duncan and Goodwin, 1988). This functional division ensures that all state policies favour the needs of capital (until the arrival of the Conservatives to power in 1979, the British political system approximated this model). This view is not held by structuralists and neo-Marxists who claim that local government is autonomous from both the nation-state and, to a lesser extent, the interests of capital (Miliband, 1973; Gurr and King, 1987). Therefore, it was assumed that the local state could pursue its interests without being constrained by local economic and social conditions. However, Gurr and King noted that there are some financial constraints on what the local government can do to maintain a locally healthy economy. Thus, Western local governments are likely to seek additional resources from external sources to finance development programmes.

As already discussed under pluralism, the 1960s and the early 1970s saw an increase in political activism and the growth of urban social movements which coincided with the first signs of a wider economic crisis in Western economies. Those social movements, according to Castells (1977), arise from consumption crises, especially when government policies shift away from social concerns. However, Castells' explanation is regarded as structuralist and also in its scope is likely to exclude many other groups (Gurr and King, 1987). In a later work, Castells (1984) redefines his theory and distinguishes between three types of social movements according to their specific goals. However, only groups that combine the objectives of all three have the potential to shape the local state's policies. In contrast to American cities, Castells argues that the mobilisation of citizens has been crucial in shaping urban politics in European cities.

The appearance of this economic crisis in Western societies has opened an intense debate on a virtually worldwide scale involving competing theories. Marxists share with regulation accounts the origin of the economic decline was essentially caused by the crisis of the Fordist regime of accumulation, in particular, by the tendency of capitalism to overaccumulation (Harvey, 1990). Marxists argue that this tendency can never be

eliminated under capitalism. Neo-Marxists went beyond pluralism and elitism by recognising the changing character of capitalist economies and how these changes are influencing contemporary cities. Cities are no longer independent from economic and social forces that operate on them, and therefore, the impact of global and national influences cannot be ignored (Miliband, 1973; Gurr and King, 1987; Harvey, 1987, 1990). One of the effects of the globalisation of the economy is that many decisions are more dependent upon non-local forces than upon the immediate decisions taken at local level. Marxists regulation accounts have focused on these new trends as well as on others such as the growth of inequality and poverty with some cities no longer able to generate sufficient funds to provide traditional local services (Harvey, 1987; Wolman and Goldsmith, 1992; Gurr and King, 1987). O'Connor (1973) pointed out that the failure to maintain private sector profitability has undermined the legitimacy of the nation-state and has resulted in a 'fiscal crisis of the state'. In addition, the traditional conception of the dual state of Saunders came under attack with the adoption of neo-liberal policies worldwide.

#### **2.2.4 Corporatism**

Corporatism emerged, along with other urban theories, in the 1970s as a response to pluralism (Cawson, 1986). Corporatism can be understood in many different ways, but the most common version refers to it as a distinctive way of understanding the relationship between society (exemplified by 'corporatised groups') and the state during the Fordist regime of accumulation. The most important 'corporatised groups' traditionally recognised are those organisations representative of capital and labour. As one might expect, not all groups have the capacity to become corporatised though there remains a certain competitive interest group process. In fact, one of the main differences between corporatism and pluralism concerns the number of groups involved in policy-making. While pluralism subscribed to an indefinite number of organisations, corporatism makes emphasis on a limited number of organisations. In this vein, the influence of pluralist groups, according to corporatism, in the process of economic production is merely symbolic (Cawson, 1986; Schmitter, 1974). Corporatism, like neo-pluralism and classical elitism, in turn, values the systematic power conferred on business corporations and peak organisations of capital. Beyond that, in contrast to Marxists who ascribe a governing character only to organisations of capital, corporatism recognises the important role that trade unions have played in the process of governance in many Western economies, though at a secondary level.

Based on the premise that everything is open to negotiation, corporatism points out that macro-economic and social policies in many Western countries have been traditionally negotiated in a tripartite manner between representatives of capital, labour and the state (Cawson, 1986). Under corporatist arrangements, it has been generally accepted that the

capitalist economy prospered most in the social democratic period. Cawson noted that macro-corporatism arose only in a few small countries like Austria, Sweden or Germany in the context of economic growth, while in the case of UK, the approach adopted from the mid-1960s to late 1970s was identified as weak macro-corporatism (see also Wrinkler, 1976; Kavanagh, 1994). However, since the mid-1970s corporatist arrangements have been challenged with the arrival of neo-liberal ideas.

Unlike classical and instrumental Marxism, corporatism views the state as acting independently from capital and with control over economic production (Cawson, 1986; Wrinkler, 1976). In a capitalist economy these groups exercise power in an asymmetric way. Corporatist theory agrees with Marxist and critical elitist accounts of inequality and hierarchy in the distribution of power, but departs from Marxism in attributing such inequality to class structure and to the differential power of capital and labour (Cawson, 1986). Corporatised groups achieve power as a consequence of social closure whereby they acquire a monopolistic representation of a particular category of functional interest. In this sense, corporatism re-considers the pluralist concept of interest group by introducing the concept of 'functional interests' to define those groups that have the capacity to become corporate groups. Nevertheless, class interest is an extremely important factor for closure, but it is not the only one. As an example, some professional groups may achieve a substantial power by this means but corporatism argues that their power is limited. On the other hand, some powerful professional groups such as legal and medical professions can negotiate agreements in a bipartite corporatist basis (Cawson, 1986; Saunders, 1981).

Corporatist theory does not accept the pluralist and Marxist assumption that power is a zero-sum process (e.g. for Marxism working class power can only increase if the power of capital is reduced). By contrast, corporatists, as with Olson and Mills, share the assumption that certain individuals join associations expecting not only general benefits (e.g. economic growth) but also to influence governments and other organisations (Cawson, 1986). Once organisations acquire a monopolistic representation, this status confers on them a systemic power. In line with growth machine and regime theory explanations, the costs of forming an alternative organisation are too high and also there is no competing organisation to join. The internal cohesion of the corporatist organisation emerges from its relationship with the state. In essence, centralisation and concentration of interest organisation constituted the dynamic process of corporatism (Cawson, 1986).

As with pluralism, the nation-state is seen as synonymous with government. However, corporatism differs from pluralism in that in any process of bargaining only the permanent presence of the government assures a real process of corporatism. Moreover, governments are not always responsive to all groups, but make use of certain monopolistic interest

groups to shape decision-making. In this respect, unlike pluralism, governments are not always neutral with respect to organised interests while other groups are deliberately excluded (Cawson, 1986). At the same time, while pluralism stressed the separation between public and private actors, corporatism stresses the interdependence of public and private groups. This is evident not only by the proliferation of state agencies, but also by the dependence of much of the private sector on state funds. Despite internal differences, major socio-economic issues in many capitalist societies have been determined and implemented in a process of restricted negotiation between government and particular interest organisations. This assumption presumes that state agencies exercise power in their own right, and that government is to a greater or lesser extent autonomous.

Most of the assumptions already outlined symbolise the most important form of corporatism, macro-corporatism. At a secondary level exists 'meso-corporatism' which focuses its analysis on the process of negotiation between state agents and sectoral organisations with a sufficient degree of representativeness rather than with the peak organisations of labour and capital. At this level, different branches of production gives rise to different monopolistic sectoral interests who may be organised into bodies such as employers' or trade associations. Cawson argues that this level of corporatism is more specific to traditional industrial sectors rather than in the new up-and-coming sectors. Finally, at the lowest level stands 'micro-corporatism' where corporatist intermediation takes a bipartite form with state agencies negotiating directly with firms. This process occurs when there may be no appropriate interlocutor. Nevertheless, when firms decide to join forces they can achieve certain arrangements in exchange for material incentives. This selective political exchange can not be associated with either macro or meso-corporatism because no interest concertation is involved. According to Cawson, micro-corporatism can be a valid framework to analyse the emergence of public-private partnerships or the role of networks in local economic development processes in the 1990s (see also Church and Reid, 1996).

In general, all varieties of corporatism share the need to have state agencies as negotiators. However, critics claim that corporatism has failed to develop a convincing theoretical account of the state, an aspect admitted in later work by Schmitter (1985 in Cawson, 1986, p. 45). Also corporatism was criticised by pluralists on methodological grounds for not providing an accurate description of interest politics and of the working of liberal political systems. Nevertheless, after the mid 1970s the most extensive criticisms came from neo-liberal accounts claiming that the kind of corporatist arrangements achieved in the period of social democracy led to a diminution in the authority of the state in the face of powerful trade unions and other sectional interests. On such view, at this time corporatism was said to be responsible for many of the economic crisis of Western economies. With the

globalisation of the economy, certain areas such as production, trade and finance are no longer attached to national boundaries, which has contributed to diminish the power of labour organisations. In the context of transnational capital, macro-corporatism is seen as under threat and interest in corporatism was therefore limited to concern with meso and micro-corporatist analysis in the 1990s.

### **2.2.5 New Right**

Although many of the commentators, including Hayek, Friedman, Buchanan or Tullock previously promoted neo-liberal or new right explanations, it is in reality since the mid 1970s that this type of account has re-emerged in importance (Gamble, 1988; Mollenkopf, 1992; Atkinson and Moon, 1994). The new right ideology is historically rooted in a combination of two distinct strands, neo-liberalism and neo-conservatism. The key assumptions of the classical 'neo-liberalism' include the defence of minimal intervention of the state in the economy with its actions strictly controlled and rendered compatible with the market. In the same vein, the state is seen as essential to the creation of a general context in which individuals can exercise their freedom. Neo-conservatism, in turn, places more emphasis upon social and political control issues assuming that there is breakdown of the authority of the nation-state, decline in the standards of morality, and general disintegration of society. In this way, neo-conservatism promotes the restoration of the authority of the nation-state lost progressively during the social democratic period. Despite some differences, all strands of new right ideology share an opposition to the existing economic and social principles underpinning the Fordist model of the post-war period. At the same time they argue for both a liberal defence of the free economy with a conservative defence of state authority. Gamble summarises this contradictory principle in the phrase "the free economy and strong state" (p. 28) reflecting the paradox of the need to simultaneously roll back and roll forward state influence. Under these circumstances, the state becomes highly interventionist and centralised in particular areas while in others it plays the opposite role.

Some of the major exponents of this ideology have been the Conservative governments of Thatcher and Major as well as the Reagan and the Bush administrations sharing their opposition to the main features of the British social democratic state and American welfarism (Gamble, 1988; Kavanagh, 1990; 1994; Hambleton, 1990; Hutton, 1995). Despite the fact that many of the main ideas of the new right ideology emerged in the US, in the case of Britain, the long-term structural decline of the British economy associated with the globalisation of the economy helped to favour the adoption of neo-liberal policies. In addition to the aim of hollowing out the state, they share advocacy of shrinking, restructuring and ultimately dismantling the entire thrust of the social democratic period,



including state intervention, industrial policy, commitment to full employment, trade unions' strength, and high levels of public spending and taxation. Alongside the discrediting of the Fordist model, new right accounts also recognised the weakened position in the economic sphere of the US. All these factors led new right ideology to be associated with an alternative accumulation regime characterised by deregulation of the labour market, an ideology of individualism and entrepreneurship and a minimalist welfare state (Gamble, 1988; Stoker, 1988; Jessop, 1990; Kavanagh, 1990; 1994). Essentially, the new notion of welfare combines more choice, more economic efficiency and more individual responsibility.

As an extension of the need to restore a strong state, the 1980s and 1990s have also witnessed a major dispute between central government and local authorities about their respective powers and functions. In this context, local government in the UK (see chapter 4 for more details) and to a lesser extent, in the US came under attack by consecutive Conservative governments (Cochrane, 1991; Gamble, 1988; Hambleton, 1990; Parkinson, 1989; Stoker, 1995; Wolman, 1995). The new right overtly criticises traditional welfare programmes based on their cost and tendency for unchecked growth as well as their failure to be responsive to local needs. In seeking more economic efficiency, British local authorities have not only been obliged to cut public spending but also to privatise some of their traditional functions and services, ranging from housing and social services to sport. It is worth noting that contracting out public services has been a long-established practice in many American cities. After all, the underlying driving force behind the various processes of privatisation is an ideological belief that private sector services are always better than public ones, particularly those provided by local government. Simultaneously, the diminution of the traditional role of British local government coincided with a privatisation of urban policy. Beyond that, new right ideology (along with regime accounts) aspires to redefine the role of local government (as enabler) to ensure compatibility with the new regime of accumulation and the adoption of an enterprise culture (Cochrane, 1991; Goldsmith, 1992; Osborne and Gaebler, 1992). In terms of urban governance, the Conservatives were attracted by the model of the 'entrepreneurial' American city and the development of new political arrangements in the form of public-private partnerships (Bailey *et al.*, 1995; Gamble, 1988; Hambleton, 1990; Parkinson, 1989; Stoker, 1995). In essence, urban entrepreneurialism was deemed as an essential policy response to promote urban regeneration over the last two decades. However, a number of authors argue that one of the negative effects of the implementation of the set of neo-liberal economics at the urban level has been the growth of social polarisation (Hambleton, 1990; Harvey, 1987, 1990; Hutton, 1990; Squires, 1991).

### 2.2.6 Regulation theory

Regulation theory emerged as a new theoretical approach during the 1970s. Originally, it came from a small group of French structuralist Marxist economists, including Aglietta, Lipietz and Boyer, who applied an economic perspective to explain the nature of the post-war period of economic growth period up to the mid 1970s, known as Fordism, and its crisis thereafter, but with a limited consideration of the state, government and urban politics (Aglietta, 1979; Amin, 1994; Goodwin *et al.*, 1992; Jessop, 1990; Painter, 1995). With the globalisation of the economy it has been generally accepted by regulation accounts as well as by other theories of transition that the nature of capitalism has been affected by significant changes operating at the international, national and local level. As Amin notes, with the globalisation of the economy, the main existing structures underpinning the Fordist regime of accumulation have experienced crisis in Western economies, including capitalism, industrialism and the nation-state system.

In the analysis of the nature of the new economic, political and social changes, regulation theory goes beyond traditional urban theories and examines these changes at the macro-level through the connections and interrelations between social, political, economic and cultural factors (Amin, 1994; Goodwin *et al.*, 1992; Harvey, 1987, 1990; Jessop, 1990; Peck and Tickell, 1994). However, there is not a single regulation theory account. Jessop has identified seven main schools within this framework that analyse Fordism using four distinctive sets of key concepts such as labour process, regime of accumulation, mode of regulation and mode of societalisation. In simple terms, Fordism refers to the dominant mode of industrial organisation operating in most of the capitalist countries in the post-war period that constituted a distinctive 'regime of accumulation'. Thereafter, regime of accumulation refers to the stabilisation of relations between production and consumption processes through an efficient allocation of social product between reinvestment, profit and consumption (Jessop, 1990; Goodwin *et al.*, 1992; Harvey, 1990). The expansion of this regime of accumulation was continually secured through a specific 'mode of regulation' which (principally) the state facilitated through its many economic, political and regulatory mechanisms (Amin, 1994; Goodwin *et al.*, 1992; Harvey, 1990; Jessop, 1990). Finally, the 'mode of societalisation' relates to a series of political compromises, social alliances and hegemonic processes of domination that feed into a pattern of mass integration and social cohesion.

Regulation theory along with other theories of transitions claims that the 1980s were the turning point for the emergence of a 'post Fordist' or 'neo-Fordist' era' (Amin, 1994; Jessop, 1990; Painter, 1995; Harvey, 1990; Scott, 1997). Though there is not a consensus concerning the characteristics of the new post-Fordist mode of regulation, different authors

identify as new, certain economic and social features: the declining size of production units, flexible production, differentiated consumption or the increasing entrepreneurialism adopted by cities (Amin, 1994; Harvey, 1990; Jessop, 1990; Mayer, 1994; Painter, 1995). Beyond this, Jessop argues that these new conditions represent as a shift from the Keynesian welfare state to a new 'Schumpeterian workfare state'. At the same time, Jessop highlights how the 'hollowing out' of the previously dominant nation-state system is associated with the transfer of power upward, to supranational institutions, downward, to sub-national and local authorities and outward, to market and private de-centralised agencies. Peck and Tickell (1994) argue, in turn, that a coherent post-Fordist model has yet to stabilise while they also dismiss Jessop's portrayal of neo-liberalism as only one potential post-Fordist regulatory option.

According to regulation theory, local government has been a member of the range of institutions that helped to sustain the Fordist mode of production (Duncan and Goodwin, 1988; Goodwin *et al.*, 1992; Harvey, 1989). However, regulation theory offers a limited consideration of the state, especially the local government. Despite this lack of concern for the state, regulation theory, drawing on Marxist accounts, considers that the role of the state within processes of social and economic regulation is to facilitate the transition of the economy in the interest of capital accumulation. Goodwin *et al.* (1992) argue that practices and relations of regulation also take place locally with the local government playing an important role in initiating and sustaining new modes of regulation, even though national governments will ultimately need to share much of their traditional governing capacity (Mayer, 1994). In contemporary urban politics, local government has therefore been both an object and agent of regulation. In particular, the politics of local government, and the local state in Britain, under four successive Conservative governments exemplify these changes. Public services and institutions have been reshaped and the provision of public services been temporarily postponed in order to develop entrepreneurialism in local economic development strategies in the 'post-Fordist' era. Another implication of the new post-Fordist politics has been the increasing development of coalitions and partnerships at local level (Mayer, 1994). Mayer argues that some of these developments constitute a reformulation of economic and social policies towards a post-Fordist Schumpeterian entrepreneurialism (Amin, 1994). However, some authors rather than marshalling evidence to confirm and describe the features of the transition to a new era (Lipietz, 1987; Rustin, 1989), suggest that:

Post Fordism is better seen as one ideal-typical model or strategy of production and regulation, co-present with others in a complex historical ensemble, rather than as a valid totalizing description of an emerging social formation here and now (Rustin, 1989, p. 61)

This stance highlights the strategic, relational and complex nature of any transition, and Rustin sees Fordism and post-Fordism as the “resolution of conflicts at the level of social relations, not as the automatic outcomes of the technological imperatives of ‘mass production’ or its information based successor” (p. 63). This implies that in order to comprehend either Fordism or its transition to a new regime, it is necessary to connect social, economic, political, cultural or environmental contexts (Amin, 1994). Harvey (1987, 1990) adds a spatial component considering that changes in the mode of regulation will necessarily involve changes in the spatial form and configuration of society. But more than simply pointing out that such change takes a spatial form, Harvey suggests that particular sets of social relations tend towards the production of a ‘structured coherence’. The state is then seen as crucial for the maintenance, undermining and dismantling of this structured coherence, especially within a Fordist mode of regulation.

Regulation theory lacks the extent and range of empirical work for the analysis of local government seen in other theories (Painter, 1995; Stoker, 1988, 1990; Goodwin *et al.*, 1992). Nevertheless, studies of local government using regulation accounts have concentrated more on national policy changes and how these changes affect local government rather than examining the changing nature of local politics in an isolated form (Mayer, 1994). As noted, regulation theory has been extensively criticised for lacking a shared characterisation of Fordism (Cochrane, 1991; Goodwin *et al.*, 1992). This diversity, and the theoretical confusion which stems from it has led to questioning regulation theory as a valid framework to study the nature of urban political change. Without rejecting regulation theory totally, Goodwin *et al.* concentrate their analysis of local politics and the local state within the notion of Fordism as a mode of regulation, rather than facing a shift to post-Fordism.

Although pluralist, elite theory, Marxist accounts, corporatist and regulation approaches focus on interests and power, few such accounts look beyond class to gender, ethnicity or other variables (Goodwin *et al.*, 1992; Pickvance, 1995; Roseneil, 1997). Under the Fordist regime of accumulation, urban politics were male-dominated which did little to challenge the patriarchal gender division of labour with women considered as domestic reproducers of labour and their interests subordinated to men’s incomes. In general, the challenge to the ideas outlined above came not from new politics in the national political parties, but from the women’s movement often working through the ‘new urban left’ at the local level (with the exception of a few sources such as Cynthia Cockburn’s Marxist feminism account (1977) where the application of feminist research to issues of urban governance is evident). One of the effects of the global economy has been the fragmentation of the labour market, and in particular, the substantial incorporation of women into the current labour market (more than 40 percent in many of the advanced capitalist economies) (Harvey, 1990;

Kasarda, 1993; Sassen, 1994). Despite this substantial incorporation of women in labour processes, there is still an important gap between the role of men and women in public decision-making. In fact, a number of writers on globalisation argue that women are currently excluded from the political decision-making in the 'post Fordist' era (Roseneil, 1997).

### **2.2.7 Growth Machine**

The growth machine concept, originally developed by Molotch (1976) (see also Logan and Molotch, 1987), seeks to explain urban development processes, as well as the emergence and operation of urban growth machines in American cities. These coalitions emerged initially in virtually all American cities, as Molotch argued, after the first urban crisis at the end of the 1950s and throughout the 1960s (Mollenkopf, 1992; Castells, 1981). The urban crisis was concentrated around two issues: first, the decline of the large urban centres; and second, the increasing alienation of growing ethnic minority populations located in these areas. Therefore, in order to generate revenues from declining urban centres and to recover these urban spaces for business activities, American cities such as Boston, Baltimore, Los Angeles or San Francisco started to develop extensive urban development programmes, mainly in city centres. Simultaneously, elected politicians developed coalitions with business elites around urban development and economic growth issues (Mollenkopf, 1992).

Although traditional urban theories have ignored the politics of growth, even when debates over growth infrastructure were the object of their analyses (Banfield, 1961; Dahl, 1961), the use of land, and government activity to promote economic development, is not a new phenomenon in the US context. The growth machine idea represents a partial reversion to the concerns of the community power debate and rests on an urban political economic approach. Elitism, Marxism and neo-Marxism inform growth machine analysis in significant ways. Unlike pluralism, growth machine analysis focuses principally on the action of, and interrelations between, the main actors in urban development process rather than in local politics. Indeed, the growth machine approach revolves around the questions of who exerts the greatest influence over the physical restructuring of the city, why, and with what effect (Logan and Molotch, 1987; Harding, 1995; Mollenkopf, 1992). These authors concentrate their study primarily within cities, though Logan and Molotch recognise the importance of connections between local and non-local decision making within the business community. Growth theory, along with regime theory, stems from a political economic perspective 'on place' (Elkin, 1987; Logan and Molotch, 1987; Stone, 1989; Harding, 1995). Like elitism, Marxism, and regime theory, the growth machine approach recognises the systemic power of business in shaping local politics. It also draws on aspects

of Marxism and neo-Marxists, in particular, the distinction between 'use values' and 'exchange values' with regard to property (Harding, 1994, 1995; Harvey, 1987).

A growth coalition, as defined by Logan and Molotch, comprises groups of influential urban actors who seek to promote local economic growth. At the core of any coalition there is a small group of local rentiers (property owners), as Molotch argued, who expect to maximise the exchange values of their urban holdings through a more intense use of land. These rentiers represent only parochial capital and therefore need to construct coalitions with other actors to support their interests. Some of them have a fixed relationship to the city while others are geographically unconstrained using national or even transnational capital. Within this context, the coalition brings together other actors who are not directly involved in land use but are associated with the local economic development process: the local financial institutions, the local media and the legal profession. Additionally, members of the coalition can be incorporated from other local institutions such as higher educational establishments, professional sports clubs, trade unions, and retailers (Molotch, 1976; Harding, 1994). The members described above represent a 'business elite' that collectively controls the pattern of urban development and despite their different interests, they seek to maximise the exchange values of urban settings. Under these conditions, growth machine as well as regime theories assume the stability of any dominant coalition over time (Molotch, 1976; Logan and Molotch, 1987).

The coalition, meanwhile, tries to legitimise the gain of its members by espousing an ideology of 'value-free' to urban development and growth (Logan and Molotch, 1987; Harding, 1995; Savage and Warde, 1993). Although decision-making favours the interests of coalitions partners, which are not brought up in public, the growth coalition will assert that local growth strengthens the local tax base and provides jobs as well as resources to solve existing problems. However, once these groups have achieved their goals, it is secondary whether local growth has increased social and spatial conflicts or even resistance from local residents (Levine, 1989; Logan and Molotch, 1987; Fainstein and Fainstein, 1989). The kind of new jobs generated are often for new residents and commuters rather than for local residents. Molotch (1976), drawing on the US context, noted that, in reality, "local growth does not make jobs, it only distributes them" (p. 320). In the case of the US, where there is great worker mobility, new jobs may not change the aggregate rate of unemployment (either locally or nationally). In short, despite the proclaimed benefits of economic development, Molotch pointed out that there is no evidence to show that local growth will reduce local unemployment. In addition, despite the fact that costs and benefits of growth depend on local circumstances, if the anticipated growth does not materialise the conditions of local residents can be negatively affected. This has created a certain degree of

local resistance, with the emergence of 'no-growth' movements (Clavel, 1986; Savage and Warde, 1993).

Nevertheless, conflicts within the city tend to be minimal and the issues that reach public agendas do so precisely because they are matters, on which coalition partners have, in effect, agreed to disagree. Thus, growth machine theorists along with neo-elitists, share the idea that certain important growth affairs are kept on a symbolic level, often diverted from public agendas to back rooms or negotiations within insulated authorities and agencies (Bachrach and Baratz, 1970; Caro, 1974). To achieve this, some mechanisms are used, for instance, the local media, may be especially useful in a debate around controversial development projects. Editorials and news columns usually invoke the 'common good' and 'technical' planning expertise rationales to sell these projects to the public (Molotch, 1976; Logan and Molotch, 1987). On the other hand, media executives tend to be sympathetic to business leaders' complaints about a particular journalistic investigation which may be bad for the expected good business climate (e.g., the Los Angeles Times sacked its celebrated architectural critic John Pastier for incessant criticism of Los Angeles downtown renewal projects (Clarke, 1983 cited by Logan and Molotch, 1987)).

Although local media are not directly involved in land use, they can indirectly benefit from local growth through the newspaper achieving a position of statesman locally (Molotch, 1976). Similarly, leaders of local utilities companies, arts institutions, universities and professional sports teams help boost local economic growth. In the same vein, union leaders are often predisposed to support these coalitions. Drawing on the weakness of labour movements in the US, unions are sometimes instrumentalised to support prestigious urban projects or to oppose opponents of these urban developments (Logan and Molotch, 1987). Retailers do not have a clear interest in generating aggregate rents, though they are sympathetic to growth. In contrast, branch executives of large corporations located in a city, have little direct interest in local land-use intensification (Schulze, 1961 and Kaplan's 1983 study of Houston cited by Molotch, 1976). Nevertheless, the local agenda may favour their interests such that they have no need to participate. Only in special cases, will corporate companies actively participate in city politics.

As already mentioned, internal disagreements between coalition members can reach public agendas, but as Logan and Molotch have emphasised, these disagreements do not challenge the recognised commitment to growth. Previous studies such as that of Banfield (1961) in Chicago, found that much of the dispute was not over growth, but how it should be internally distributed. Logan and Molotch argued that in Hunter's (1953) study of Atlanta, elites were united over growth issues. Considering the intense inter-urban competition for attracting inward investment, a major effect of the emergence of growth coalitions is that

almost all American cities have been forced to favour business systematically (Molotch, 1976; Savage and Warde, 1993). Therefore, American cities are creating the physical and economic conditions to generate a kind of business climate. To enhance the growth potential of the city, despite their parochial ties, coalitions need local government to lobby higher levels of government (in the American context federal and state governments) in pursuing actions favourable to their interests. In this trade-off, according to Logan and Molotch, US local growth elites play a major role in electing local politicians, but only those close to the growth ideology. A number of authors (Alexander, 1983; Boyarsky and Guillam, 1982, in Logan and Molotch, 1987) have pointed to the fact that virtually all politicians in American cities depend on private campaign financing. As a consequence, local candidates are expected to support growth coalitions. Despite the assumption that local government will support growth coalitions due to its “primary concern with increasing growth” (Logan and Molotch, 1987, p. 53), the growth machine approach has been criticised for offering a weak explanation of local government’s motivations for being part of these coalitions and for failing to explain the non-participation of local governments in some instances (Harding, 1994, 1995).

### **2.2.8 Urban Regime Theory**

Regime theory emerged in the mid-1980s in America. The most prominent study using regime theory as a conceptual framework to study urban politics in the US was undertaken by Stone (1989) in Atlanta (for the period between 1946 and 1988), the same city that Hunter had studied in the 1950s (see Elkin, 1987; Fainstein and Fainstein, 1986). Regime theory as growth machine accounts stems from an American context where local government is constitutionally limited in scope and authority over resources that are traditionally privately owned. In addition, local government authority is more limited than other levels of government in the US (Stone, 1989; Keating, 1991; Wolman, 1995). The starting point of regime theory includes many of the concerns of neo-pluralists, these are applicable to several contexts not just the American. In particular, regime theory accepts the privileged position of business as well as the limited capacity of local governments to promote urban change in contemporary urban politics. As a result, although relationships between governmental and non-governmental actors are not new in urban politics, the development of informal arrangements (‘regimes’) with private interests have emerged through the post-industrial era to “allow public bodies and private interests to function together in order to make and carry out governing decisions” (Stone, 1989, p. 6; Stoker, 1995; DiGaetano and Klemanski, 1993; Orr and Stoker, 1994).

As a relatively new approach for examining contemporary urban politics, regime theory is informed by other theoretical traditions such as pluralism, elitism and neo-Marxism.



Initially, the formation of coalitions was a focus of both regime and pluralist theories (Stoker, 1995). However, pluralism has argued that coalitions are unstable, this contrasts with the stability predicted by regime and elitist accounts. Regime theory, like pluralism, emphasises that the process of local economic development policy is not a technical problem but rather is a political process and therefore, “urban politics still matters” (Stone, 1989, p. 4). By saying that, regime theory also rejects the economic determinism of Peterson (1981). As Stone has argued, the local economic development processes respond to the intentional decisions made by individuals or groups in competition with others to further their own interests. As a consequence, important decisions clearly favour certain interests.

However, some fundamental differences separate both theories. Stone notes that pluralism draws on the political culture approach of the 1950s and 1960s (Banfield, 1961; Dahl, 1961), whereas regime theory, in common with the growth machine approach, is derived from a political-economic perspective which emerged in the late 1970s (Elkin, 1987; Fainstein *et al.*, 1986; Stone, 1989). Urban political-economy theorists attempt to understand how the division between market and state shapes current urban processes. Unlike pluralist accounts of urban governance, regime theory postulates that both governmental and non-governmental groups construct a stable dominant governing coalition, in Stone’s terms a ‘regime’ (Stone, 1989). This governing coalition does not necessarily coincide with the winning electoral coalition. In the current process of urban governance, regime theory along with neo-pluralism, neo-Marxism and growth machine approaches, values as essential the co-operation and participation of business to facilitate local economic development due to the limited authority and financial capacity of local governments (Judge, 1995; Stoker and Mossberger, 1994; Stoker, 1995; Stone, 1989, 1993, 1995). More precisely, Stone (1993, p. 4) defines a ‘regime’ as “not just any formal group that comes together to make a decision but an informal yet relatively stable group with access to institutional resources that enable it to have a sustained role in making governing decisions”. Hence, regime analysis along with neo-Marxism holds that the composition, relationships and resources of the city’s governing coalition can shape local politics.

Unlike growth machine accounts, regime theory goes beyond the composition of the governing coalition and explores the contextual factors that predispose local politicians and business interests in regime formation, maintenance and capacity. Achieving co-operation is recognised as a difficult task, but stable co-operative relationships are seen as essential in regime formation (DiGaetano and Klemanski, 1993; Harding, 1994; Stoker, 1995; Stone, 1989). Regime theory postulates that contemporary urban politics is about establishing priorities and how a coalition will manage to produce the capacity to get things done. According to Stoker, regime theory points to networking as an effective way of developing

co-operation by recognising mutual dependency and reciprocity. In this way, it is expected that members of the coalition will favour some goals over others, which are more problematic to achieve. Commitment to these goals will also be linked to resources (Stone, 1989; 1993; Stone *et al.*, 1991). Thus, any viable coalition must have a capacity to mobilise resources commensurate with the requirements of its main policy agenda.

In essence, regime theory examines three basic questions such as who, how and with what consequences coalitions shape local politics (Stone, 1989; Stone *et al.*, 1991; Stoker, 1995). In this sense, regime theory, unlike a community power 'social control' model, offers a distinctive perspective on power, namely the 'social production' model which Stone refers to as "power to, not power over" (Stone, 1989; Stoker, 1995; Judge, 1995). Accordingly, Stone and Stoker identified four forms of power to analyse the relationship between a dominant coalition and different interests in the urban setting. These are as follows:

- a) *Systemic power* is that which concedes strategic advance to certain individuals or groups such as business by virtue of their position of power in the social, political or economic structure over others;
- b) *Command power or social control* is where individuals or groups actively mobilise resources, whether material (finances, personnel) or ephemeral (reputation, knowledge), to achieve dominance over others. This pluralist type of power, according to regime theory, is limited to particular areas;
- c) *Coalition power* is that which reflects the ability of political actors to negotiate and bargain to achieve shared or compatible goals, but without the need for coercing or inducing specific actions, and
- d) *Pre-emptive power or the power of social production* represents the distinctive contribution of regime theory. The act of power lies in the ability of interests within a coalition to build an urban regime and achieve the capacity to govern. Through a long-term coalition capable of solving problems of substantial collective action, leadership is achieved (see Stone, 1995).

Drawing on his study in Atlanta, Stone identifies elected politicians and in particular, business elites as the dominant interest groups in any regime or coalition in the American context. In addition to the control of resources expected from business groups, regime theory also privileges the incorporation of individuals and groups that possess ephemeral resources such as political parties, universities, trade unions, and community groups. In Western democracies, as Stoker indicates, regimes or coalitions expect to incorporate a fourth category of bureaucrats. Despite the pre-emptive power of business elites, in contrast to elite theory, regime theory asserts that no single group is likely to exercise command power (Stone, 1989; Stoker, 1995). Mayors can lead a coalition only when they win

electoral majorities and keep the political parties in opposition either fragmented or demobilised.

According to Stone (1993, pp. 8-9), “governance is not the issue-by-issue process that pluralists suggest...politics is about the production rather than the distribution of benefits”. In this respect, unlike pluralism, Stone states that once a regime is built, it empowers its members and therefore, partners are expected to protect this co-operation. Regime theory agrees with growth machine theory and elitism over the stability of coalitions being based primarily on social ties, selective incentives, and other opportunities (e.g. the availability of European sources in Western cities) (Stone, 1989; Stone *et al.*, 1991; Olson, 1965). Despite some conflicts, Stone’s study of the Atlanta governing coalition shows a case of the stability of a regime over years. However, certain coalitions may be ephemeral in nature, formed around the idea of realising visible projects within a limited-time span. Regime theory shares with growth machine accounts the assumption that certain urban developments may face opposition in the form of mobilisations against their negative impacts over local welfare services, or demands for government programmes that facilitate upward mobility for excluded groups. Moreover, Stone directs attention to the fact that regimes are dynamic, and new preferences within a coalition can affect its stability, and thus it may need to adapt and assemble a new governing coalition. Changes may occur and therefore, a regime’s continuity and change needs to be studied over time (Stone, 1989; Stoker, 1995; DeLeon, 1992). In any case, the costs of forming an alternative regime are high, and opposition groups are expected either to ‘go along to get along’, or to assemble an alternative one which clearly reflects a considerable exercise of power (Stone, 1989; Stoker, 1995; Mollenkopf, 1992). Stoker pointed out that established regimes might incorporate certain marginal groups while they may also exclude other interests.

Unlike the single growth-machine model, regimes may be constructed with different programmatic goals, but not all have to face the same degree of difficulty in governing city politics. Stone sought to provide some guidance about the kinds of regimes found in America, while Stoker and Mossberger (1994) and DiGaetano and Klemanski (1993) do so in wider context. As Stoker and Mossberger have indicated, one of the significant contributions regime theory can make is in the field of comparative studies (see also DiGaetano, 1997; Harding, 1994). Stoker and Mossberger provide an account of three ideal types of urban regimes, named organic, instrumental and symbolic, which were described in the introduction. Associated with their typology of regimes, they introduce five dimensions of the process of regime formation and development in the light of their implications for cross-national research: (see Table 2.1):

- a) the purpose of regimes
- b) the mechanisms for mobilising participation in the regime,
- c) the ways in which a common sense of purpose within the regime is developed,
- d) the quality of the coalition established within the regime and the congruence of interests of regime partners, and,
- e) the strategies employed by the regime in dealing with wider local and nonlocal political environment.

Defining Characteristics	Organic	Instrumental	Symbolic
Purpose	Maintenance of status quo	Project realisation	Redirection of ideology or image
Main motivation of participants	Local dependency	Tangible results	Expressive politics
Basis for sense of common purpose	Tradition and social cohesion	Selective incentives	Strategic use of symbols
Quality of Coalition (Congruence of interests)	Political communion	Political partnership	Competitive agreement
Relationship with environment:			
Local	Exclusive orientation	Exclusive orientation	Inclusive orientation
Non-local	Independent	Dependent	Dependent

**Table 2.1: A typology of urban regimes in a comparative context**

*Source: Stoker and Mossberger (1994, p. 199)*

Stone's typology, in contrast, does not consider the cross-national context. He identified four types of regimes in American cities. Three of them, namely 'maintenance (or caretaker)', 'redevelopment (or business-centered activist)' and 'middle class progressive' are more common in the American context, while the fourth, the 'lower class expansion' is claimed by Stone to be rarely, if ever, seen (see also Stone *et al.*, 1991). Stone's 'maintenance' and Stoker and Mossberger's 'organic' regimes coincide in their goal. In those cities where dominant elites are satisfied with the status quo, governing involves merely diffusing challenges and pressure for change. The primary thrust of this regime is thus to provide basic local services and to accomplish less demanding tasks, which do not

require a large mobilisation of business interests and resources. In turn, 'redevelopment' (Stone) and 'instrumental' regimes (Stoker and Mossberger) require more governing capacity, as more resources are needed which emphasise more dependence on business interests. Although this type of regime has often faced more difficulties, redevelopment or instrumental regimes have prevailed particularly in those cities seeking to promote local economic growth to counter deindustrialisation, often organised around ambitious urban projects. As evident in his study of Atlanta (Stone, 1989), regime theory together with that of the growth machine, explains the prevalence of these types of regimes by the promotion of private development, particularly encouraged by the availability of federal and state funds (Stone *et al.*, 1991; DiGaetano and Klemanski, 1993). Unlike Stoker and Mossberger's instrumental regime, Stone *et al.* argue that redevelopment regimes in the US are by no means dependent on external resources. These coalitions (similarly to Logan and Molotch's growth machine) exemplify the convergence of both high levels of resources and of co-operation. Therefore, as in growth machines, certain elite groups share a commitment to economic growth and have the resources to favour a 'good business climate'. In this kind of regime, like maintenance regimes, wide popular support is not expected.

The third type identified by Stoker and Mossberger, the symbolic regime falls into two categories (the progressive and the urban revitalization). The first, the 'progressive regime' is related to Stone's last two types of regimes, the 'middle class progressive' and the 'lower class opportunity expansion', both of which tend to emphasise: "basic values about the quality of growth and the conditions under which economic investment or development should occur. The goals of these are therefore ideological" (Stoker and Mossberger, 1994; p. 201; Orr and Stoker, 1994). The middle class progressive regime of Stone favours issues such as environmental protection, historic preservation and social goals more than growth. In American cities with stable middle class progressive regimes such as Burlington, Vermont, a large middle class population was able to undertake these actions independently of the contribution of business groups. This kind of regime involves a mixture of development but has also restrictions on it. Such regimes do not need the large-scale participation of citizens, except in those cases when commitment to progressive goals is required (Stone, 1993). The lower class regimes seek to expand local opportunities through education and job training and widened access to employment and home ownership. As the quality of the work force rises and ownership becomes more widespread, there are economic and non-economic benefits locally (Stone *et al.*, 1991; Stone, 1993). In short, lower class regimes require an extensive involvement of citizens in conjunction with private resources. Because of this, motivation to participate for both groups remains the real challenge of these regimes. Citizens are expected to support this type of regime only when tangible opportunities such as jobs are offered while without mass participation to keep the pressure on, investment by elite groups remains problematic. Part of this could explain why

Stone notes that this kind of regime is rarely found in US cities. Finally, the second subtype of the symbolic regime related to Stoker and Mossberger is that of the 'urban revitalization regime', which seeks to change the city's image in order to attract investment and/or middle-income or high-income residents. This type of regime is sustained by the generation of a shared vision of the city around which individuals and groups can be mobilised.

In summary, the viability of regimes depends on linking together sufficient resources commensurate to the degree of difficulty of tasks. In this way, moving from the least difficult to the most difficult regime, Stone *et al.* argue that human capital regimes (e.g. lower class opportunity expansion and middle class progressive) are more difficult to assemble than development regimes (e.g. organic and redevelopment). Nevertheless, some cities may have regimes, which include some features of the different kind of regimes described here. The applicability of American models of urban change and also of regime theory to the analysis of two Western European cities will be addressed in the concluding chapter.

### **2.2.9 Sport, Growth Machine and Regime Theories**

As described in the introduction, the symbolic regime reflects to some extent the type of regime that might be directly associated with a current worldwide trend of city 're-imagining' through sport and leisure. However, sport and leisure could also be implicated in both of the other types of regimes and their strategies. As part of the process of economic development of American cities for the last forty years, urban leaders have adapted their cities to changing economies by restructuring land use in an attempt to regenerate their economic base (Logan and Molotch, 1987; Stone *et al.*, 1991). The building of sports facilities, office towers, convention centres or exhibition halls has been part of the proposals of American local economic development processes.

Focusing on sport, regime partners, mainly politicians and economic elites, has valued the significant potential of professional sports teams, sports stadiums and high-profile sporting events to a city's economic development which both regime and growth machine theories support (Baade and Dye, 1988; Chapin, 1996a; Logan and Molotch, 1987; Sack and Johnson, 1996). Regimes have also valued sport in the overall enhancement of cities. As part of this image building process, it is worth noticing that US cities which have at least one major sports league franchise, sports stadium and arena are considered to be in the 'big-league' (Shropshire, 1995). Nevertheless, the 'reimagining' of American cities has also extended to other cities world-wide which have used, or are using sport to drive the regeneration of their cities, such as Athens (2004 Olympic Games), Barcelona (1992 Olympic Games), Manchester (two previous unsuccessful bids to host the 1996 and 2000

Olympic Games, but successful bid for the 2002 Commonwealth Games), Seville (1999 World Athletics Championships and failed bid to host the 2004 Olympic Games), Sydney (2000 Olympic Games), Sheffield (1991 World Student Games and failed bid for the 2002 Commonwealth Games) (see Brunet, 1994; Cochrane *et al.*, 1996; Roche, 1992; Hill, 1992; Loftman and Nevin, 1996; Williams, 1997).

Partly explained by the lack of many studies over the effectiveness of sport as a regeneration strategy in Western cities, much of the data used in this section is related to the North American context. As mentioned above, the recognition of the role of stadiums and professional sports teams in the urban development of North American cities is not a new phenomenon. In this way, between 1960 and 1976, twenty-two new stadiums were built by both American and Canadian cities (Chapin, 1996a; Chema, 1996). However, while between 1977 and 1990 a decline in growth occurred with only six new stadiums built, the 1990s have represented a reversal in this trend not only in the number of stadiums and arenas built (with more than twenty six facilities already completed and many others expected to be added in the next few years) but also an increase in major public subsidies (Baade and Dye, 1988; Baade, 1996; Chapin, 1996a; Rosentraub, 1997). Noll and Zimbalist (2000) note that the three levels of government in the US will spend more than \$7 billion in building new facilities for professional sports teams between 1997 and 2006. This revival involves not only cities replacing facilities built in the 1960s and 1970s such as Seattle, Houston, Cincinnati or Milwaukee, but also has extends to other cities which, lacking a professional team, expect to attract one after building a stadium, like St. Petersburg, Nashville, Memphis and Jacksonville (Baade, 1996; Norton, 1993; Robinson-Barnes and Wright, 1996). Indeed, Indianapolis did not build just a facility for a team, it has embarked on a sports strategy for rebuilding its city centre and changing its image. Since 1977, eight of thirty projects have been related to both professional and amateur sports with an involvement of \$172.6 million (Rosentraub *et al.*, 1994; Rosentraub, 1997).

Relevant to the North American culture is the significant role that professional sport occupies. Indeed, professional teams are considered an industry in themselves (Baade and Dye, 1988; Chema, 1996; Logan and Molotch, 1987). This vast complex includes not only franchised sports teams, but also individual sports, sporting goods, television and betting. Related to this economic activity, growth coalition and regime members support professional sports teams, stadiums and certain sporting events to help enhance local growth (Logan and Molotch, 1987; Stone, 1989). Owners of professional teams are expected to become part of these coalitions or regimes, as Logan and Molotch contend, as a consideration of the increase in value of their properties and partly because of the 'apolitical' character of sport and sports politics. In any case, owners of teams are either closely tied to local elites or already integrated in the governing coalition. In essence, local

and state politicians, other members of coalitions, franchise owners and event organisers become key players in the use of sport as part of the regeneration strategies of some US cities. In addition, citizens of competing cities are also indirectly involved as voters and taxpayers and can influence the direction of local investment in sport.

Regime partners justify spending public funding on sport as a result of the substantial benefits claimed for cities' economies. In addition, professional sports teams also expect to produce a psychological impact locally, as part of civic pride as well as enhancing the outward image of the city (Baade and Dye, 1988; Baade, 1996; Rosentraub *et al.*, 1994; Shropshire, 1995). The combination of both economic and psychological factors is expected by growth machine and regime theories to be a generator of a climate favourable to city business. Therefore, the process of obtaining or retaining a franchise or event remains within the scope of both theories. Chapin (1996a, 1996b), for example, has employed both theories to explain the 'stadium provision process' and the impact of its location in American cities (see also Euchner, 1993; Robinson-Barnes and Wright, 1996). In terms of their spatial location, while many stadiums in the 1960s and early 1970s were located in the edge of the city, in the 1990s they are located primarily on the outer edge of the city centre in conjunction with other projects as part of a general economic development strategy.

However, these sport-related projects have generated substantial debate not only in cities, which built new facilities, but also in those considering doing so. Therefore, team owners and urban leaders, normally members of coalitions or regimes, usually commission an economic impact study to support the acquisition or retention of a franchise or the construction of a new stadium (Turco *et al.*, 1996). However, it is claimed that these studies appear to be biased to the interests of those commissioning the study. By choosing 'the multiplier effect' which best suits their expectations, these economic impact studies often claim increases in local jobs and incomes (Baade and Dye, 1988; Chapin, 1996a; Crompton, 1995; Norton, 1993). Owners of professional teams exploit these favourable economic figures in conjunction with their systemic power originating from winning the competition for the few new franchises. It is worth noticing the monopolistic power of some professional leagues in the US, which keep the number of franchises below the number of cities that could support a team. As a result, host cities are compelled to make concessions to retain a franchise, and simultaneously other cities are competing through a bidding process for relocations (Baade and Dye, 1988; Baade, 1996; Rosentraub *et al.*, 1994). Noll and Zimbalist justify the increase of the number of cities entering in the bidding process because new stadiums produce substantially more revenues.

The possible loss of sports franchises could have negative political costs for a city's politicians and thus they would often end up meeting these demands (Baade and Dye, 1988;



Shropshire, 1995; Robinson-Barnes and Wright, 1996; Rosentraub *et al.*, 1994). Nevertheless, it was reported that twenty franchises which were offered better deals and newer stadiums relocated between 1970 and 1985 (Baim, 1990, 1992; Rosentraub, 1997; Turco *et al.*, 1996). In most cases, despite the fact that American cities are facing fiscal pressure, and capital expenditure by all three levels of government has been declining for two decades, state and local governments in the US have largely funded these newer stadiums. Beyond that, US cities also offer tax concessions and other subsidies to professional teams such as a percentage of local hotel-motel taxes (Baade and Dye, 1988; Shropshire, 1995). Relevant to the US context is also the extensive commitment of philanthropic and private donations to sport related projects. Indeed, 56 per cent of the funds invested in Indianapolis came from both of these private sources (Rosentraub *et al.*, 1994). As noted, it is anticipated that this trend will continue in the next decade.

Certain cities have used referenda to ascertain the opinions of their residents regarding the public funding of these projects. Sometimes, these projects have been stalled as a result (Baade and Dye, 1988; Robinson-Barnes and Wright, 1996). In case of drawbacks, coalitions or regimes have used sports celebrities and in particular, local media as 'local boosters' to publicise the potential benefits to the city (Chapin, 1996a; Logan and Molotch, 1987; Sack and Johnson, 1996). In this respect, it is worth noting that sport receives more media coverage proportionally in the US than for instance in Europe. Chapin claims that those coalitions, after using some of the mechanisms related to overcome the resistance of local residents, sooner or later will achieve their aims. As the literature in regime theory notices, coalitions are expected to be united by a shared belief in economic growth and an abundance of selective incentives. However, in terms of the distribution of benefits from these sport-related projects, different authors (Baade and Dye, 1988; Baade, 1996; Okner, 1974; Rosentraub *et al.*, 1994) conclude that private owners and players, rather than the host city and its citizens, are primarily benefiting economically through profit, shared values and subsidies. Apart from the good conditions generally achieved in the leasing of the stadium, owners also gain substantial revenue from the selling or leasing of executive suites (Chapin, 1996b; Turco *et al.*, 1996). Moreover, as mentioned, keeping or obtaining a franchise can benefit politicians in their attempts to be re-elected.

The use of sport as part of urban strategies in American cities has generated substantial debate in those that have publicly financed new facilities and even more in those that are considering doing so. This debate has also moved to the academic community, with authors such as Bale (1989), Okner (1974), and Chema (1996) supporting the public funding of professional sports teams and stadiums on the basis that they provide a good return on local economies, or others such as Baade (1996), Baim (1990, 1992), Euchner (1993), Rosentraub (1997), and Noll and Zimbalist (1997, 2000) who criticise public subsidy based

on its limited effects on overall economic activity and employment. Rosentraub *et al.* (1994) note the absence of studies on the effectiveness or impact of sports as either a development strategy or as a substantial part of a city's economic development. Chema (1996) agrees with Baade (one of the most critical commentators of public funding of stadium and professional teams) that sport venues need to be integrated within the existing city centre infrastructure to generate spin-off effects in the area. Though only a few jobs are created in the sports area, coalitions will argue that other areas of the local economy benefit such as the retail and service sectors (Chapin, 1996a, 1996b; Chema, 1996; Rosentraub *et al.*, 1994). In addition, intangible impacts such as quality of life and city image are normally valued, but rarely examined (Williams, 1997).

These positive outcomes have to be measured against other negative effects. Baade and Rosentraub indicate that at best, the arrival of new professional teams would cause a shift rather than an increase in local leisure spending. Meanwhile, different authors such as Baade and Dye (1988), Baade (1996), Baim (1990) and Noll and Zimbalist (1997) share the view that local economic indicators do not change significantly when a new sports facility is built, or when teams relocate. Indeed, Baim, after examining the financial success of fourteen US major stadiums, found that only one of those facilities was profitable. Perhaps even more significantly, Baade determined that there is a lower rate of economic growth in cities that adopt a sports-development strategy than those which develop different strategies. Indeed, Baade's study of Chicago (1996) and Rosentraub *et al.*'s study of Indianapolis (1994) showed the small impact of using sport as a development strategy. For instance, in Chicago, despite hosting five professional teams, commercial sports accounted for less than 1 percent of service income in 1992. Similar findings were found in Indianapolis, with an impact of only 1.1 percent. Moreover, the expected jobs created by sports activities differ substantially from the economic gains promised by sports boosters and instead, tend to be low-wage and seasonal jobs (Baade and Dye, 1988; Baade, 1996; Rosentraub *et al.*, 1994). For instance, in 1989 in Indianapolis, sport-related jobs accounted for 0.32 percent, with an insignificant increase of 0.03 percent after the introduction of its sport strategy (Rosentraub *et al.*, 1994). Williams (1997) challenges these criticisms over sport as a development strategy by saying that the magnitude of the sports sector in the UK economy is similar to that of many of the manufacturing industries which have traditionally been the focus of local economy policy (see Henley Centre, 1992). Going further, many of the jobs generated are neither unskilled (more than 25 percent are managerial and professional), nor part time.

Stadium developers often underestimate the costs of constructing a new stadium, which are predominantly paid for, in the US context, by local residents through taxation (Baim, 1990; Baade and Dye, 1988; Rosentraub, 1997). Moreover, for those cities facing the dilemma

between whether to construct a new stadium or to repair the old one to attract a sports franchise (Robinson-Barnes and Wright, 1996; Baade, 1996), new construction is often the more appealing alternative. However it is surprising that despite the extensive evidence about minimal economic benefits that public investment in sports facilities brings, US cities continue to build stadiums and bid for professional sports teams.

In contrast to the major interaction between local governments and professional teams in the US, in Britain and Spain most stadiums are privately owned by the clubs who play in them and few local governments fund either stadiums or professional sports teams (Churchman, 1995; Page, 1990). Similar to the US context, the 1980s and 1990s have witnessed an unprecedented level of stadium development in Britain. Since the beginning of the 1990s, Churchman notes that 45 of the 92 British football league clubs have either built new stands or relocated to new stadiums (Williams, 1997). As noted, an alternative approach by urban leaders in many worldwide cities is to attract major events such as the Olympic Games, the Football World Cup, or lesser sporting events that may have a priority for economic development. However, Logan and Molotch report that certain sports less tied to a locality or team name (e.g., tennis, athletics, or swimming) and 'Sport for All' will be denied support by coalitions, unless they are part of an Olympic or world-class competition held locally and therefore relevant enough to enhance growth and city image. Sack and Johnson (1996) provided an account of the role of regime analysis in explaining the attraction and retention of a major tennis event to New Haven, Connecticut.

Regardless of the tangible and intangible benefits that sports related projects can bring to cities, drawing on regime theorists (Stone and Saunders, 1987), these projects can also bring considerable costs (financial mismanagement, reductions in public services, traffic congestion, higher prices in services or the displacement of local population) (Baade and Dye, 1988; Robinson-Barnes and Wright, 1996; Williams, 1997). Furthermore, the substantial public funding of these projects may also postpone other local projects through an 'infrastructural trap', partly exemplified when cities decide to bet their future growth by investing in ambitious urban projects (Daniels, 1993). Specific examples include the near bankruptcy of the 1976 Montreal Olympic Games, the £10 million debt of the 1991 Sheffield World Student Games or the displacement of local population (e.g. an entire African-American population of 117 families in Chicago or displacement of 6,000 people after the attraction of the Commonwealth Games to Edmonton, Alberta) (Robinson-Barnes and Wright, 1996). In addition, sometimes these projects have to face local opposition to stadium location. In some US cities like Phoenix, San Francisco and San Jose, after a referendum, citizens refused to authorise spending on sports related projects considering them to be a much lower priority than other local issues (Rosentraub *et al.*, 1994). On the other hand, few cities offer examples of how the distributive process associated with the

impact of sport has had positive effects on local citizens. In Philadelphia and Atlanta some percentage of revenues generated from sports ventures were directly channelled to help other local problems (Shropshire, 1995; Rosentraub *et al.*, 1994). In Sheffield, as part of the agreement to fund the Ponds Forge Swimming Pool, Mowlem Ltd, the management contractors were contracted by the Council after ensuring that 33 percent of the jobs would be filled by local residents (Solley, 1991)

To summarise, US and other cities worldwide have used or are using sports related projects as part of their economic regeneration strategies. Substantial debate arises on the economic benefits and costs of these high-profile projects. The effectiveness of sport as either a development strategy or as a substantial part of a city's local economic strategy has not been fully explored, but cities continue to build stadiums, stage major events and bid for professional teams (Rosentraub *et al.*, 1994; Williams, 1997). Williams argues that the sport sector in Western countries is of similar order of magnitude to many other traditional sectors adopted by local economic policy. In the US, stadiums are built and owned by local governments, which seek footloose professional sports teams as tenants to play in them, whereas in Britain and Spain most stadiums and professional teams are privately funded and owned, and local governments do not seek generally to attract footloose professional sports teams. In some cases, in spite of the opposition of local citizens, governing coalitions will exercise their power to direct a city towards growth policies with sports related projects integrated in the economic regeneration strategies. As part of the mechanisms to justify the public funding, coalitions or regimes are expected to use the favourable figures of economic impact studies, and to promote their message through local newspapers and local sports heroes. On the other hand, feasibility studies are occasionally done, but not followed up (see the case of Sheffield). However, drawing on the Indianapolis case study, Rosentraub *et al.*, (1994) concluded, that although the city's sports strategy might have helped to enhance the city's image, and local elites managed to foster a public-private partnership with substantial private investment, there were no significant shifts in local economic strategies. In this respect, Indianapolis's experience suggests that sports will not generate the overall economic impacts that boosters and supporters proclaim. Focusing exclusively on the economic dimension, the sports industry seems only to play a very small role on overall economic activity in a city.

### **2.3. Epistemological strengths and weaknesses**

The community power debate of the 1950s and 1960s, concentrated around a social control model of power, was developed in a context where it was assumed that the most influential members of cities dominated urban politics (Dahl, 1961; Hunter, 1953). Urban political power was thus characterised as relatively non-conflictual under a stable process of group

competition being responsive to elected politicians. During the Fordist regime of accumulation, the expansion of welfare services was facilitated by the post-war consensus and relative economic growth that allowed elected politicians to increase the collective provision of services in many Western cities. In the analysis of city politics, the dominant paradigm in urban political analysis did not consider that any change in the economic and political spheres could challenge the existing normative model of power (Harding, 1995; Mollenkopf, 1992; Stoker, 1995; Stone, 1989; Fainstein and Hirst, 1995). As such, cities were considered to be independent entities isolated from larger economic and social forces that operate on them.

However, since the mid-1970s the decline of social democratic politics accelerated by a global economic slump led to the emergence of political, economic, urban and social crises in American and European cities. Moreover, this decade saw the breakdown of the hegemony of social democracy at both international and national levels. At the international level, it was caused by the emergence of the global economic crisis and the decline in the international hegemony of the US, while nationally, policies and institutions of the Fordist regime of accumulation began to be discredited. Subsequently, the emergence of new agencies, different levels of government and transnational bodies has challenged two of the traditional features of Western economies, the primacy of the nation-state and the Fordist regime of accumulation. Under these circumstances, the dominant community power debate was criticised for not being considered an appropriate framework for theorising these new economic, political and social conditions. Thereby a new range of competing urban theories such as neo-Marxist, new right, regulation theory, growth machine and urban regime have emerged to explain the nature of these changes in contemporary urban politics. This debate forms part of a new urban political-economy paradigm with the subordination of political and social aspects to economic objectives (Elkin, 1987; Stone, 1989; Harding, 1994).

In explaining current urban politics, some theories of transition such as new right and regulation accounts have characterised it as a shift from a Fordist model or 'Keynesian welfare state' to a new regime of accumulation, variously described as: 'flexible accumulation' (Amin, 1994; Harvey, 1990), a 'Schumpeterian workfare state' (Jessop, 1990, 1994), or a 'post-welfare society' (Painter, 1995); or whether instead, the changes currently operating are part of a temporary crisis of the Fordist model. In this new political context, Keynesian concepts associated with the Fordist accumulation regime such as state intervention and regulation, and public ownership, as traditional instruments of economic growth have been gradually overtaken by neo-conservative ideas based on deregulation, flexible prices and private ownership (Harvey, 1990; Jessop, 1994; Gamble, 1988; Kavanagh, 1990; 1994). In line with these neo-liberal assumptions, there is firm evidence that many Western local authorities are adopting an increasingly entrepreneurialist

approach, and in particular, the development of partnerships and coalitions to enhance their capacity to make and carry out governing decisions. Another component of this new approach is the promotion of a wide range of prestigious urban projects.

Based on the emerging new political economy paradigm, several commentators consider regulation theory as a valid framework to explain those changes based on its potential for linking and relating changes in the economy to those in society and politics. Despite its strengths, the diversity of regulation accounts to explain these changes also makes this goal more elusive. In this sense, this confusion led Cochrane (1991) to reject this account to explain the features of Fordism or changes in urban politics.

Other recent approach to theorising the urban political and economic context, growth machine accounts concentrate on the study of who has the greatest influence over the physical restructuring, why and with what effect in the process of local urban development processes (Molotch, 1976). Harding (1995) summarises its potential based on the notion of 'place-boundedness', which facilitates the analysis of why certain sectors of the business community are committed to local economic growth, and for research about power and influence in and of itself, rather than reputational analysis (Logan and Molotch, 1987; Cox and Mair, 1989). Despite these strengths, some commentators argue that growth machine theory exhibits weaknesses in its analysis of local economic development processes (Feagin, 1987; Cox and Mair, 1989). Similarly, Lloyd and Newlands (1988) argue that although all businesses have an interest in land, most of them, including local capital, enjoy a systemic power which goes beyond the ownership of land (see also Strange, 1993). The local economic development processes based on property development were undermined, based on two factors: a) their limited effects on the local economy, and b) property development operates in a very competitive global market (Hambleton, 1990; Harvey, 1987; Daniels, 1993). To the latter, Daniels offers the example of how the economic decline of the Canadian property developers Olympia and York (unable to deal with the decline in financial service employment in London and New York at the beginning of the 1990s) led to the bankruptcy of London Docklands Development Corporation. Growth coalition accounts have also been challenged due to their failure to explain either local government participation or exclusion from coalitions (Lloyd and Newlands, 1988; Harding, 1995). Indeed, Lloyd and Newlands suggest a more complex relationship between local government and business based on two assumptions: first, local government may share the growth ideology of the coalition and be an active partner, or it may not and be excluded; and secondly, local government is constantly exposed to interests other than business, to which it may or may not respond.

The growth machine thesis along with another American-based approach regime theory have been criticised for their strongly voluntaristic orientation (DiGaetano and Klemanski, 1993; Harding, 1991, 1994), which fails to take account of the contextual limitations of local action. As a basis for cross-national research, the American urban political economic context can not be easily replicated in a cross-national context. In particular, Harding (1995) points out some reservations about the ability of the growth machine approach to analyse many of the current British local economic development policies. First, UK companies rarely play local governments against each other for incentives in the way suggested by Logan and Molotch. Second, local economic strategies need to go beyond property developments. Third, as a result, the interests involved in growth coalitions must extend further, and even sometimes ignore, the property interests if such strategies are to be effective. Fourth, while businesses are locally dependent to varying degrees, growth coalitions are to be found not only in cities but also beyond their boundaries. In addition, the growth machine approach has also been criticised on methodological grounds. In this way, Harding argues the lack of debate over the methodology used in growth machine analysis makes it difficult to undertake any cross-national comparisons. In Britain current research using this theory has been applied to redescribe urban phenomena rather than used, conceptually, as a basis for empirical study. One of its outcomes shows that there is little evidence of private sector domination of growth coalitions or regimes of the kind, which have developed in some American cities (Cochrane, 1991; DiGaetano, 1989; Keating, 1991; Bailey *et al.*, 1995; Harding, 1994; Lawless, 1994).

Unlike the growth machine approach, regime theory is said to hold the potential for understanding entrepreneurialism and the proliferation of governing coalitions or regimes in contemporary urban governance (Stone, 1989; Stoker and Mossberger, 1994; DiGaetano and Klemanski, 1993). Regime theory recognises the important role that the constitution of regimes is playing in modern city politics. Unlike community power debate accounts, regime theory seeks to understand who, how, and with what consequences, such regimes achieve their goals. However, the pre-emptive power of business groups partly explains how elected politicians build a coalition to achieve the capacity to act. Selective incentives may not be the only way to pursue different actors to be members of a coalition. In fact, structural factors may also contribute to the regime formation (Harding, 1994). Obviously some coalitions may be ephemeral whilst others become an established part of urban governance (e.g. Stone's study of Atlanta). To the latter, the assumption that particular benefits are useful for collective action enables the formation of a long-term governing coalition. This long-term governing coalition differs in nature from the one introduced by the growth machine and pluralist accounts.

Regime theory also goes beyond the growth machine theory to examine how higher levels of government can influence or constrain the nature and direction of local politics and in particular, local regimes (Elkin, 1987; Harding, 1995; Stoker, 1995; Stone, 1993). Moreover, this inter-institutional linkage within coalitions may favour private sector initiatives not only in the US context but also in the European one. Both theories share the opportunity of local growth, but regime theory goes further by arguing that the development of a city's governing coalition is a necessary precondition for success. However, because this governing coalition may change, regime theory seeks also to explore the dynamics of regime change as well as its continuity (Stoker, 1995). The stability of a regime is explained by the solution-set it adopts. Once in place, solution-sets tend to dominate policy and sustain the regime's policy perspective allowing some scope for incremental change. When the conditions are more attractive, they may have the capacity to bring together new members while altering the existing governing arrangements (Stone, 1989, 1993; Jones and Bachelor, 1993). Building and maintaining regimes entails overcoming two related problems: one is the inherent difficulty of promoting policy change while the other is the tendency for coalition formation to be guided by the availability of selective incentives. As a basis for cross-national research, regime theories, like growth theory, have only been criticised for their voluntaristic and its ethnocentric orientation. The charge of ethnocentrism is often associated with a promotion of the need for cross-national comparison to understand which types of regimes may emerge, coalesce, proceed, and succeed or fail in other contexts to the American one (Stoker and Mossberger, 1994; DiGaetano and Klemanski, 1993; Harding, 1994).

#### **2.4. Global and local change in urban development and sport**

As mentioned, in most capitalist economies the nation-state was regarded as the primary actor for territorial governance and economic regulation. At a secondary level, the city of 'collective consumption' gradually emerged with an expansion of local services and with most industrial activities located in central areas or within its boundary lines. However, since the mid 1970s there is little doubt that this situation has been substantially modified with the crisis of the Fordist regime of accumulation in capitalist economies associated with the globalisation of the economy, affecting particularly the economic and social base of many of the relevant European industrial cities. These two related factors have subsequently fostered the emergence of a new international division of labour, an increased global mobility of capital with a growing significance of investment by transnational corporations as well as the growth of high-tech, information management-oriented jobs (Amin, 1994; Harvey, 1990; Hall *et al.*, 1992; Jessop, 1990).



In this rapidly changing world order, different urban theories share the view that the primacy of one of the identities of the Fordist regime of accumulation, the nation-state has reached its crisis point parallel to the increasing importance of de-centralised agencies, sub-national governments, transnational bodies, and mainly cities. Not all commentators consider the contemporary context as a crisis for the nation-state (see Hirst, 1995; Harvey, 1990; Harding and LeGales, 1997; Scott, 1997), but all agree that nation-state's role has been at least significantly modified. Alongside this there has been an increase in the demands for conceding more capacity and autonomy to the local level. Despite having less power than nation-states, Borja and Castells (1997) argue that regional and local governments are currently said to offer two advantages in the restructuring of the economy: a) they seem to be more 'legitimated' than nation-states; and b) they can respond with more flexibility to global factors and local conditions. However, local governments are still dependent constitutionally, economically and legally on nation-states. Harding and LeGales thus challenge the idea that the nation-state has been supplanted by new structures of governance at the city or regional level, and further point out that globalisation as a process is regarded as uneven. Whereas certain areas such as production, trade and the financial system are increasingly organised on a transnational basis with national governments' role being less significant, in other areas such as urban policy, air transport or industrial relations, national governments, particularly those of the most advanced economies, are still playing a central role in shaping these policies (Harvey, 1990; Harding and LeGales, 1997; Scott, 1997).

In terms of city governance, the globalisation of the economy has facilitated the promotion of entrepreneurialism among city governments. In Britain and Spain as in other Western countries, several commentators argue that the characteristic 'managerialist' city of the Fordist period has been gradually replaced by the 'entrepreneurial' city as part of a dominant urban entrepreneurialist stance to solve economic, social and environmental problems of the large urban areas (Cochrane, 1991; Hall and Hubbard, 1998; Harvey, 1990; Harding, 1995; Logan and Molotch, 1987; Osborne and Gaebler, 1992; Stone, 1989). Cities have thus seen an enhancement of their role in local economic development activities, as well as in their place in the political agenda in Britain and Spain and in many other advanced economies. Simultaneously, it is argued that the inability of local government itself to deal with new economic, social, and environmental challenges has facilitated the emergence of new forms of urban governance in the post or neo-Fordist era, often following American models (Amin, 1994; DiGaetano, 1997; Hambleton, 1990; Harvey, 1990; Harding and LeGales, 1997; Stone, 1989; Stoker, 1995; Stoker and Mossberger, 1994). Although there are some differences in the interpretations of which new forms of urban governance are emerging, there appears to be a general recognition of the need for policy solutions represented by the development of partnerships and coalitions in urban contexts,

involving not only local authorities but also a range of private and semi-public actors (Stoker, 1995; Stone, 1989; Hambleton, 1990). In such a context, local traditional government's role has progressively shifted to that of enabler (Cochrane, 1991; Goldsmith, 1992; Harding, 1995; Osborne and Gaebler, 1992; Stoker, 1995). In the same line of argument, with the globalisation of the economy, cities have been forced to compete directly at national and even international level around four areas: a) for position in the new international division of labour; b) for position as centres of consumption; c) for economic command and control functions; and d) for governmental redistribution (Hall and Hubbard, 1998; Harvey, 1990; Scott, 1997).

Under this new division, it is argued that the command centres of the global economy will be concentrated in a small number of world cities. In particular, more than two thirds of European transnational headquarters are located either in London or in Paris (Parkinson and LeGales, 1997). At the same time, the new localisation of economic development activities will tend to be reduced only to those second or third tier cities and regions that can offer producer services, skilled labour force, and accessibility to markets (Amin and Thrift, 1992; Borja and Castells, 1997; Sassen, 1994; Williams, 1997). In this debate, although growth machine and urban regime theory accounts recognise the importance of 'place' in business investment decisions, a number of writers on globalisation point out that this process has contributed to diminish the significance of localisation in investment decisions (Amin, 1994; Amin and Thrift, 1992; Hall *et al*, 1992).

As mentioned, the globalisation of the economy as well as the deindustrialisation of many Western European cities has inevitably increased inter-urban competition in the marketing of cities as centres of consumption. This current mode of urban rivalry has brought with it a concern with the development of a series of highly visible flagship projects in consumer areas including sports (see previous section for more evidence), culture and leisure, as a means of boosting the local economy, a catalyst for urban renewal and re-imaging the city (Harvey, 1987; Featherstone, 1990; Bianchini and Parkinson, 1993; Hall and Hubbard, 1998; Law, 1994; Hambleton, 1990; Smith, 1991; Williams, 1997). This situation led Harvey to describe modern urban life as an "immense accumulation of spectacles" (p. 377). Precisely because of the generalisation of their responses, cities need to promote themselves at the national and international level by putting more emphasis upon product differentiation. This dualistic (homogenisation and differentiation) approach also forms part of entrepreneurial approach adopted among city governments in the last two decades; and indeed is reflected in wider globalisation processes (Robertson, 1996).

Disagreements also form part of the debate concerning the use of ambitious urban projects to compensate for the decline of the economic base of some European cities in the 'post-

Fordist' era. As part of a growing entrepreneurialism, Harvey asks the question: how many ambitious projects such as convention centres, sports stadium, Disney Worlds or harbour places do cities need to restructure their economy? In addition, Daniels (1993, p. 166) offers the example of the Canary Wharf in London to highlight the high risks inherent in some of these speculative investments due in part to the fact that: "the outcomes expected from ambitious urban projects are nowadays more dependent on international decisions over which cities have little control". Thus, the success or failure of local regeneration strategies can be directly affected by global decisions. At the same time, in the 'post-modern' era success is regarded as ephemeral and some of the values embedded in certain urban development projects (e.g. uniqueness) are highly vulnerable to devaluation because of the competition of alternative projects from other cities (Harvey, 1990).

What is more, there is a fairly general consensus about the notion that the entrepreneurialism of the last two decades seems to have negatively contributed to reinforce social and spatial division within cities (Keating, 1991; Hambleton, 1990; Kasarda, 1993; Squires, 1991). The cohabitation between community and elite-oriented projects has given risen to contradictions and tensions within cities. As an example, cities seek to sell these elite projects, located mainly in central areas, to a growing population of city users who make a great use of local private and public services, whereas other urban areas and local residents are often excluded from these services (Harvey, 1987; Mayer, 1994; Tye and Williams, 1994; Scott, 1997). With a growing population of city users, 'post-modern' cities seem to be planned for users and potential users rather than for their inhabitants. In terms of urban governance, the much acclaimed entrepreneurialism and public-private partnership model amounts to a subsidy for these affluent visitors as well as for corporations and private investors to stay in the city at the expense of reductions in local needs (Harvey, 1990; Mayer, 1994; Scott, 1997). Globalisation is also leading to a flexibilisation of labour markets with the loss of manufacturing and other low-skilled urban jobs in conjunction with increases in the service and white-collars jobs, and female jobs. In essence, the creation of boom conditions within any city does not guarantee that the benefits in terms of growth and job creation will trickle down to all residents (Stoker and Young, 1993).

## **2.5. Central and local relations in a transnational context**

Classical urban politics studies assumed that the public and private sectors operated independently in the urban policy process, with the economy always subordinate to politics (Dahl, 1961; Judge, 1995; Mollenkopf, 1992; Saunders, 1981). In this way, the actions of the business community were assumed not to have implications for those of urban politics, with business leaders not having the capacity to shape urban policies. The debate focused predominantly on understanding power in cities and how to measure this, but failed to place

the analysis within a wider process of economic changes. By restricting the debate within the limit of cities, classical theories assumed that cities were independent entities in their governance process (Harding, 1995; Mollenkopf, 1992; Stoker, 1995; Wolman and Goldsmith, 1992). In addition, these theories also placed emphasis on the formal relationship between central and local government with local government acting as a decentralised agent of central government.

Globalisation has had a direct impact upon traditional central-local government relations in many Western European countries. During the last two decades, it is worth noticing the kind of different responses adopted (centralisation versus decentralisation of power) in the face of a changing global economic environment (Goldsmith, 1992; Hall *et al.*, 1992; Harding and LeGales, 1997). The Spanish and British experiences offer an example of both responses. Whereas in Spain, there has been a gradual decentralisation of power and functions from the central government to the autonomous communities and to a lesser extent to the local Councils during the democratic period, in the UK, the traditional central-local good relations of the 1960s and 1970s contrast with the major disputes involving both actors about their respective powers and functions of the last two decades. With a growing centralisation, local government in the UK came under attack by consecutive Conservative central governments, especially during the early years of Mrs. Thatcher, to increase their power. However, John Major government's urban initiatives sought to improve these relations by giving a greater role to local authorities in urban regeneration (see chapter four). As part of the prevalent new right ideology in many countries, public welfare programmes have also been challenged. In this context of economic efficiency, for example, British local authorities were obliged to privatise some of their traditional functions and services, in particular through contracting out some of these services, a long-established practice in many American cities. The major alternative to privatisation under the Conservative governments was public sector reform, with the emergence of new forms of social provision in the form of social trusts, management co-operatives, tenants management corporations and so on. This has happened particularly in the area of leisure and sports where user groups have been involved in running major facilities in British cities, as is reflected in the case of Sheffield in chapter 6.

At the same time, the diminution of the traditional role of the British local government coincided with an increasing privatisation of urban policy. Thus, the growing British urban entrepreneurialism has extended to many countries throughout the 1980s and 1990s with Western cities, including the Spanish, being also more involved in economic development activities. This trend follows the assumptions of the new right ideology that seeks to redefine a new role of local government as an enabler to be compatible with the flexible economic structure and enterprise culture adopted among city governments. In addition,

since the mid 1980s Spanish and British national governments have also played a central role in the promotion of public-private partnerships to attract different levels of governmental funds. The rapid growth in the number of British local authorities pursuing local economic development strategies have pragmatically forced them to develop these kind of partnerships because of the enormous difficulties faced by the public sector in trying to deal alone with economic restructuring. Thus, despite recent economic changes with an enhanced role played by sub-national governments, supranational bodies or cities, the constitutional, legislative and financial powers of national governments continue to give nation-states a decisive role in central-local relations.

This chapter has reviewed the major approaches to conceptualising the nature of urban governance in contemporary urban contexts and as a feature of that the role of sport and culture in local economic development strategies. It is further sought to highlight the epistemological implication of these approaches as a context to the evaluation of the place of sport and leisure in urban governmental systems in Sheffield and Bilbao. The following chapter goes on to discuss the methodological issues related.

## **CHAPTER III**

### **METHODOLOGY**

### **3.1 Introduction**

Despite criticisms of the concerns of traditional urban theories, it is generally accepted that the political economic paradigm operating after the Second World War is in crisis. New theoretical and political positions have emerged which assume that the period since the mid-1970s represents a transition from one distinct era of capitalism (Fordist) to a new one. Simultaneously, the growth of urban problems on a world-wide scale associated with other features such as the limitation of power of politicians and democratic processes, the fragmentation and complexity of governmental decision making parallel to the apparent limitation of the capacity of the nation-state, has rendered possible new theoretical frameworks which aspire to analyse new economic and social changes (see chapter 2). In particular, one of these new frameworks, urban regime theory seeks to explain power in a complex urban context through the examination of the relations between local government and non-government actors and institutions working in co-operation ('regimes') in current urban politics. Such an approach offers a convenient point of departure for informing our understanding of how such coalitions of interest groups operate as well as how sporting and cultural prestige projects have been used as an economic tool in local government development strategies in a number of instances over the last two decades, but specifically in two major European cities, Sheffield and Bilbao from the late 1980s to 1995.

In seeking to evaluate regime theory approaches to explaining aspects of urban sports policy in the two cities a predominantly qualitative approach is adopted. In the discussion below competing paradigms are also described. The approach of this study is located within the assumptions and implications associated to the interpretative paradigm. In effect the case studies selected and evaluated seek to answer a number of research questions outlined in the introductory chapter. Similarly, methodological aspects of the case studies in comparative research are discussed, including the criteria adopted in the selection of the two cities, issues of access and the sample selection of interviewees, the application of the methods, the details of the fieldwork in both cities and finally, the analysis of data.

The methods adopted to generate answers to the research questions fall into two categories. The first is a desk-based review of urban and sport policies in Britain and Spain (see chapter 4 and 5). The revision of urban policies incorporates a detailed analysis of how urban problems have been conceptualised since the post-World War era in Britain (with reference to three distinct periods from 1945 to 1995) and since the Spanish post-Civil War to the establishment of the democracy until the end of the

Socialist government in 1995 with a review of policy initiatives adopted. As part of this review, policy analysis is undertaken of the wide range of urban programmes and initiatives designed to address urban problems in both countries. In terms of sport, an overview of the historical evolution of sports policy in both countries covers from its initial commitment to the welfare system until the recent phenomenon of using sports-related projects as an element in the British and Spanish urban regeneration strategies of the 1990s. The chapter also incorporates an analysis of qualitative data derived from interviews conducted in Sheffield and Bilbao with politicians, policy-makers, and other actors involved in the regeneration process, and a critical review of policy documents, reports, policy evaluation, analysis of the economic, social and political conditions in both case studies to assess the applicability of regime theory to an European context.

### **3.2. Competing Paradigms in Social Science Methodology**

Over recent decades there have been, and continue to be, debates over the beliefs that will inform any research. In this way, although it is generally accepted that there are different paradigms, each with their own ontological and epistemological concerns and methodological implications, there is little or no consensus about what is the appropriate paradigm (Bryman, 1992; Denzin and Lincoln, 1994; Sparkes, 1992). However, after briefly introducing the basic assumptions of three of the major paradigms, this chapter will argue that an interpretative approach is the most appropriate given the research goals.

In general terms, a paradigm has been widely described as “a world view, a general perspective, a way of breaking down the complexity of the real world” (Patton, 1978, p. 203), “the source of methods, problem-field, and standard of solution accepted by any mature scientific field at any given time” (Kuhn, 1970, p. 103) or “the basic belief system or worldview that guide the investigator” (Guba and Lincoln, 1994, p. 105). Within the basic set of beliefs adopted there are questions of ontology and epistemology as well as methodological implications. Ontological assumptions illustrate the nature of basic facts emphasised by the paradigm, starting with the fundamental question of whether the reality to be investigated is external to the individual or is the product of individual consciousness (Burrell and Morgan, 1979; Denzin and Lincoln, 1994). Linked to ontological issues there are epistemological assumptions that refer to questions of knowing (theory of knowledge) and the nature of knowledge (theory of learning). These assumptions involve beliefs about how to obtain knowledge making emphasis on what is regarded as ‘true’ from what is regarded as ‘false’, or theory of learning which considers whether knowledge can be acquired by observation and rules



of science (positivism) or by personal experiences (interpretative and critical paradigms).

Methodological issues also form part of the paradigm debate. Methodology relates not only to the systematic study of the general principles guiding an investigation and the ways in which theory finds its application but also to the theoretical position taken which will greatly influence the way to produce data. In this respect, it is also necessary to distinguish between methodology (philosophical issues), research strategy (the way that any study is designed and carried out) and research techniques (specific methods used to gather data) (Bulmer, 1984). Thus, the specific methods employed in any study are part of the research strategy, which need to be consistent with the methodology previously selected. What has been regarded as the dominant methodology (positivism) advocates a nomothetic approach that emphasises the importance of undertaking research by adopting methods of study appropriate to the data at hand while the alternative methodologies (interpretative and critical) refute positivists assumptions by adopting an ideographic approach which considers that reality is better understood through first-hand knowledge of the specific of particular cases (Burrell and Morgan, 1979; Denzin and Lincoln, 1994; Earls, 1986; Sparkes, 1992). In essence, all researchers make inferences about ontology, epistemology and methodology issues, and the choice of the research strategy emerges subsequently from the particular methodological position adopted which reflects certain values and beliefs towards the social world. Consequently, as part of this debate, any research process would always be shaped by the paradigmatic assumptions adopted.

### **3.2.1. The Positivist Paradigm**

This paradigm has historically experienced great support within the natural sciences. Some of the diverse terms associated with this paradigm include positivist, scientific, empiricist, empirical-analytical, behaviourist, or quantitative (Burrell and Morgan, 1979; Denzin and Lincoln, 1994). Positivism, originated with the scientific paradigm, is generally concerned with objectivity, prediction, quality of measures, and the discovery of scientific generalisations. The nature of scientific method is hypothetic-deductive, whereby consequences are inferred from hypotheses and positivist method explores the logical consequences of the hypotheses. As a result, positivism revolves around the belief that the statements of science constitute a consistent framework by reference to which the nature of any form of knowledge may be determined and the language of science represents the universal language. With regard to ontology, positivism postulates that the world is seen as an external reality independent of individuals

(external-realist ontology) (Bryman, 1992; Burrell and Morgan, 1979; Denzin and Lincoln, 1994). Therefore, the world exists prior to the existence and consciousness of any human being and it is thus comprehended as it really is. This separation of mind and reality leads to the view that truth has its source in an independently single reality ('objective reality') outside the values and interests of individuals. Truth is then a matter of correspondence considering that any informant statement is measured by its correspondence to the real object out there independently of the setting and the researcher. By looking for objectivity, the researcher is expected to adopt an unbiased and detached stance that can not influence the object of study. After adopting a realist-external ontology and an objectivist epistemology, positivism advocates a nomothetic methodology. As a consequence, positivism adheres systematically to a certain set of methods, considered epistemologically privileged, to address issues of internal and external validity as well as reliability (Kirk and Miller, 1986; Lincoln and Guba, 1985; Cohen and Manion, 1992).

All these assumptions have traditionally led to present positivism as the normative framework to study natural sciences, while its understanding of the social world has been criticised for offering a mechanistic and reductionist view of reality (Sparkes, 1992). According to the scientific paradigm, the whole classes of events or human behaviours are considered identical. Thus, the social world can be explained as the links of a system of variables that are distinct and analytically separable parts of one interacting system. It is believed that by identifying and interrelating variables, the specific causes of behaviour within the system can be known. Unlike other paradigms, the scientific does not make emphasis on interpretation considering that researchers set the parameters of what is interesting to them, rather than their subject or context. In making inferences about which kind of urban theories might be located within the scientific paradigm, it might be argued that traditional urban theories such as pluralism or elitism, which have a strong normative component associated with an empirical descriptive analysis of decision making, may be linked to this paradigm. However, given the aims of this project, some might argue that positivist approaches are simply flawed so that whether to use them or not is not dependent on the aims.

### **3.2.2. The Interpretative Paradigm**

Over the last two decades there has been a growing dissatisfaction with the positivist paradigm and alternative ways of making sense of social reality have gained momentum, some of them developed under the 'interpretative paradigm' umbrella. Despite differences and similarities, the case study approach along with other research

traditions such as ethnography, hermeneutics, naturalism, phenomenology, symbolic interactionism and qualitative research, forms part of the heterogeneous terms linked to this paradigm. Contrary to positivist assumptions, the interpretative paradigm adopts a relativist ontology (the world exists but there are multiple realities), a subjectivist epistemology (knower and subject create understanding of reality) and an ideographic methodology (reality is represented for purposes of comparison) (Denzin and Lincoln, 1994; Guba, 1990; Sparkes, 1992). While positivism adopts a 'top-down' perspective, using the general to describe the particular, the interpretative uses the particular to illustrate if not to describe the general ('bottom-up' perspective). Unlike the objective reality portrayed by the positivist paradigm, the interpretative views reality as significantly socially constructed, based on a dynamic process of interpretation and reinterpretation of the meaningful behaviour and language of different people (Guba and Lincoln, 1989; Silverman, 1985).

A further difference is that in the interpretative paradigm the knower and the process of knowing cannot be separated from what is known, and facts cannot be separated from values. In this alternative paradigm, truth is not a matter of correspondence as it is in positivism, it becomes a matter of coherence (Sparkes, 1992). To this point, truth is what is agreed to be true at a particular time considering that in a world of multiple realities, multiple truths can also exist with humans playing a central role in shaping or constructing these. As a consequence, social reality cannot be replicated. To comprehend the views of people, several methods can be used such as participant-observation, various forms of interviewing, projective techniques, along with the analysis of other written documents (Patton, 1990). Although there are not privileged methods within the interpretative paradigm, in this study semi-structured interviews and written documents were employed. In the same line of argument, the usual positivist criteria of internal and external validity, reliability and objectivity is not appropriate to value this study considering that the researcher decides what is relevant and important to the study. Therefore, the prevailing criteria are replaced in studies that follow the interpretative paradigm by terms such as trustworthiness, credibility, transferability, dependability, and authenticity (Guba and Lincoln, 1989; Denzin and Lincoln, 1994).

In this way, any research following the interpretative paradigm needs to be reflect these combined qualities. In a world of multiple realities, credibility refers to compatibility of the constructed realities that exist in the minds of the individuals and groups involved in the research with the description attributed to them. Transferability relates to the extent that those findings can be applied in other contexts or with other respondents. Additionally, Athens (1984) suggests three scientific criteria to evaluate qualitative studies. First, 'theoretical import' (the contribution which qualitative studies make to

the development of new concepts or theories or the refinement of existing ones). Second, 'empirical grounding' (it exists only if they are consistent with (not identical to) the empirical observations or cases from which they were developed). Finally, 'scientific credibility' (this is not an ascribed quality of study, but rather an achieved one). Finally, Lincoln and Guba (1985) have proposed other strategies for enhancing the value of qualitative studies such as prolonged engagement of the researcher in the context studied, persistent observation, triangulation, referential adequacy materials, peer debriefing, and member checks. These and others, as table 3.1 shows, summarise the strategies adopted for enhancing the value of qualitative studies.

Technique	Results	Examples
Prolonged Engagement	Build trust and relationships Develop rapport Obtain wide scope and accurate data	Length of time in the field Avoiding premature closing
Persistent Observation	Obtain in-depth and accurate data Sort relevancies from irrelevancies Recognise deceptions	Purposeful, assertive investigation
Triangulation	Verify data	Using different or multiple sources, methods, or investigators Absence of data
Referential Adequacy	Provide 'slice of life'	Unobstructive measures such as brochures, etc.
Peer Debriefing	Test working hypotheses Find alternative explanations Explore emerging design and hypotheses	Formal or informal discussions with a peer
Member Checking	Test categories, interpretations, or conclusions (constructions)	Continuous, formal or informal checking of data with stake holders such as at the end of an interview, review of written passages, of the final report in draft form
Reflexive Journal	Document researcher decisions	Daily or weekly written diary
Thick Description	Provide database for transferability judgements. Provide a vicarious experience for the reader	Descriptive, relevant data
Purposive sampling	Generate data for emergent design and emerging hypotheses	Maximum variation sampling that provides the broadest range of information bases on relevance
Audit trail	Allow auditor to determine trustworthiness of study	Interview guides, notes, documents, notecards, peer debriefing notes, etc.

**Table 3.1. Summary of Techniques for Establishing Trustworthiness**

Source: Erlandson et al. (1993, p. 161) adapted from Lincoln and Guba (1985)

In essence, all these strategies seek to overcome some of the limitations associated with the interpretative paradigm, in particular, the possible subjectivity of the enquiry. In this way, when different researchers make decisions about who to talk to, where to be, and when to be in certain settings, these will obviously have an impact upon what kind of data is or not collected. Therefore it would not be uncommon to turn out with different outcomes (Ball, 1990). Different strategies, for example, triangulation, are frequently used to elicit the various and divergent constructions of reality that might exist in any interpretative study (Erlandson *et al.*, 1993; Shipman, 1988; Patton, 1990; Yin, 1993). Within an interpretative framework, coherence theory of truth advocates that a proposition can be true if it is consistent with other propositions in a scheme or network that is in operation at a particular time, thus making coherence a matter of internal relations (Sparkes, 1992). Nevertheless, Sparkes has argued that agreement or disagreement by the subjects of interpretation does not necessarily reduce or enhance the credibility of qualitative study. In a world of multiple realities, multiple realities can exist as stated before, and for interpretative researchers the criteria to value qualitative studies differ from those adopted by positivistic researchers.

### 3.2.3. The Critical Paradigm

In terms of historical roots, the contribution of the work of the Frankfurt school, which includes authors such as Adorno, Marcuse, Habermas has been relevant to the emergence of the critical paradigm. Focusing their attention on the changing nature of capitalism, the early critical theorists analysed the mutating forms of domination that accompanied this change (Kincheloe and McLaren, 1994). As was described in the discussion of the two paradigms previously, there is not a unified critical paradigm. Nevertheless, different approaches included within the critical paradigm are neo-Marxism, post-structuralism, post-modernism, feminism, participatory inquiry as well as critical theory itself (Guba, 1990). Despite differences, all of them offer a critique of modern society and seek to change social reality by empowering people involved in the research (Griffin, 1990).

The critical paradigm criticises the assumptions underpinning the other paradigms described. In particular, positivist theories have been criticised for their failure to value the interpretations and meanings that individuals employ to make their reality understandable, but also those of the researcher in identifying the phenomena to be explained, while interpretativists have been criticised for their weakness in describing the power relationships within which people operate (Carr and Kemmis, 1986). Alternatively, the critical paradigm puts an emphasis on human consciousness and the

ways in which social reality is shaped and limited by existing social arrangements in such a way as to serve the interests of some groups at the expense of others. In this line of argument, Griffin (1990) summarises the beliefs inherent in a critical perspective: firstly, society is made up of groups and individuals with systemic power and groups with little power (while the former seeks to maintain their power, the latter has interest in social change); secondly, social institutions perpetuate the status quo of power imbalance among groups; thirdly, competing interests generate conflicts which are often below the surface of apparent consensus; and finally, it is concerned with 'why/why not' questions. In essence, unlike the assumptions of the prevailing paradigm, validity in the critical paradigm relates not only to the trustworthiness (interpretativists), but goes further by seeking to empower the participants and enable them to create change (Kincheloe and McLaren, 1994; Griffin, 1990; Sparkes, 1992).

For critical researchers, any form of social research is always a political act and knowledge cannot be value free. Research is undertaken with the full participation of the people involved in the study so that they are empowered to transform this situation by themselves (Sparkes, 1992). Thus, there is reciprocity between researcher and researched that serves not only to corroborate the interpretation of data (as in the interpretative paradigm), but also to provide participants with insights that might serve as the basis for action and change. As a consequence, in this 'collaborative research' people are defined as participants rather than subjects to be studied (Griffin, 1990).

The research project reported in this thesis adopts an interpretative methodological approach to understand how sporting and cultural prestige projects have been used in the process of urban regeneration in two European cities. The rationale for doing so rests on the need to understand a set of actors' explanations about the kind of policies adopted in the regeneration of their cities as well as of the structural contexts within which the action of these actors take place. Simultaneously, the adoption of an interpretative methodological approach might lead to a critical stance in relation to the knowledge generated and its application in enhancing actors knowledge in practical policy settings.

### **3.3. Analysis of Policy or Analysis for Policy?**

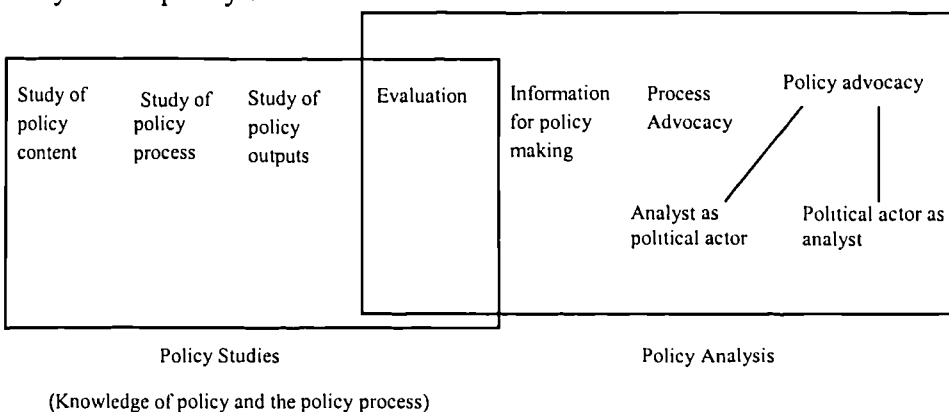
For the purposes of accurately characterising the interpretative approach adopted, it will be important to define certain terms. Ham and Hill (1983) define policy as "the output of a political process" (p.14). However, it is generally accepted that policy is not simply the outcome of interaction in the policy process of a set of actors such as political

parties, governments and major pressure groups. As the above definition implies it includes all actions of governments, not just stated intentions but also an understanding of why governments sometimes choose to do nothing about a particular issue (non-decisions). Like Ham and Hill, Hogwood and Gunn (1981) consider that it is necessary to provide an adequate understanding of government ‘action’ and ‘no action’. Going further, Heclo (1972) included both aspects suggesting that a policy may usefully be considered as course of action or inaction rather than the specific decisions accepted.

After all these different assumptions are considered, it is not possible to agree on the concept of policy either on a single definition of policy analysis or in the scope of policy analysis (Dye, 1976; Ham and Hill, 1983; Wildavsky, 1979). Related to the latter, Wildavsky argues that policy analysis is as much to do with advocacy as with understanding, while Barret and Fudge (1981) and Dye (1976) maintain that social scientists should not become directly involved in advising policy-makers on existing problems, considering policy advocacy and policy analysis as separate endeavours. However, Dye emphasises that all definitions of policy analysis aspire to achieve the same aim:

The description and explanation of the causes and consequences of government action and after that, the analysis may also help policy-makers to improve the quality of public policy (p.108).

After considering policy analysis as the description and explanation of the causes and consequences of government ‘action’ and ‘no action’ and addressing different research questions, the policy analysis typology adopted by Hogwood and Gunn was considered (see Figure 3.1). This typology comprises two broad categories: analysis ‘of policy’ and analysis ‘for policy’.



**Figure 3.1. Types of study of public policy-making**

*Source: Hogwood and Gunn (1981)*

Although it is difficult to allocate the policy analysis in one or another category as has already been stated, this study is closer to the analysis of policy (as a descriptive activity) rather than analysis for policy (as advocacy activity). Nevertheless, this research analysis seeks to be able to provide some guidelines to all selected actors involved in policy under review. It is necessary to discuss the location of urban regime theory within the interpretative framework.

### **3.4. Urban Regime Theory and its methodological implications**

Unlike traditional theoretical accounts, urban regime theory provides middle range explanations of the process of governance at the local level, through its understanding of power. In methodological terms, it needs to prove that it not only offers a consistent framework but also one that is flexible for analysing urban politics and in particular the issue of power, as well as to both describe and explain a variety of patterns of power distribution in cities (Stone, 1989; Stoker, 1995). In line with the interpretative paradigm, regime theory's main propositions emerged inductively from observation of the urban scene, particularly from the relevant study undertaken by Stone (1989) in Atlanta. Nevertheless, Stoker argues that it is necessary to refine and further develop this theory. Sharing some of the assumptions of grounded theory, regime theory aspires to close the gap between theory and empirical research, by providing a rationale for theory that is grounded, and simultaneously generated in the research process (see Strauss, 1987). However, the groundedness of regime theory is a value that should not be overlooked, but may be helpful to state in more abstract terms its approach to power. In this aim, regime theory lacks the extent and range of empirical work of other traditional theoretical accounts. In essence, the emphasis on regime theory as a process led to stress the idea of grounding theory as moving continuously from theory through empirical data and back to theory.

Considering the comparative scope of this project, regime theory needs to be placed in a broader context than in the US and to look for a common methodological approach which can be applied to a larger context as in the cases of two Western European cities, Bilbao and Sheffield. For this reason, the typology developed by Stoker and Mossberger (1994) seeks to sensitise the researcher to national differences in the way that functions are shared within and between different levels of government as in Bilbao and Sheffield. Going further in this analysis, regime continuity and change are also considered two relevant issues to be addressed in any study. As such, in any context, as people in that context might change, so their construction of reality and the relationships among them also shift (even if the individuals are the same). Therefore, when findings



are applied across contexts, the problem of transferability increases. Above all, it needs to avoid the current broad use of regime terminology (as in the study of Savich and Thomas, 1991) which is leading to a loose use of regime theory concepts (Stoker, 1995). Consequently, it is particularly these differences which offer some limitations to comparative analysis.

### 3.5. The use of Case Studies in Comparative Research

The interpretative methodology adopted lends itself to the use of a case study approach. On methodological terms many points can be used to justify the adoption of a case study approach. Case studies can serve for different purposes such as explanations of an under-researched area, testing, refining, and further development of theories, or enhancing internal validity (Bryman, 1992; Eisenhardt, 1989; Silverman, 1985; Yin, 1993). In terms of epistemological assumptions, the use of the case study approach in this research is more valuable in refining regime theory (interpretivist stance) rather than in testing its applicability (positivist stance). The case study forms part of an inductive approach. As such, the justification for employing this interpretative research stance was based on the desire to study in depth the cases of the local economic regeneration strategies employed in Sheffield and Bilbao, in a specific time period during which key selected actors were significant for policy outcomes. The detail and depth of the description rendered by the cases of Bilbao and Sheffield is likely to increase the understanding of the empirical foundations of related theory, in this case, regime theory. Above all, this research seeks to build up rich descriptions of the two case studies under study (Patton, 1990; Yin, 1984, 1993).

The relative flexibility of the case study approach brings with it a number of practical problems. Firstly, the case study approach has largely been accused of limited generalizability by orthodox paradigms (Hamel *et al.*, 1993; Erlandson *et al.*, 1993). In this research, the use of two cases might bring together a 'replication logic' considering that any case study research that examines more than one site often comprises its own replication (Bryman, 1992; Guba and Lincoln, 1989; Yin, 1984; 1993). Different authors have suggested that the case study should also be judged by the positivistic criteria of internal and external validity and reliability (Eisenhardt, 1989; Yin, 1993). However, this positivist conceptualisation of validity is different to the interpretative since there is always the potential for multiple coherent interpretations of the same cases under study. Furthermore, most of the case study research involves more than one method of data collection, since no single method could simultaneously maximise internal and external validity (Yin, 1984, 1993). In this study the combination of

quantitative and qualitative methods was used to reinforce scientific credibility in line with the scientific criteria outlined previously by Athens (1984) and to overcome the weaknesses of subjectivity by using multiple sources of data (Denzin, 1970; Denzin and Lincoln, 1994; Stake, 1994; Yin, 1993). Hence, the combination of quantitative and qualitative data has been highly synergistic.

After all, Stoker (1995) stresses that regime theory, as a middle range theory, does not need a large number of case studies to reinforce its position against the other traditional theoretical accounts and therefore, there is no need for a regime analysis to discover an effective and operational regime in every city, as Stone did in Atlanta. The conclusions presented at the end of this thesis relate mainly to the specific experiences of the regeneration strategies of Bilbao and Sheffield though some shared characteristics might be transferable under a broad process of local government change.

### **3.6. Aspects of method in the case studies**

This section seeks to explain some of the practical issues involved in the research process. Initially, the evolution in the selection process of the case studies and the reasons that contribute to the final decision are addressed. After outlining the selection process, the issue of access, the interview process in Bilbao and Sheffield, the description of the sample selection for interviewees are identified. Finally, the management of data collected and its analysis in the two case studies are highlighted.

#### **3.6.1. Criteria adopted in the selection of the cities**

Selection of cases is valued as an important aspect of any research. The initial choice was to be two cities in each country, Bilbao and Valencia (Spain) and Nottingham and Sheffield (Great Britain). However, pragmatic, methodological and theoretical reasons led to a reduction of the initial selection of two cities in each country to only one in each country. The final choice of Bilbao and Sheffield, was partly facilitated by pragmatic reasons such as the ease of access, through local intermediaries, in the form of staff at Deusto University in Bilbao and the Leisure Industries Research Centre in Sheffield, geographical proximity in the case of Sheffield, and financial constraints. Ease of access may be a potential source of research data, as well as a threat considering that the failure to gain access may limit the nature of findings and the scope of analysis (Bryman, 1992; Morse, 1994). Methodologically, the amount of data expected to be gathered from both cities was considered sufficient (defined as theoretical saturation) for the aim of this research (Eisenhardt, 1989). Additionally, although both cities offered distinctive

features, there were some positive issues of the phenomenon of interest which were also relevant in the final decision process.

Initially, Sheffield and Bilbao's economies were heavily dependent on state investment and nationalised industries in the post-war period (case of Sheffield) or private investors in the Spanish post-war period (case of Bilbao). While in the case of Sheffield, the influence of strong local labour movements contributed to the provision of a high standard of public services, in Bilbao the centralisation of politics during the Spanish post-war meant that local politics were less important in determining the provision of public services. However, with the globalisation of the economy in the 1970s, both cities have been sharing the problems associated with many city governments in developed economies, in that deindustrialisation has undermined the local economy with profound effects on the social structure. Finally, despite political differences, both cities, Bilbao (controlled after the democratic period by a traditional right-wing nationalist dominated coalition) and Sheffield (a traditional Labour controlled City Council) are examples of variations in the nature of contemporary urban politics. Both cities have started to foster alternatives to their traditional industrial models of economic development to regenerate their local economies. One of the responses in the restructuring of both cities has been the constitution of partnerships, operating outside the traditional structures of local government. Another important factor of the restructuring and re-imagining of these cities has been the use of high-profile events or facilities, one of the symbols of Bilbao's regeneration relates to the siting of a new European Guggenheim museum, while in Sheffield it was the 1991 World Student Games. These cases do not represent general examples, but from their study the generalizability of some of the findings might be transferable to other places, even while recognising local differences (Bryman, 1992; Yin, 1984; Stake, 1994). Moulart and Demaziere (1996) note that the models of Sheffield and Bilbao can not be easily replicated to cities with a low profile in industrial tradition, a history of a long rural tradition and a significant disconnection with leading growth trajectories.

### **3.6.2. Data Access and Sample Selection for Interviewees**

Interviewing has a wide variety of forms and multiplicity of uses ranging from the structured to the unstructured interview (Briggs, 1986; Cohen and Manion, 1992; Radnor, 1994). The structured interview is one that the interviewer asks pre-established questions with a limited choice of answers. The interviewer introduces a great degree of control over the interviewee's responses and there is little flexibility in the interview relative to the way in which the questions are asked or answered. Positivism adheres to

this approach considering that each interview is standard and identical. This technique was also not considered at the beginning of the study considering the evolving process of regime theory. In contrast to the structured interview, the unstructured ('open-ended') interview offers greater flexibility and freedom. Within the unstructured interview there is the opportunity for the researcher to introduce new questions in the process, and in doing so, to allow the interviewee to respond freely. Located between the two extremes previously mentioned, this study relied predominantly on the semi-structured interview that is a more flexible version of the structured interview. Generally, this type of interview is organised around a list of general areas of particular interest while unexpected areas of interest might arise which lead to other questions worth noting.

In this study, the process of building-up the question sequences was not conceptualised as a rigid process and followed the strategy of beginning with the most general questions and narrowing down to more specific questions seeking to answer the research questions. The interview process was designed to develop an understanding of a number of key themes including perceptions of the causes of urban decline and the strategies for urban regeneration (both planned and emergent); the process of construction of local urban coalitions; and the role of sport and leisure in the reconstruction plans of Bilbao and Sheffield. Although, case study is a method that does not imply any particular form of data collection, it can be either quantitative or qualitative; a qualitative methodology was mainly employed (Stake, 1994; Yin, 1984; 1993). Thus, in depth semi-structured interviews and documentary analysis were the predominant mode of data collection used.

The adoption of semi-structured interviews allowed this study to follow the assumptions outlined by the interpretative paradigm as well as to refine and further develop regime theory. Even though the interviews in the two cases were undertaken in different periods, the research sought to maintain a balance between flexibility and reliability in data collection. Flexibility is required to facilitate discovery of the interviewee's views while consistency in the depth of detail, the types of questions asked, the amount of exploration and confirmation covered in interviews is essential to draw appropriate conclusions. Although this project does not value as appropriate the notions of validity and reliability as defined by the positivistic paradigm, different strategies such as prolonged engagement in both cities, persistent observation, purposive sampling, triangulation of the information gathered by interviews with secondary data were adopted to enhance the trustworthiness of this study (Denzin, 1970; Denzin and Lincoln, 1994; Lincoln and Guba, 1985; Miles and Huberman, 1994).

The selection process of interviewees was a modified version of the 'snowballing technique'. After following the recommendations of people and also examining existing studies of the political economy and public policy development in both cities, a first sample of potential respondents was built up. Also the initial selection of specific interviewees was made on the basis of their formal position within the organisation (e.g. in the case of Sheffield, three Council leaders and in Bilbao, two Council leaders for the period of study were interviewed because of their strategic position) and their reputed influence in appropriate policy areas (reported in the literature or cited by other interviewees). The whole range of interviews in Bilbao were undertaken in a period prior to the 1996 National General Elections, initial concerns were acknowledged, however, only three people declined to collaborate due to a change in personal circumstances. Preliminary contact was made with the interviewees by letter, informing the individuals about the nature and the aims of the study and the availability of dates for conducting the interviews (two samples are provided in the appendix I). Subsequently, personal contact was made by telephone to explain the reasons for seeking an interview and if the individual was willing to cooperate to arrange a convenient time and place. The initial arrangements for interviewing were facilitated through local intermediaries, in this aspect it is worth recognising the important contribution of the staff at the Deusto University and the Leisure Industries Research Centre in providing introductions to key local figures.

Additionally, there were a number of potential factors which could have been influential in the interview process, in particular, institutional and linguistic issues as well as the relationship of interviewer and the community under investigation (see Briggs, 1986). Important features included the relationship between the interviewer's nationality and the perceived local-regional identities and interests of those being interviewed. This is important in both the Basque as in the Yorkshire case. In the case of Bilbao, prior to the study it was not fully considered how the nationality of the researcher might have affected the course of the research, and in particular, how specific potential participants in the research could interpret this factor which could have led to some of them to decline to cooperate. However, prior to the interview, all the participants were informed both in the introductory letter and subsequent personal contact, that a Spanish researcher, but one who was enrolled in a British university was going to undertake the research. Additionally, access was facilitated, through local intermediaries, in the form of staff at Deusto University. In the case of Sheffield, there were no such potential problems and the initial intermediation of the Leisure Industries Research Centre in Sheffield as well as the prestige of Loughborough University in this field contributed greatly to facilitate access. Linguistic factors were of minimal significance in Bilbao

since the language employed was Spanish, but in the case of Sheffield, some problems of understanding were acknowledged in light of the specific accent of this northern area.

At the interview setting, after introducing the concerns of the study, all interviewees were informed of certain predetermined topics, but without fixed questions. Ethical considerations were also introduced to all respondents who were assured that they would not be identified in any published materials (anonymity), and the academic, scientific nature of the research was emphasised in order to ensure frank and open responses (reliability of information) (Denzin, 1970; Janesick, 1994). A tape recorder was used to facilitate the process of interaction between interview and interviewee as well as the process of analysis (Briggs, 1986; Radnor, 1994). A copy of the full transcription of the tape was offered to each interviewee (though, all declined this offer). As Bryman (1992) suggests with the aim of infusing an element of reciprocity, a copy of the main findings of the study was also offered to all the participants. In some instances, after the tape recorder was switched off, an informal conversation between the interviewee and interviewer started to take place. In this case, some of the details of these conversations were transcribed into a notebook immediately after finishing the interview with the interviewee's permission. Furthermore, at the end of each interview, the researcher asked the interviewee to nominate other potentially well informed respondents. It was through this approach that new people were selected (purposive and snowball sampling). The details of both case studies are subsequently presented.

### **3.6.3. Case study: Bilbao**

Qualitative research demands that researchers must stay in the context studied over time. In the case of Bilbao, interviews were carried out between December 1995 and February 1996 with twenty-eight respondents being interviewed during the course of the research. The interviews ranged in duration from one and half to three hours. A series of in-depth, semi-structured interviews were undertaken with key personnel in organisations implicated in the urban and sport policy process. The network of respondents interviewed included Bilbao City Councillors, particularly those responsible for the Department of Urban Planning, the Department of Youth, Women and Sports and the Department of Culture; the politicians representatives of all political parties on the Bilbao City Council; council officers, particularly those from the Department of Youth, Women and Sports; Bizkaia County Council's officer with responsibility for sport within the Department of Culture; representatives of business groups involved; representatives of the Bilbao Chamber of Commerce; board members of the two private-public associations for revitalisation (Metropoli 30 and Ria 2000); a

representative from local trade unions; representatives from the voluntary sector; representatives of the academic community; a journalist of one of the daily newspapers in Bilbao; and urban planners. The interview sample is shown in figure 3.2. In addition to interviews, documentary analysis of materials produced by the local authorities, *Metropoli 30* and *Ria 2000*, local press coverage, policy analysis by independent academic commentators, and central government reports were undertaken seeking to corroborate or add the information provided by the respondents.

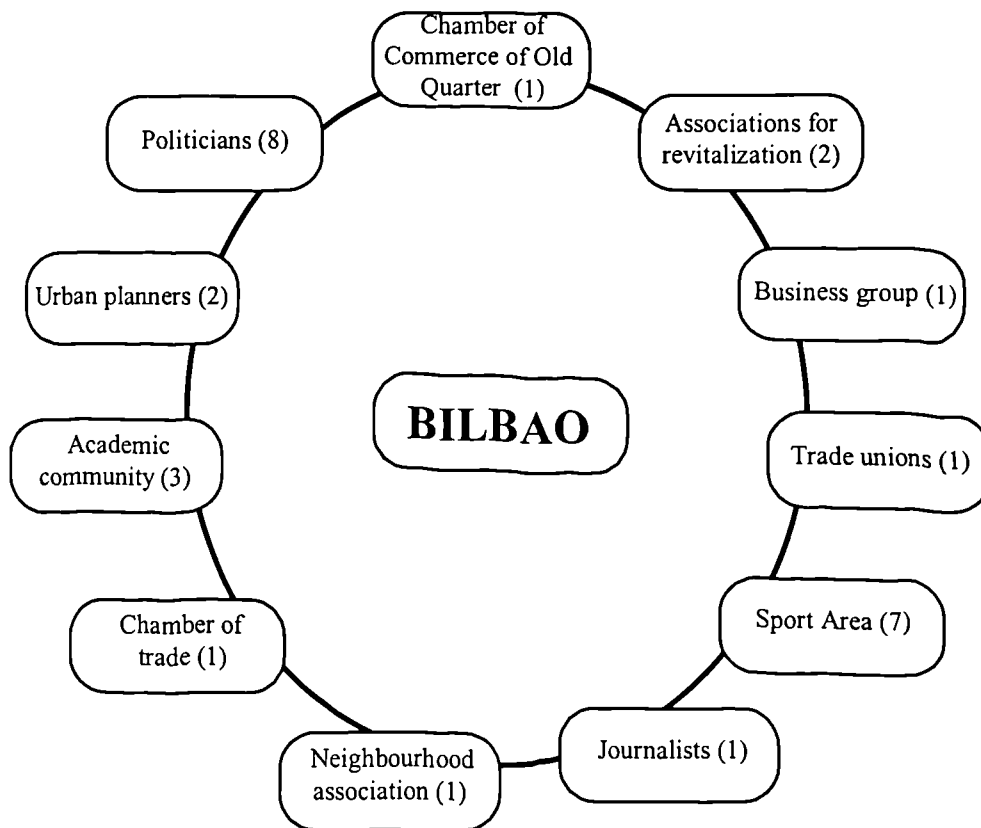


Figure 3.2. Interview sample in Bilbao.

Subsequent to staying in Bilbao, the period (March to June) was used to transcribe all the tapes (whole transcription) (language employed Spanish) which were then translated into English.

### 3.6.4. Case study: Sheffield

Simultaneously with the transcription of the interviews in Bilbao, interviews were carried out between May 1996 and September 1996 with twenty-four respondents during the course of the research in Sheffield. The interviews ranged in duration (less than in Bilbao). It was originally intended that a small number of follow up interviews would be conducted, but limited resources available did not allow for them to be

undertaken. The network of respondents interviewed included past and present Sheffield City Councillors; politicians, representatives of political parties on the Sheffield City Council; Sheffield Members of Parliament; council officers, representatives of Sheffield International Venues Limited; a representative of Sheffield Development Corporation; representatives of business groups involved; representatives of the Sheffield Chamber of Commerce; board members of the two associations for revitalisation, City Liaison Group (CLG) and Sheffield Sports Association (SSA); a representative from the voluntary sector in the city and representatives of the academic community. The interview sample in Sheffield is shown in figure 3.3.

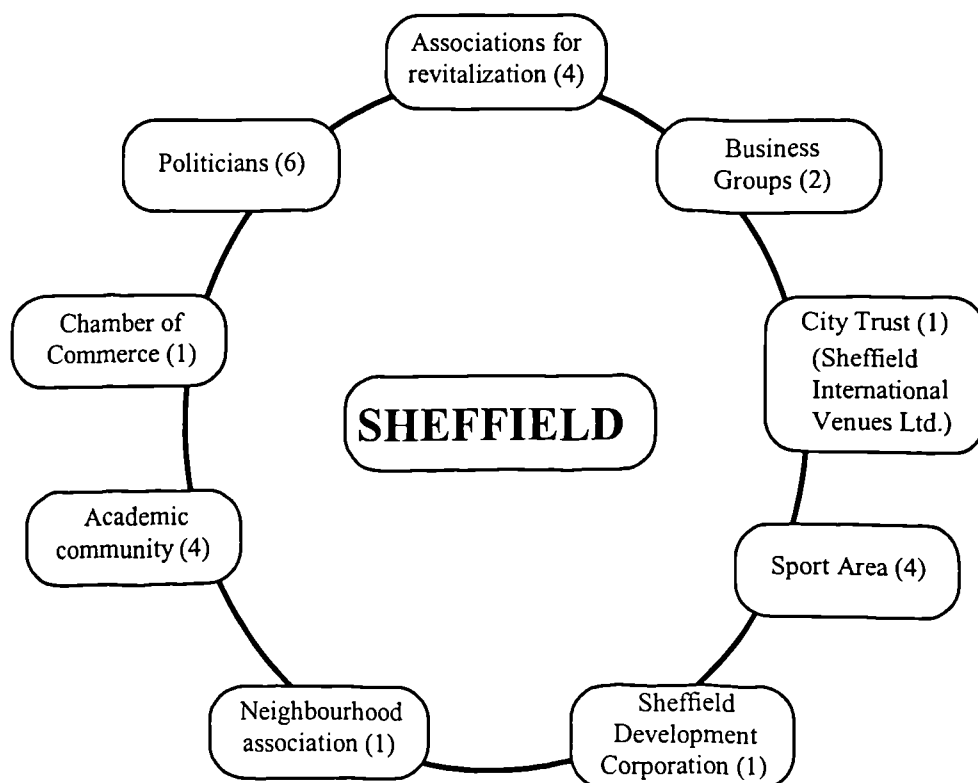


Figure 3.3. Interview sample in Sheffield.

### 3.7. Data Analysis

The volume of data generated from interviews in both cities was immense which represents one of the main problems of any qualitative research (Briggs, 1986; Eisenhardt, 1989; Patton, 1990; Radnor, 1994). In the case of Bilbao, the whole process (transcribing, translating and interpreting) was extremely time-consuming considering that the initial process of transcribing was complemented by the whole translation of tapes from Spanish to English. In the case of Sheffield, all tapes were also fully transcribed. In terms of analysis of the interview data, the challenge of any qualitative



research is basically “to make sense of massive amounts of data, reduce the volume of information, identify significant patterns, and construct a framework for communicating what the data reveal” (Patton, 1990, pp. 371-2). The information was initially organised around the key issues previously selected by the researcher such as the causes of urban decline and the strategies for urban regeneration (both planned and emergent); the process of construction of local urban coalitions; and the role of sport in the reconstruction plans of Bilbao and Sheffield. Some of these issues (e.g. the process of construction of local urban coalitions) were suggested by the urban regime literature, especially the work of Stone (1989) and Stoker and Mossberger (1994), or by interests of the researcher (e.g. the causes of the urban decline). Attached to the interpretation of data was a comparison with findings anticipated from the theory. Some unexpected findings grew out of the responses, such as the important role of European funding in the regeneration process of both cities. According to Miles and Huberman (1994), data reduction is considered as a form of analysis that sharpens, focuses and organises data in such a way that final conclusions can be drawn and verified. The information gathered from interviews was triangulated with documentary sources seeking to corroborate this data. After the initial analysis of Bilbao’s case, the familiarisation with theory and data as a whole made the analysis of the Sheffield’s case more straightforward. The data reduction led to the subsequent process of interpretation which “involves explaining the findings, answering ‘why’ questions, attaching significance to particular results, and putting patterns into an analytic framework” (Patton, 1990, p. 375). The following two chapters go on to outline the British and Spanish urban planning and sports policies as a context for the empirical analysis of the two case studies undertaken in chapters 6 and 7.

## **CHAPTER IV**

### **URBAN PROGRAMMES AND SPORT IN BRITAIN**

## **4.1 Introduction**

The analysis of post 1945 British urban programmes can perhaps be best understood by reference to three distinct periods: i) the Post-war social democracy period from 1945 to the mid 1960s with governments, favoured by a relative economic growth and political consensus, assuming that the welfare state, urban decentralisation policies and regional planning were sufficient to address problems of British cities; ii) from 1966 throughout the 1970s, while the social democratic consensus began to crumble, an explicit national urban policy moved inner areas of most industrial cities, suffering from urban deprivation, to the top of the political agenda; and finally iii) from 1979 to 1995 with the rise of a new right ideology, when urban policy during the Conservative governments moved away from social concerns of previous policies to a more entrepreneurial approach with a focus on a physical property-led regeneration, partly driven by the experiences of urban regeneration processes in the United States.

An overview of the evolution of sports policy in post-war Britain shows that sport and recreation were not included as part of a commitment to the welfare system until the early 1960s, when they were assigned an important role in dealing with youth and urban deprivation. Along with this aim, if during the 1970s and the 1980s, interests were also with the expansion of public sector sports facilities development and with mass participation, the 1990s has seen a gradual movement from sport as a social tool towards sports excellence as well as the promotion of sport prestige projects as part of the entrepreneurialist approach, recently adopted in some British urban regeneration strategies.

## **4.2 The Post-war period of Social Democratic consensus (from 1945 to mid 1960s): Urban Planning**

As World War II ended, Britain faced serious economic and social problems, in particular, a deep economic recession (e.g. an extensive public sector deficit of £443 m. in 1947) and mass unemployment in conjunction with the fabric of major cities also extensively damaged (Rydin, 1993). There was clearly a need to rebuild both the economy and the cities. At this time, despite these problems which severely affected its plans for a state-led economy, the incoming Labour government of Clement Attlee was committed to establishing a welfare state and to guaranteeing full employment with the Conservatives also accepting these developments (Atkinson and Moon, 1994; Parkinson, 1989; Rydin, 1993, Young and Lowe, 1974). The period was thus characterised as social democracy, representing a thirty-year post-war consensus between both major parties.

At this time, the elected Labour government had clearly to intervene in the economy, in contrast to the previous non-interventionist state with private enterprises exercising control over the British economic scene. In doing so, the private sector had induced the location pattern of industry and of housing, mainly to the South East which had had a negative effect on other areas of the country (Atkinson and Moon, 1994, Prestwich and Taylor, 1990; Rydin, 1993, Young and Lowe, 1974). However, this situation changed after the Labour government introduced extensive controls on the private sector. Following the recommendations of the 1939 Barlow Report of decentralising industry along with population, central government aimed to contribute to the convergence of regions within the national economy as well as to control urban growth. In this way, public intervention in industrial location decisions, together with a regional policy, encouraged locating new industries in depressed areas such as the Northern region, Scotland and Wales, while restricting industrial developments in the South East. One of the first regional planning initiatives was the launching of *Development Areas* (DAs) incorporating the urban centres that had previously been excluded by the designation of the 1936 *Special Areas*. This change affected 6.5 million people compared with 4 million in the *Special Areas* (Prestwich and Taylor, 1990). Government incentives aimed to diversify industries and population in these DAs and to reduce unemployment. Thus, the location of new industrial growth, therefore, was to be in a limited spatial framework, both nationally (within government-designated DAs) and locally (within local authority-designated areas) (Prestwich and Taylor, 1990, Rydin, 1993).

At the urban planning level, concerns related to housing were inherited from the period before World War II. In particular, there was an extensive housing shortage, and a significant proportion of the housing stock, predominantly in urban areas, was in poor condition (Atkinson and Moon, 1994). As a result of the Barlow report, a new Ministry of Town and Country Planning was created in 1943 which launched a national housing programme to provide new living and working environments as well as for rehousing the growing urban populations. This growth was originated not only internally, but also from the arrival of immigrants from Britain's former Empire attracted by great expectations of employment. Old dwellings were therefore demolished and the sites redeveloped with new municipal houses on green-field areas, under the direct ownership and management of local authorities (Atkinson and Moon, 1994, Rydin, 1993). These new houses together with the New Towns, were encouraged primarily near the DAs in order to centralise both housing and industrial development. According to Atkinson and Moon, in the early years, most of these new houses were funded and managed by the public sector. Central government designed the 1947 *Town and Country Planning Act* as the first comprehensive law to impose compulsory planning control on all local authorities, in contrast to the previous

period of 'laissez faire' legislation (Atkinson and Moon, 1994, Rydin, 1993; Thornley, 1993).

After that, all development, excluding agriculture, was obliged to obtain prior planning permission from the local planning authority (Rydin, 1993). Central government was also concerned with protecting rural areas from the rapid growth of suburbanisation of the 1940s and 1950s, by establishing green belts around large towns and cities and additionally dispersing the urban population and jobs. These initiatives were, in part, inspired by the 'Garden City' movement, which had been exercising considerable influence over the development of town and country planning during this period. The 1947 Act introduced two other policy changes. One affected the reorganisation of local government functions with county councils and county (urban) boroughs as the local planning authorities rather than the county districts. The other augmented the role of public landownership and land taxation policies compared to the previous 1944 *Town and Country Planning Act* which had enabled local authorities to purchase land obligatory for planning purposes (Rydin, 1993).

The New Towns programme, an integral part of decentralisation, was formally initiated after the 1946 *New Towns Act*. From 1947 to 1950 fourteen new self-contained towns were built, each intended to accommodate between 25,000 and 80,000 inhabitants or more, to absorb the population from the largest cities such as London, Liverpool, Manchester, Birmingham or Glasgow. The first phase of this programme, which included eight new towns built around London, was publicly funded and managed, but its planning control was subsequently diverted to central government agencies, New Town Development Corporations, operating independently from local authorities, with considerable powers (Atkinson and Moon, 1994, Prestwich and Taylor, 1990; Rydin, 1993; Thornley, 1993). As such, these public agencies were in charge of building and renting houses and providing land for industrial and commercial development. Complementing public action, the private sector was then expected to create new jobs for the incoming population. Beyond that, the 1946 Act gave central government responsibility for the dissolution of the Development Corporations as soon as the New Towns programme was finished. Thereafter, powers and assets of the new towns would be transferred to local authorities. However, a change of government to the Conservatives altered the philosophy of new towns. The 1951 administration introduced the concept of the expanded town, through the 1952 *Town Development Act*, whereby population could be decanted from overcrowded large cities into newly developed new towns beyond the economic influence of the large city. During the 1950s, and with the shift from new towns to expanded towns, only one new town development was established, at Cumbernauld in Scotland in 1956. In 1959 after launching another *New Towns Act*, powers were allocated to a Commission for New Towns. Thirteen

new towns were subsequently built between 1961 and 1971, including Milton Keynes (described as the Super New Town), with three of them in partnerships between the development corporations and local authorities (Rydin, 1993).

The driving force behind most designations of new towns continued to be regional and industrial development, prioritising areas with high unemployment. This was obvious from the extensive volume of legislation designed to improve regional policy after a Conservative government was re-elected in 1959, which included the 1960 *Local Employment Act*, the 1966 *Industrial Development Act*, the 1967 *Special Development Act* and the 1969 *Intermediate Areas Act* (Prestwich and Taylor, 1990; Rydin, 1993). Nevertheless, different Conservative governments throughout the 1950s and 1960s started to intervene less in economic, industrial and urban development. Control over land and industrial development was relaxed in order to encourage greater private sector involvement. So the compulsory planning controls set by the 1947 *Town and Country Planning Act* were substituted initially by the 1959 *Town and Country Planning Act* and later by the 1968 *Town and Country Planning Act* which both opened all development to private developers (Rydin, 1993). In addition, the 1968 Act affected land use planning authorities, separating structure and local plans under the control of different levels of local authority (county, metropolitan and districts respectively). After all, central government had decided to abandon the decentralisation policies inspired by the urban model of Howard and the Barlow Report.

Meanwhile, the national economy continued to grow in the 1950s and 1960s. However, its expected redistributive effects did not contribute to reducing traditional regional differences, with unemployment still twice as high in the northern areas as in the Southeast (Keeble, 1976; Prestwich and Taylor, 1990; Rydin, 1993, Young and Lowe, 1974). During these two decades, while the New Towns programme had managed to attract extensive population, created employment (mainly for skilled young people) and provided high quality houses and residential environments, Britain's largest cities started gradually to suffer out-migration associated with indices of severe deprivation such as poor housing conditions, poverty and unemployment primarily from their inner core. This context thus became known as the inner city crisis, with similar problems to those previously witnessed in American cities (DoE, 1977; Atkinson and Moon, 1994; Begg *et al.*, 1986; Lawless, 1988a). The demographic decline in the largest British cities was difficult to explain as a result of either the New Towns programme or as a consequence of a broader process of suburbanisation and counterurbanisation, also evident in American and Western European cities (Atkinson and Moon, 1994; Begg *et al.*, 1986). However, some of the inner city problems were not new. In fact, prior to the World War II, the government encouraged

suburbanisation with the hope that by doing this, inner city problems would diminish, but without much success.

In general terms, the government aspired to tackle the scale of problems of this period through the redevelopment of the city, the creation of New Towns, protection of the countryside and fostering regional policy. This approach seemed to be a coherent strategy to deal with the post-war British urban problems; however, it was not until the late 1960s when the obvious extent of urban problems in inner urban areas became a major political issue (Atkinson and Moon, 1994; Parkinson, 1989; Lawless, 1988a; Prestwich and Taylor, 1990, Rydin, 1993). By this time, the Labour government began to adopt a corporatist approach to national economic planning, incorporating the private sector and trade unions (Cawson, 1986; Bailey *et al.*, 1995; Kavanagh, 1994). This agreement extended to the urban level, where the central government was working in association with local governments in addressing city problems. With the expansion of the welfare state, not only urban issues but also an increased range of services were transferred to local government with the central government financing those services. Voluntary organisations played an important role in shaping urban politics, though they were never given an active leadership role.

### **4.3 Sports Policy in the period of Social Democratic Consensus**

By the outbreak of the World War II, government was actively involved in sport and recreation. The Central Council of Physical Education (CCPR) was established in 1935, and within a few years the 1944 *Education Act* made physical education a compulsory subject in the national secondary school curriculum. At the same time, this Act enabled local authorities to provide facilities for sport and physical education (Houlihan, 1991; Coghlan, 1990). Both sport and physical education were also instrumentalised as part of a brief pre-war campaign to improve the fitness of population. However, during the immediate post-war years, despite the increasing general interest in sport and leisure activities, sport was not included in the agenda of the central government, since the already established voluntary sector continued to set the pattern of British sport. Other areas such as housing, health or education gained priority on the public agenda. Under such circumstances, it is not surprising, as Gratton and Taylor (1991) note, that only two indoor swimming pools were opened between 1946 and 1959. This scarcity of public sport facilities built represented a stark contrast with the 250 pools built between 1915 and 1945 (Gratton and Taylor, 1991; Coghlan, 1990).

By the early 1960s, central government had decided to include sport (and recreation) as a relatively discrete policy area within the welfare system. A national sports policy started to

gradually develop, clearly influenced by the 1960 *Wolfenden Committee* Report commissioned by the CCPR because it saw Britain falling behind provision made elsewhere (Coalter *et al.*, 1988; Coghlan, 1990; Houlihan, 1991; Polley, 1998). This influential report advocated a much greater state involvement in sport to be established by setting up a National Sports Development Council to promote sport at all levels. In addition, it also reflected the need to increase the number of sports facilities, most of which dated from Victorian times. Furthermore, it drew attention to the failure of young people to continue sports participation after leaving full-time education. To achieve these objectives, government was expected to increase public funding. In reality, little action was taken until the newly elected 1964 Labour government introduced the Advisory Sports Council the following year as a forerunner to the establishment of an executive Sports Council with its own budget in 1972, after which sport became a legitimate responsibility of government (Coghlan, 1990; Gratton and Taylor, 1991; Houlihan, 1991; Polley, 1998, Roche, 1992). As part of this commitment, a Minister was appointed with responsibility for sport, Mr. Denis Howell, MP, who also was to be the Chairman of the advisory Sports Council for the same period (1965-1970). Subsequently, as will be explained later, responsibility for sport was to be located in a variety of different ministries (also called Departments) over the period of this study. For instance, the Minister of Sport, initially accommodated within the Department of Education and Science, was transferred to the Ministry of Housing and Local Authorities because of its focus on planning and building municipal sports facilities (Coghlan, 1990; Houlihan, 1991; Polley, 1998).

The Sports Council was initially an advisory rather than an executive body. As such, it focused on advising government on all matters relating to the development of amateur sport and recreation, and on fostering co-operation amongst statutory bodies and voluntary organisations. One of its first actions was to develop the 'Sport for All' policy adopted by the Council of Europe in 1966 (Roberts and Kamphorst, 1989). Concurrent with this government aim, the Sports Council considered two other priorities: first, to encourage the provision of new sports facilities and second, to provide public funds to aid the administration and development of national sports governing bodies (sports federations) (Coghlan, 1990; Polley, 1998). Some of the governing bodies of sport which had previously received some financial assistance, anticipated expansion of this aid with the establishment of the Sports Council (Coalter *et al.*, 1988; Coghlan, 1990). Public expenditure on leisure in general, and sport in particular, increased gradually throughout the 1960s and 1970s.

To augment the number of sports facilities, two key issues were considered necessary: first, to increase the grant-in-aid budget for facilities at the Ministry of Education and Science, and second, to encourage the already important role played by local authorities in building them (Coghlan, 1990). The *Local Government Acts* of 1958 and 1966 gave local authorities



more power over their own expenditure and borrowing. In particular, a general rate support grant for local authorities was approved which allowed them to decide, amongst other things, whether or not to build any sports facilities. In addition, Regional Sports Councils in England and national councils in Wales and Scotland were also established partly to speed up the construction of new facilities. However, due to the lack of any previous accurate assessment of the total number of sports facilities in Britain and on needs, an initial pattern of provision (what the Sports Council called 'basic community facilities') concentrated mainly on indoor sports centres, swimming pools and golf courses. To regulate the building of these facilities, the 1970 *Sports Facilities and the Planning Act* government circular recommended local authorities to consult with the Regional Sports Councils. In addition, some regional authorities focused on water-based facilities and general recreation areas (Coghlan, 1990). Overall this development represented the major breakthrough in British sports in the period of 1965-1980. In 1964, Britain had only four sports centres, while sixteen years later there were more than 400 (Coghlan, 1990; Polley, 1998). From 1964 also another initiative, the 'dual use' policy, was launched to make more intensive community use of existing schools facilities in the evenings and at weekends, involving local and education authorities. Therefore, with the considerable growth of new schools in the late sixties and seventies, this policy represented a sensible economic approach to value for money (Coghlan, 1990). Furthermore, but not without some resistance, another agreement involving the Countryside Commission, water authorities, clubs and users, was also extended to generate greater use of waterways, lakes and reservoirs for sport and recreation purposes.

Partly explained by the actions of the new Sports Council, there was an acceleration in the demand for sport nationally, increasing participation rates in sport which had been low until the 1960s (Sports Council, 1983). However, female participation still lagged behind that of men. Traditionally, women's sporting roles had been heavily influenced by norms established during the nineteenth-century debates over medicine and anatomy. These norms had limited women in a number of ways. First, women's practice was directed towards certain sports deemed 'appropriately feminine' while seeking to play those considered more masculine such as football or rugby found resistance and little interest from major British sports governing bodies (Brackenbridge and Woodward, 1992; Hargreaves, 1994, Polley, 1998). These differential roles were also extended to physical education classes that separated both sexes, and taught them different physical activities based on cultural models. In this context, women's access to sport was limited in scale, but the need to increase opportunities for women in sport gradually emerged as part of a wider debate on gender relations (Polley, 1998).

At the other end of the spectrum, it was also envisaged that governmental financial assistance could improve Britain's international sporting performance. Britain's steady decline at the international level (e.g. only one single gold medal was achieved at the 1952 Helsinki Olympics) was explained by the lack of state funding for elite sport and contrasted with the early sporting successes of the systematic sports planning of East Germany and the Soviet Union in the 1950s and early 1960s (University of Birmingham, 1956; Houlihan, 1991; Gratton and Taylor, 1991, Polley, 1998). National Recreation Centres, later named National Sports Centres, (at Crystal Palace, Lilleshall Hall, Bisham Abbey and Cowes and Plas-y-Brenin) were established by the CCPR in the period from 1946 to 1972 with philanthropic donations to help in the preparation of elite athletes. However, despite some demands for public funds, financial support from government for international competitions, initiated in 1965, was on a limited scale. This attitude responded to the traditional amateurism and voluntarism of British sport, which implied that national governing bodies of sport and the British Olympic Association (BOA) should be able to provide the majority of such funds themselves (Coghlan, 1990; Polley, 1998). Thus, from the 1960s government was giving a 'gentle push' to an already established system of provision, essentially a voluntary sector system. Furthermore, the main targets of the Sports Council in its initial period both at international and national level ranged from increasing participation to assisting elite sport at international level while, at the same time, public funds were channelled to enlarge the number of sports facilities together with the modernisation of governing bodies of sports.

#### **4.4 Urban Policy in the 1970s: Social Democracy and Pluralism in crisis**

The key features of the social democratic state started to break down in the 1970s. Post-war economic growth was negatively affected by internal and external factors such as the restructuring of the global economy, the breakdown of fixed exchange rates, an increase in oil prices, the recommendations of the International Monetary Fund (IMF) to reduce public expenditure, and the Winter of industrial discontent of 1979 (Kavanagh, 1994; Gamble, 1988). Changes in the economy posed also serious problems for governments to maintain two of the key goals of the previous period, low inflation and full employment, as well as having negative consequences over an important sector of the economy, the manufacturing industry, traditionally located in inner city areas. Ethnic minorities were more vulnerable to these changes and the symptoms of urban deprivation became more accentuated in these inner areas of the most significant industrial cities (Parkinson, 1989; Atkinson and Moon, 1994; Rydin, 1993; Wilson, 1987). Prior to this, it had been assumed that the welfare state, urban decentralisation policies and the regional planning, were sufficient to address the problems of British cities. At this time, the Labour government of Harold Wilson defined urban deprivation in inner cities as one of its policy priorities. However, the city continued

to be under the responsibility of the Home Office, rather than of the 1970 newly-created government department charged with urban development, the Department of the Environment (DoE).

The decade was characterised by a wide range of initiatives to overcome social problems in inner cities. Initially, education schemes (e.g. Educational Priority Areas) were introduced, following the recommendations of the 1967 *Plowden Report* of targeting educational disadvantage of working-class children in areas of social need. At the same time, the government began to launch modest urban and housing programmes. These early programmes adopted a social pathology perspective, which argues that the causes of poverty should be attributed to the 'pathological condition' of people and communities who remain in poverty, understood as a cycle of deprivation (Atkinson and Moon, 1994; Parkinson, 1989; Robson, 1988). Furthermore, an area based positive discrimination approach was also launched after recognising that disadvantaged people tended to be concentrated in certain areas of the city characterised by multiple deprivation (Atkinson and Moon, 1994; Edwards and Batley, 1978; Parkinson, 1989). Consequently, the combination of both the social pathology and area based approaches entailed a better targeting of policies and resources on selected areas and groups in an attempt to tackle related problems. However, these early urban initiatives adopting an area based approach were criticised on the grounds of their limited expenditure, and a lack of recognition of the broader disadvantages experienced by ethnic minorities. Furthermore, as Holterman (1975) pointed out, the approach adopted was unable to identify or to help significant numbers of disadvantaged people living outside the targeted areas.

In 1968, the Labour government, for the first time, intervened specifically in the inner cities by launching the Urban Programme (UP) and the Community Development Programme (CDP), following American models. Through the UP, local councils obtained substantial resources (up to 75 percent) to finance social and community projects in urban areas of special social needs (Hambleton, 1978; 1990; Atkinson and Moon, 1994; Edwards and Batley, 1978; Parkinson, 1989; Robson, 1988). Additionally, between 1969 and 1972 twelve CDP projects were also launched by the Home Office, combining community projects with an extensive programme of research. CDP teams were then set up in those areas, with a research team located at a nearby university. Under this initiative, the teams analysed the main causes of deprivation and sought to encourage people in these areas to improve their situation while the research team provided data for the Home Office and the local authority. Concurrent with the CDPs and with the Conservatives in power, two new initiatives were finally launched by the Home Office in 1972; the Inner Area Studies (IASs) and the Comprehensive Community Programmes (CCPs) which sought to co-ordinate actions across a number of traditionally discrete policy areas, with social, and latterly,

economic analyses of urban problems in areas of extensive deprivation (Atkinson and Moon, 1994; Rydin, 1993).

However, insufficient co-ordination among all these bodies was later recognised. The most disadvantaged areas were not always identified, with central departments and local authorities choosing areas and projects with little real justification (Lawless 1979, 1988a; Atkinson and Moon, 1994; Parkinson, 1989; Robson, 1988). Many of the CDPs attributed the decline of inner cities to the late adaptation of British industrial sectors to Fordist norms of production, thereafter encouraging residents in these areas to oppose some activities of the central government and to claim more resources for local authorities (Atkinson and Moon, 1994; Rydin, 1993; Bailey *et al.*, 1995). Not surprisingly, in 1976 the Home Office decided to curb this programme because of its unpopularity with central government and local authorities. Urban problems during this period continued and in a sense were legitimised by the ineffectiveness of urban initiatives and the limited resources allocated (around £30 million per year) (Atkinson and Moon, 1994; Lawless, 1979, 1988a; Parkinson, 1989; Robson, 1988).

At the beginning of the 1970s, Britain was facing a period of severe economic difficulty. The incoming 1970 Conservative government of Edward Heath failed to counter this situation by using traditional Keynesian instruments; a failure reflected in rising unemployment and inflation levels. The defeat of the Heath government in 1974, accelerated by an oil price increase and the second miners' strike of the decade, gave way to the 1974-1979 Labour government which inherited high rates of unemployment (over one million) and of inflation (25 percent). During this period, Britain was obliged, following the recommendations of IMF in 1976, to cut back its public spending in order to control inflation, with a subsequent reduction in local government funding.

Changes also affected urban policy. The New Towns programme was suppressed in 1976 and powers and assets of the New Towns Commission were finally transferred to local authorities (Rydin, 1993). The previous emphasis on regional and industrial development linked to the decentralisation of urban population to new towns was undermined by the extent of inner city problems, which, thereafter, started to take greater priority. In this way, the social concern of previous urban programmes was abandoned for a new emphasis on the need to create economic growth as a means of reducing deprivation. As part of its commitment to cities, the Labour government expanded public resources for urban programmes (from £30 m. to £125 m. per year) with responsibility for them finally transferred to the DoE in 1977 (Bailey *et al.*, 1995; Parkinson, 1989; Rydin, 1993). One of its first initiatives, the 1977 White Paper *Policy for the Inner Cities* (DoE, 1977a) marked a new era of continuing inner city policy. With different criteria in the selection of urban

areas, for the first time, inner city partnerships were created in cities with extensive problems such as Liverpool, Birmingham, Manchester-Salford, Newcastle-Gateshead and three London boroughs, Hackney, Islington and Lambeth. Despite the fact that the White Paper encouraged the private sector to participate in these partnerships, the process of disinvestment by the private sector in inner cities was an evident factor exacerbating urban problems (Parkinson, 1989; Hutton, 1995). Central government and local authorities finally integrated these partnerships with substantial funds and powers allocated to local authorities which were considered the natural agency to tackle inner city problems (DoE, 1977b). At the same time, housing policy continued a commitment to rehabilitation. In particular, the *Housing Acts* of 1969, 1971 and 1974 increased the financial support for housing improvement in areas of high unemployment (Rydin, 1993). However, the status of local government was going to change after Labour's inability to confront growing unemployment (it had reached 1,390,500 by 1979) and inflation. The long-term structural decline of the British economy linked to the globalisation of the economy produced the context for a new Conservative government headed by Mrs. Thatcher in 1979.

From 1979, Britain was at the forefront of the belief that neo-conservative policies are the solution to economic and social problems (Bacon and Eltis, 1978; Kavanagh, 1990, 1994; Gamble, 1988; Hutton, 1995; Parkinson, 1989). The Conservative political philosophy challenged the prevailing social and economic assumptions of the social democratic period and instead advocated as part of its alternative agenda, minimal state involvement in the economy, competitive individualism, a free market and urban entrepreneurialism (see chapter 2). Gamble (1988, p.28) summarised this doctrine by the phrase "the free economy and the strong state". In this way, paradoxically, an increased centralisation of decision-making as well as the diminution of the traditional role of local government coincided with a privatisation of urban policy (Barnekov *et al.*, 1989; Edwards and Deakin, 1992; Parkinson, 1989; Thornley, 1993). The *Local Government Act* of 1972 had established a new two-tier system of local government in England and Wales. Some of the city councils' functions were taken over with the creation of thirty-nine non-metropolitan and six metropolitan county authorities. However, it was really after 1979 that local urban politics experienced radical change (Lawless, 1988b; Parkinson, 1989; Seyd, 1990). City councils became one of the main targets of the recent Conservative governments. Traditionally, central government had a wide range of powers and exerted control over local governments, but left implementation to local authorities which had enjoyed considerable independence and financial autonomy. With the Conservative governments, the role of local government shifted gradually from that of provider to that of enabler, a role closer to its American counterpart (Hambleton, 1990; Cochrane, 1985, 1991; Harding, 1995; Parkinson, 1989; Osborne and Gaebler, 1992; Wolman and Goldsmith, 1992). Central government sought, through its approach to local government and various urban policy initiatives, to restructure

and subsequently to weaken the role of local government, at the time that it increased its own powers of financial control (Loughlin, 1985; Jones, 1988; Parkinson, 1989).

A wide range of financial and legal initiatives was introduced to undermine the capacity of local authorities, primarily those which were Labour controlled (Newton and Karran, 1985). These included rate capping (1984 *Rates Act*), reductions in grants to overspending local authorities, introduction of Compulsory Competitive Tendering (CCT), the privatisation of many council houses, and new grants systems with targets, clawbacks and other penalties (Page and Goldsmith, 1987; Goldsmith, 1992, Gamble, 1988; Parkinson, 1989; Stoker, 1988; Stoker and Young, 1993; Hutton, 1995). With reference to this change in the central-local relations, Blunkett and Jackson (1987) argued that the most important reason for challenging local authorities related to the control of local government expenditure. Limiting public spending was part of a larger aim of hollowing out the state-system (Rhodes, 1994). Nevertheless, expenditure cuts in general and cuts in local spending in particular, had started during the Labour government's period of office after the IMF's recommendations, with many local authorities considered as overspenders (Blunkett and Jackson, 1987; Page and Goldsmith, 1987; Hambleton, 1990; Parkinson, 1989).

At the urban planning level, the nature of inner city partnerships already introduced by Labour were abandoned and central government started to divert responsibility for urban regeneration to a plethora of agencies and Departments resulting in a loss of influence of the DoE and a reduction in local government autonomy. Simultaneously, the launching of the 1980 *Local Government and Planning Land Act* and the 1988 *Action for Cities* document marked the key principles of the Thatcherite urban policy with a new response to inner city problems, an urban entrepreneurialism led by the private sector. Powers and local leadership have been challenged by a number of inner city initiatives launched in the 1980s and the early 1990s such as the UDCs, Training and Enterprise Councils, Enterprise Zones, Local Enterprise Companies in Scotland, City Technology Colleges, City Action Teams or Inner City Task Forces, which all introduced market regulations to urban policy.

#### **4.5. Sport in the Post Social Democratic Era**

In the run-up to the 1970 General Election, an intense debate was held about the role and status of the Sports Council between some who wanted to keep its advisory role and others who advocated a new executive role. With the unexpected victory of the Conservatives, the most important change had been the transformation of the Sports Council to an independent body with executive powers in 1972, but funded by government (Coghlan, 1990; Henry, 1993; Polley, 1998). In this context, the new Sports Council, which also assimilated most of the CCPR's staff and assets (including the existing National Sports Centres), added to all its

previous advisory functions, grant-aid to sporting organisations, activities and projects, assistance to British representative teams competing at international level and the handling of links with international sporting bodies, the provision and management of the National Sports Centres and the forging of closer sporting links with and among local authorities, the armed services, private enterprise and large spectator sports (Coghlan, 1990).

Under this new structure of sport in Britain, the CCPR started to develop its functions as the body representing national governing bodies of sport advising the Sports Council. Some tensions between the Sports Council and the CCPR have become notorious over the years (Coghlan, 1990). Decentralisation manifested itself with the setting up of new Scottish and Welsh Sports Councils, whereas the establishment of the Northern Ireland Sports Council was postponed until 1974. Eldon Griffiths (1970-74) succeeded Denis Howell. Responsibility for sport was moved from the Ministry of Housing and Local Government to the DoE in 1970 where it remained under successive Conservative and Labour governments until 1990. Then after ten years back in the Education Ministry it was finally located in the newly established Department of National Heritage (DNH), later re-named the Department of Culture, Media and Sport (DCMS). After 1976, the transformation of Regional Sports Councils to Regional Councils for Sport and Recreation led them to include as part of their responsibilities all other forms of outdoor recreation. In 1995 believing these hybrid bodies of elected politicians, professionals and volunteers to be too big to be effective, Ian Sproat, then Tory Minister of Sport abandoned them for small advisory sports forums. Responsibility for sport in the United Kingdom was (and is) shared across many different bodies (Houlihan, 1996). In this way, different Departments such as the DoE or the DCMS, which have incorporated the Minister of Sport, have had a key role in shaping sports policy, though they enjoy few executive responsibilities. Other government agencies relevant to sport, located in the DoE, include the Countryside Commission and the Nature Conservancy Council with responsibility for sports and recreation facilities. Further national non-governmental bodies concerned with sport include the British Association of National Coaches, the British Sports Association for the Disabled, the National Council for School Sports, the Physical Education Association and the British Olympic Association. Different Ministries and Departments together with public bodies at local level help to complete the wide range of bodies with responsibilities for sport in the UK.

Shortly after the establishment of the Sports Council, the Labour government in a White Paper identified sport and recreation as 'one of the community's everyday needs', was to mean that meeting those needs would be problematic due to the increasing economic problems that Britain was facing by the early 1970s (DoE, 1975). If the Wolfenden Report contributed extensively to the development of sport in the 1960s, another report from a Select Committee guided the philosophy of the Labour government 1975 White Paper,

*Sport and Recreation.* This document aspired to be a comprehensive philosophy of sport as well as recreation. In terms of funding, the initial Sports Council's budget was limited (only £3.6 million), from which support for elite sport accounted for just below one fifth. Despite this small budget, additional sports centres covering a wide range of sports were opened. The rest of the Sports Council's income was distributed between an extensive range of governing bodies and the local authorities to promote new sports facilities and related projects (Coghlan, 1990). The Sports Council's budget moderately increased from its initial amount of £3.6 m. in 1973 to £15.6 m. in 1980, whereas economic support to governing bodies and other national sports organisations had been rising considerably from 1972 (£6.07 m) to 1989 (£9.3 m) (Sports Council Annual Reports cited in Coghlan, 1990, p. 172; Henry, 1993). There was a proposal to launch a National Lottery in 1975 from which the sport's budget could have benefited. However, in contrast to other Western European countries (e.g. Spain) where national lotteries and football pools supplemented central and local government's resources, this initiative was postponed when the Conservatives came to power in 1979. It was only during the Conservative government of John Major that the National Lottery was finally established. In the meantime, the Sports Aid Foundation (SAF), following the German model, was launched to raise funds to support the preparation of elite athletes. This national government agency managed to raise over £2 million between 1975 and 1984 (Coghlan, 1990). Complementing this fund, national governing bodies use of sport funds to develop excellence had risen from £2.4 million in 1978 to £3.7 million in 1983, but by then the policy, under government pressure, was to hold to this level of support.

Parallel to the establishment of the Sports Council and with the expansion of public sector leisure provision, a 'Sport for All' campaign was launched in 1972 to enhance participation in sport and recreation at all levels. The nature of government sporting objectives, reflected in a range of White Papers and government public actions (DoE, 1975, 1977a and 1977b), not only envisaged sport and recreation as a right, but also placed strong emphasis on the development of 'sport in the community', as a means of reducing anti-social behaviour, in particular, on the part of young people (Coalter *et al.*, 1988; Glyptis, 1989; Gratton and Taylor, 1991, Henry, 1993; Houlihan, 1991, Polley, 1998). With reference to the expected contribution of sport and leisure to address problems of urban deprivation, different Labour and Conservative governments of the 1970s and early 1980s showed a willingness to provide additional funds for sports schemes through the Urban Programme to the Sports Council, though, in turn, both Labour and Conservative governments sought to reduce local government spending (Henry, 1993; Glyptis, 1989). In 1975 the Sports Council launched its first initiative into what were called areas of special needs, mainly in inner cities (notably two years before there were urban riots across UK cities). Thereafter government, in collaboration with the Sports Council and local authorities, continued to divert funds to



inner city areas through a variety of schemes such as Areas of Special Needs, Urban Deprivation Grants, Football in the Community in the 1970s, and Action Sport in the 1980s (Glyptis, 1989; Glyptis and Pack, 1989; Gratton and Taylor, 1991; Henry, 1993). The latter programme, for example, used sports leaders to interact with young unemployed people and try to interest them in sporting activities.

The 1970s and the 1980s were also characterised by a continued investment in sports and leisure facilities at local and regional levels in contrast to the national level (Gratton and Taylor, 1991; Coghlan, 1990, Houlihan, 1991; Polley, 1998). In 1971, for instance, there were only 500 local authority swimming pools and twenty sports halls nationally, whereas between 1971 and 1989, 700 new swimming pools and 1,000 new sports centres were constructed (Houlihan, 1991; Polley, 1998). By providing locally, participation was expected to rise in response. At the same time, the reorganisation of local government in 1974 brought with it the significant expansion, as part of the logical expansion of the welfare state, of newly established Leisure and Recreation Departments in local councils. In addition to the substantial increase on sport and recreation of local authorities expenditure in the period 1973-80 (see Table 4.1), the establishment of the local Leisure and Recreation Departments provided an important advance in the planning and management of both sports infrastructure and participation.

<i>Financial year</i>	<i>£ m Expenditure</i>	<i>Percentage Increase</i>
1973	191	----
1974	252	31.9
1975	336	39.7
1976	365	9.4
1977	376	2.9
1978	409	16.7
1979	546	22.7
1980	682	27.3

**Table 4.1. Local authority expenditure on sport and recreation (1973-80)**

*Source: Sports Council (1983) The financing of Sport in the UK, Information Series, n. 8, London, Sports Council, in Coghlan (1990)*

Some changes affecting women's sport have occurred in parallel with some continuities from the mid 1960s. The idea of separate sports developments for men and women had been gradually challenged by the increasing access of women to sports once were considered more masculine, for instance, rugby and football. This has been reflected with the establishment of women sports associations such as the Women's Football Association

(WFA) in 1969 or the Women's Amateur Rugby League Association in 1983. Concurrent with this trend, the Women's Sports Foundation (WSF) was established as an umbrella organisation to promote women in sport (Polley, 1998). Nevertheless, the 'traditional' female sports are still promoted strongly. This debate forms part of a broader campaign about equality of access and opportunity between men and women in all spheres. Legislation such as the *Sex Discrimination Act* of 1975 recognised equal rights, though some developments in sport predated this law. Some commentators argued that equality of opportunity has not been achieved and that not all women have had equal access to sport (Polley, 1998; Houlihan, 1991). At the same, some advances have been made.

The establishment of the Sports Council in 1972, the appointment by successive governments of a Minister for Sport and the launching of an important range of policy statements and government public actions served to highlight the growing interest of government in sport not only as a right but also as a means of social control. This idea was also reflected, though more slowly, in the increase of public funds at the national but predominantly at local level to enhance sport and recreation facilities and community recreation with special emphasis on the participation of local deprived city communities. However, according to Hillman and Whalley (1977), the real benefactors of the extensive UK facility provision of the 1970s were not, in reality, the targeted groups of inner areas where many of these facilities were located but middle class users from outside the areas.

#### **4.6. Urban programmes in the 1980s and 1990s under Conservative governments**

In these two decades, under four consecutive Conservative governments, the creation of economic growth in inner city areas has gradually been at the top of British urban policies and programmes (Barnekov *et al.*, 1989; Parkinson, 1989; Hambleton, 1990; Hutton, 1995; Bailey *et al.*, 1995; Tye and Williams, 1994). In this way, the promotion of economic development has taken greater priority over social regeneration. Partly driven by the experience of the urban regeneration process of some US cities like Boston, Baltimore or Pittsburgh, urban entrepreneurialism has also in some respects supplanted traditional local politics. The British government was attracted by the model of the 'entrepreneurial' American city, which, as one response to economic decline, started to develop new political arrangements in the form of public-private partnerships. In the British context, the kind of partnership established previously by the Labour government was therefore reinterpreted as a partnership between the private sector and central government, after questioning the legitimacy and efficiency of its traditional partner in urban regeneration, local government (Atkinson and Moon, 1994; Bailey *et al.*, 1995; Harding, 1991; Parkinson, 1989). Most of these key features of urban policy during the Conservative governments of the 1980s were similar to those adopted earlier by US governments

(Hambleton, 1990). However, there was one main difference between American and British urban policies in this period. While the American conservative policy intended to decentralise federal power to the states and cities, the British government did the opposite. It increased centralisation of power by undermining the fund raising capacity of city councils especially through legal and financial restrictions. In this respect, the delivery of many of the new urban initiatives of the 1980s and the early 1990s attempted to by-pass local authorities, reducing their powers and led to greater intervention by central government in local economic development strategies (Stoker, 1988; Stoker and Young, 1993; Parkinson, 1989; Parkinson and LeGales, 1995, 1997).

Parkinson went further to assert that these radical changes in policy, particularly under Mrs. Thatcher, were not economically determined, but were mainly politically driven. In response to Mrs. Thatcher's policies, during the early 1980s an increasing number of larger Labour-controlled local governments started to intervene more in local economies development strategies in order to attract investment and employment as well as to challenge the primacy of the private sector in urban regeneration (Blunkett and Jackson, 1987; Gyford, 1985; Parkinson, 1989). This growth in local economic strategies was strongly associated with the rise within the Labour party of a New Urban Left perspective. Labour councils like Birmingham, Glasgow, Sheffield, Leeds and Manchester, dissatisfied with both the failures of the earlier 1970s Labour central governments to pursue socialism, and opposed to the Conservatives' market-led ideas, adopted interventionist economic programmes. The emphasis of these initiatives was on practical actions such as setting up their own industry and employment departments, developing co-operatives and community enterprises, and supporting firms in crisis. Other strategies were also adopted such as increases in local taxes, reduction of capital expenditure, particularly in housing and industry and devising mechanisms to avoid spending controls (Blunkett and Jackson, 1987; Newton and Karran, 1985; Parkinson, 1989). Nevertheless, housing was another area exposed to market regulation and as such, the 1981 *Housing Act* forced local authorities to sell council houses below market value to tenants who wished to exercise their right to buy. In this process, over one million council houses were sold in the period 1979-86 (Hambleton, 1990). By reducing the public housing stock (e.g. from 6.5 million units in 1981 to under 5 million) and increasing private ownership, the Conservative government expected to reduce public expenditure on housing investment (from 8 per cent (1978-79) to 3.8 per cent (1990-91)), encourage home ownership, benefit its own political constituency and limit local authorities' capacity to use the proceeds of council house sales to build new houses (Hutton, 1995; Kavanagh, 1990). In this context, housing associations, which began as non-profit-making voluntary organisations, have been forced to become the main providers of social housing.

The country was suffering a deep urban social crisis, identifiable by the occurrence of riots in more than 20 English cities throughout the 1980s. Explanations for this phenomenon were diverse, including growing unemployment, the decline of local authority expenditure, resentment of the climate of racism and the role of the police (Bailey *et al.*, 1995; Blunkett and Jackson, 1987). In particular, unemployment rose from 4 per cent (1,390,500) in 1979 to over 11 per cent (3,297,000) in 1986 (Glyptis, 1989). Under those circumstances, central government expenditure on inner cities continued gradually to increase throughout the 1980s and 1990s (see Table 4.2), but cities have overall lost more resources as a result of reductions in central government grants than they have gained in urban resources (DoE, 1994; Tye and Williams, 1994; Bailey *et al.*, 1995). However, urban priorities had changed to a greater expenditure on economic rather than on social projects, as Table 4.3 emphasises (DoE, 1986, 1994; Parkinson, 1989; Robson, 1988). After the mid-1980s, despite the continuity of some of the previous urban programmes, the introduction of new urban initiatives clearly responded to a more entrepreneurialist approach to urban regeneration with a focus on physical transformation and a property led approach. In many cities, regeneration strategies have focused on investment and business promotion, employment training and education, clearing derelict land and environmental and housing improvement. In particular, the most significant initiative of the Thatcherite urban policy, the Urban Development Corporations (UDC), could exemplify the British government's philosophy of physical property-led regeneration, often by the use of prestige flagship redevelopment projects:

UDCs are the most important example of the current government's philosophy, presenting its distinctive view about urban regeneration, the way it should be organised and financed and the results it should achieve. The model assumes regeneration should be physically led by a single-purpose agency, free from the restraints of local democracy, which should establish at minimal public cost the conditions for private investment, which will generate wealth that will eventually flow back into the community (Parkinson, 1988, p. 10).

Under the 1980 *Local Government and Planning Land Act*, UDCs were given extensive planning powers and increasing amounts of government resources to regenerate specific areas of cities as Table 4.2 highlights. The first two were established in 1981 in London Docklands and Liverpool (Merseyside), being later extended in 1987 to eight English cities, and with four 'mini-UDCs' being created the following year (including Sheffield UDC in the Lower Don Valley). The last generation of UDCs was created between 1992 and 1993. With UDCs being made planning authorities as well as responsible for regenerating inner cities, local authorities lost their traditional planning powers over part of their jurisdiction. Not only the UDCs but also most of the new urban initiatives were included in a central government's document *Action for Cities* published in 1988. This document marked a new

era of inner city policy with the introduction of entrepreneurialism as the instrument for the economic regeneration of inner cities (DoE, 1988b; Edwards and Deakin, 1992; Parkinson, 1989; Parkinson and LeGales, 1995, 1997). The use of public resources (e.g. Urban Development Grants, Derelict Land Grants, City Grants, etc.) and fiscal incentives (e.g. Enterprise Zones) was promoted to attract private investment. In this process, central government was initially giving local authorities incentives to collaborate with the private sector in regeneration projects. However, from 1988 central government, dissatisfied with the level of collaboration of local authorities, decided to exclude them and to fund the private sector directly. A new system was thus launched, City Grants, integrating previous programmes such as Urban Development Grants, Urban Regeneration Grants and Derelict Land Grants (DoE, 1988b).

	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96
Urban Programme	237	246	224	223	226	237	243	176	91	80
	---	---	---	---	---	---	64	214	214	214
City Challenge										
City Grants	24	27	28	39	45	41	60	71	71	83
Derelict Land	78	76	68	54	62	77	95	93	93	93
URA	---	---	---	---	---	---	---	2	2	2
UDCs and DLR	89	133	255	477	607	602	514	337	293	293
Task Forces	---	---	23	20	21	20	23	18	16	15
Manchester Olympics	---	---	---	---	---	1	13	35	25	---
City Action Teams	---	---	---	4	8	8	4	3	1	1
CF extra receipts	---	---	---	-2	-4	-7	-2	---	---	---
Other	14	8	---	---	---	---	---	3	8	1
Inner Cities Total	442	490	598	815	964	980	1014	952	813	800

**Table 4.2 Central government expenditure in inner cities (1986-87 to 1995-96).**

Source: DoE Annual Report (1992), in Tye and Williams (1994, p. 11) and DoE Annual Report (1993), in Bailey et al. (1995, p. 50).

Category of Expenditure	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1988-89
Economic	32	38	36	36	32	42	55
Environmental	27	29	25	21	26	25	20
Social	41	33	39	43	42	34	25

**Table 4.3 Changes in expenditure on economic, environmental, and social projects (1981-82 to 1988-89)**

Source: Parkinson (1989, p. 431)

At the local level, the introduction of new urban programmes in the 1980s obliged some Councils to de-emphasise some of their social priorities and to be more responsive to the business community. Some of these local authorities began to reduce their spending, but other Labour councils resisted and began to campaign. Sheffield City Council, for instance, increased its property rates by 41 percent in 1980 and 37 percent in 1981, and was still supported at the polls (Blunkett and Jackson, 1987; Gyford, 1985; Parkinson, 1989). By the 1981 elections, Labour controlled all metropolitan counties and some of the traditionally Conservative counties as well. Because of this, the central government started to audit local authorities more extensively together with the launching of the *Local Government Finance Bill* to abolish local authorities' power to levy a supplementary rate, and introduced new measures to penalise overspending councils (Newton and Karran, 1985). Despite some of these unpopular measures, the Conservatives remained in power with a massive parliamentary majority after the 1983 elections. As the 1980s progressed, considerable financial pressure on city councils' budgets continued, for instance, the *Rates Act 1984* imposed a limit on both local authorities' spending and on the amount of rates to be levied (Newton and Karran, 1985; Page and Goldsmith, 1987). This 'rate capping' deprived local councils of their historical tax raising and spending powers, which had traditionally depended on three main sources of income: property rates, charges for rents and services, and government grants (Newton and Karran, 1985). Central government abolished local rates and instead, it imposed the community charge or 'poll tax' in 1990.

The 1987 general election confirmed Mrs. Thatcher in power with a majority. By this time, it really looked as if the application of neoliberal policies had begun to transform the British economy, with some signs of a national economic recovery (e.g. the control of inflation). However, the impact of this economic growth on different groups as well as regions had been uneven. Despite the deregulation of the labour market and the weakening of unions and workers' rights, unemployment was still very high (in January 1987 was 3,297,000 which represented 11.9 per cent of the workforce), particularly for the young and the less skilled black population in the most deprived urban communities, as the 1992 Policy

Studies Institute (PSI) report suggested (cited in Stoker and Young, 1993; DoE, 1988a). Between 1981 and 1984, 700,000 new jobs were created by the rise of the service sector, but they, in part, complemented (though not compensated for) the decline of manufacturing industry. Virtually all the new jobs were part-time and most of them have gone to women. As part of the increasing polarisation between the North and the South, 18 of the 20 fastest growing towns in employment terms between 1971 and 1981 were in the south (Hambleton, 1990). Moreover, Britain's largest cities continued their loss of population as the 1991 census confirmed. This combination of loss of population and urban decline entailed severe social and economic problems (Robson, 1988). The effect of urban policies under the first decade of the Conservatives with Mrs. Thatcher in power was analysed by the government (see DoE, 1994) in over 120 British cities. After comparing the evolution of 57 urban areas defined as in greatest need with that of other less deprived areas, the following issues emerged. The money spent by government in all its programmes affecting cities was very limited (£4 billion) compared to the total government budget (£200 billion). In addition, the conditions of the 57 urban areas improved substantially, particularly in reducing unemployment, attracting young residents and increasing demands for private housing, compared with those not receiving financial support. However, economic distress continued in the seven biggest cities of the study regardless of financial expenditure. Furthermore, the major sources of funding for cities were still the rate support grant and the housing investment programmes rather than the special urban funds. Finally, it was also noted that there was insufficient co-ordination among the plethora of agencies and departments involved in urban regeneration. Above all, as a number of commentators suggested the growth of social polarisation emerged as one of the outcomes of the Thatcherite urban policies (DoE, 1994; Hambleton, 1990; Lawless, 1988b; Parkinson, 1989; Stoker and Young, 1993; Joseph Rowntree Foundation, 1995).

At the local level, some of those local authorities, which had previously adopted new Urban Left policies, realised that their local economic development policies could only have a minor effect on the regeneration of their local economies. In addition, despite the fact that Metropolitan County Councils had previously assumed a leading role in economic policies with a continuing centralisation of power, the 1985 *Local Government Act* abolished the six Metropolitan County Councils and also the Greater London Council (GLC) and some of their competences were transferred to the district councils, London boroughs and joint authorities. In essence, with the limited impact of the local economic development policies on the local economies and, as regime theory advocates, the limited capacity of some of the British city councils to affect significant policy changes, some of these local authorities adopted a new realism, that is a new strategy of collaboration with local capital with the development of partnerships with business groups, sharing some common trends with American cities (Bailey *et al.*, 1995; Hambleton, 1990; Parkinson, 1989; Seyd, 1990; 1993;

Lawless, 1989; Stoker and Young, 1993). However, the kind of partnerships which have emerged in Britain seem to be substantially different to the ones addressed by Stone (1989) and other authors (DiGaetano, 1989; Elkin, 1985; Turner, 1992) in the United States. In particular, during the Thatcherite urban policy period the contribution and commitment expected from the private sector in some British cities to urban regeneration, according to Parkinson and LeGales (1995), have been more symbolic than effective, with the public sector taking the lead in this process (see Bailey *et al.*, 1995; Lawless, 1988b; Stoker and Young 1993; Hambleton, 1990). By contrast, local authorities and local communities had not been given a sufficiently wide role in regeneration processes during the same period (Stoker and Young, 1993; Hambleton, 1990; Clarke and Stewart, 1992).

A new Conservative government led by John Major emerged after the resignation of Mrs. Thatcher on November 1990. One aspect of urban policy, the introduction of the community charge contributed significantly to her downfall. The new Prime Minister's political agenda was incremental, particularly his concern for greater social cohesion, with only small changes to Mrs. Thatcher's policies (Kavanagh, 1990; 1994). There was continuity in the various processes of privatisation already initiated and in the approach to urban regeneration based on a physical property-led regeneration. The controversial community charge was abandoned for a more proportional council tax. After his small parliamentary majority in 1992 election, the capacity of Major's government was clearly limited along with Maastricht and Europe becoming dominant in setting national economic policy (a relevant and also polemic issue within his own political party) and by inherited economic problems (Kavanagh, 1990, 1994). Britain's macroeconomic policy, as in many other European countries whatever their political philosophy, has been largely determined by the growing importance of EU institutions. Internally, the budget deficit continued to grow (6 per cent of GDP in the 1993-94 financial year) and tax increases were introduced to counterbalance this situation. Public spending was extensively cut, involving a further 17 per cent drop in public investment that was already the lowest as a proportion of GDP since the Second World War (Hutton, 1995), and one of the lowest in Europe.

At the urban level, the central government recognised the incapacity of the private sector alone as well as of the associated trickle-down effect to solve inner city problems (Hambleton, 1990; Stoker and Young, 1993). Expenditure in inner cities from some of the previous urban programmes was diverted to a new urban initiative, the *City Challenge Grant*. Launched in 1991, the City Challenge Grant programme sought to overcome the criticisms of the urban programmes of the previous decade by adopting a more holistic approach to urban regeneration. From this new programme, based on a process of bidding, 31 local councils were chosen to each spend £75 m. per annum in urban regeneration over a period of five years. In this way, central government continued to encourage great inter-city



competition to attract governmental resources. Significantly, this programme has encouraged a partnership approach, integrating local authorities, local capital and community groups, in order to attract central government funding. One of the positive aspects of this initiative was the attempt to improve the previously tense relationships between central and local government by giving a greater role to local authorities in economic development initiatives (Bailey *et al.*, 1995; Parkinson and LeGales, 1995; Tye and Williams, 1994). With John Major in power, local authorities and local communities were then empowered as different authors had previously argued they should be (Stoker and Young, 1993; Hambleton, 1990; Clarke and Stewart, 1992). Not only were local and central government relations expected to change, but also social issues of urban areas were given higher priority. This holistic approach to urban regeneration was also reflected in the last-UDCs to be created, in Birmingham (1992) and in Plymouth (1993).

Following the *City Challenge* model, a new programme, the *Single Regeneration Budget* (SRB) was also launched in 1993 as a way of integrating 23 separate funding regimes to fund urban projects over a seven years period. The following year, another initiative, *English Partnerships*, was set up to promote the reclamation and development of derelict, vacant and under-use land and buildings in urban areas. This agency also incorporated some of the previous urban programmes, including UDCs, Derelict Land Grant and City Grant and English Estates and intended to act as an enabling body, a single point of contact for private investors and local authorities (DoE, 1994; Bailey *et al.*, 1995; Tye and Williams, 1994). Its responsibilities included assisting the private sector in developing land, and working not only with local councils in identifying and reclaiming sites, but also with the management of other inner city programmes and agencies. These new urban initiatives aimed to reduce the wide range of agencies and bodies involved during the Thatcherite urban policy and offered some potential for a reversal of centralist trends with local authorities recovering their role in local economic development strategies. In addition, urban regeneration seems to adopt a more holistic approach with enhanced opportunity for the introduction of social issues.

#### **4.7. Sports Policy in the 1980s and 1990s**

Under Thatcherism, sport was also affected by a new context. The independence of the Sports Council, following the demise of Hector Monro (1979-1981), was called into question, particularly from 1981 onwards (e.g. the boycott of the 1980 Moscow Olympics) (Coghlan, 1990, Houlihan, 1991; Polley, 1998). When Neil Macfarlane became Minister of Sport in the Thatcher government from 1981 to 1985, he advocated political control of sports affairs including the Sports Council. There were several crises affecting the artificial division between policy and politics in sport, including the apartheid debate over sporting

links with South Africa and the Zola Budd affair, and the problems of football hooliganism (Polley, 1998; Houlihan, 1991).

The previous emphasis in the provision of local sports facilities and community participation continued to be reflected in the Sports Council's 1983 strategy *Sport in the Community, the Next Ten Years*. This document represented a shift in policy from its heavy funding of elite sport, (45 per cent of its budget in 1981-82), towards a positive discrimination in favour of deprived inner areas by considering that "the deteriorating situation in terms of unemployment, and the problems caused by social unrest in the inner cities brought about a serious rethink by the Sports Council in terms of the strategy for the future" (see Polley, 1998, p. 22; Sports Council, 1983; Glyptis, 1989). The Sports Council realised that the 1972 'Sport for All' objectives had not been fully achieved and set new plans for the 1980s to increase the participation of unemployed and other groups such as women, school-leavers, the aged, people with disabilities and ethnic minorities (McIntosh and Charlton, 1985; Glyptis, 1989; Houlihan, 1991; Henry, 1993). Through campaigns and the establishment of special development projects non-participants from local deprived inner city areas were expected to be attracted into sport and also to reduce the gap between male and female participation. The 1983 strategy was also an attempt to provide a rational basis for bidding for government money, in competition with other areas such as arts, conservation, education and health. A further factor was Britain's poor showing in the 1980 Moscow Olympics and therefore, better national facilities and money for excellence were to be claimed.

In 1987, with Colin Moynihan as the new Minister of Sport, the Sports Council produced a consultative document, *Sport in the Community...Which Way Forward?* to evaluate these aims which led to an updated strategy, *Into the 90s*, launched the following year (Sports Council, 1988). This document outlines the objectives of the Sports Council from 1988 to 1993, after recognising that all the aims outlined in the 'Sport for All' policies of the 1980s had still not been achieved, in particular the underprovision of indoor 'dry' facilities and the fall in the number of women participating in outdoor sport. On the other hand, nearly one million more women were taking part in indoor sport, and one million more men were participating in all sports since the strategy was introduced, and the target for 'wet' facilities had been exceeded.

Despite such an increase in the number of people taking part in sport, the pattern of non-participation by certain inner city groups remained virtually the same from the first campaign in 1972 (Coghlan, 1990). In its 1988 document, the Sports Council set its new aims which included: first, to bring together the actions of public, private and voluntary sectors; second, to enrol an extra 1.25 million women and 750,000 men in sports activities, with special emphasis on three groups: black people and ethnic minorities, people with

disabilities and women; third, to increase substantially the provision of sports facilities and finally, to develop strategies for the promotion of sport for excellence (Sports Council, 1993). The government use of sport and recreation as an instrument of social control led some authors to consider that it had gradually shifted its initial concern of the 1960s with 'Sport for All' to 'sport for the disadvantaged' and 'sport for inner city youth' in the 1980s and 1990s (Houlihan, 1991; Polley, 1998). Nevertheless, different authors argue that there is little evidence to support the assertion that participation in sport can significantly reduce anti-social behaviour (Bramham *et al.*, 1993) while others pointed out that sports policy is seen to have direct and positive consequences for certain target groups, particularly the young urban disadvantaged (Henry, 1987).

Local authorities still remained the most important providers of sports facilities and services, though economic constraints imposed by successive Conservative governments had diminished their spending capacities on sport by 25 percent between 1985 and 1990 (Henley Centre, 1992; Coghlan, 1990; Henry, 1993; Houlihan, 1991). Despite these economic constraints, according to Collins (1990), 90 percent of public money being spent on sport and recreation in 1990 came from local authorities. In the context of managerialist policies, more than half of local authorities, in line with the Sports Council's aims, started to adopt a more proactive role and encouraged target groups to participate in sport. One of the first initiatives was *Passports to Leisure Schemes*, which offered differential pricing for disadvantaged groups. By 1985 in the UK as a whole 64 per cent of local authorities were operating special schemes for the unemployed, and a further 7 per cent gave general price concessions (Glyptis and Pack, 1989; Glyptis, 1989). This initiative responded to the recognition that public sporting facilities were failing to attract disadvantaged groups.

At the same time, though social goals for sport and recreation policy in inner city did not completely disappear, the management of local sports and recreation facilities could not escape from the new right philosophy of establishing the market principle as the universal basis of any policy. This was formalised under the third Thatcher government by the 1988 *Local Government Act* which required local authorities to contract out or to offer to tender to private companies the management of their local sports and leisure facilities through the development and introduction of CCT (Henry, 1993; Houlihan, 1991; Gratton and Taylor, 1991). This 'new managerialist' approach continued also under Major's period of office, and from 1993 all local authorities in England, Scotland, and by 1994 all those in Wales were forced to expose the management of their facilities to this process. The only exceptions to this requirement were for facilities of which the primary use was not sport and recreation, or those used primarily by education (Henry, 1993). Tendering was nevertheless immersed in a considerable debate, seen as an enormous threat to sport by some and a great opportunity for sport by others (Gratton and Taylor, 1991; Henry, 1993).

While one of the positive effects following the introducing of CCT has been the recognition of the need to specify policy goals for public sector leisure provision (Henry, 1993), the outcomes of a survey produced by Taylor and Page (1994) showed that the quality and quantity of those services were in decline in a large number of local authorities as a result of financial cuts and the employment of more casual, less well trained staff.

Another consequence of this financial pressure is that local authorities have been looking at alternative ways of managing local sport and recreation services such as developing partnerships with the voluntary or commercial sector and the establishment of charitable trusts. Therefore, in the 1990s there has been a tension between on the one hand the traditional bureaucratic manner of running public sector leisure facilities, and on the other hand, the new managerialist approach which evaluates public management predominantly in economic terms (Henry, 1993; Farnham and Horton, 1993; Leach *et al.*, 1994; Polley, 1998; Taylor and Page, 1994). In any case, the onus for fostering 'Sport for All' continued to be placed on local government, with many local governments supporting local schemes for disadvantaged groups (Sports Council, 1993). However, with the restructuring of the Sports Council and the establishment of the UK Sports Council, it was anticipated that the emphasis of these bodies would be placed on achievement of sporting excellence rather than on 'Sport for All'.

With the increase in expenditure on aspects of sport and leisure associated with economic development in the 1990s, some British cities (London, Birmingham, Glasgow, Sheffield, Bradford or Manchester) are following a 'post-modern' trend of what Harvey called 'serial reproduction' of strategies to revitalise their economies in response to global economic changes and the policies of central government (Henry, 1993, Roche, 1992; Hill, 1992, Loftman and Nevin, 1996; Tye and Williams, 1994; Williams, 1997). As part of this trend, these cities have been competing to attract sport-related projects and subsequently government investment (e.g. the £200 m. National Stadium) (DNH, 1995a; Cochrane *et al.*, 1996). This impact of central government policies on local government budgets is also reflected by some initiatives such as the introduction of the National Lottery, tighter control of the funding of National Governing Bodies and the evolution of thinking on the British Academy of Sport (BAS). In particular, the National Lottery funding offers a new source of capital to local authorities who had experienced cuts in capital expenditure over the past ten years (Bramham, 1998; Polley, 1998). At the same time, the Sports Council (of Great Britain) has begun to enjoy more power and resources through the Lottery and can exert a more substantial influence in sports policy in British cities. The Sports Council announced plans to invite cities to bid for the title 'City of Sport' which would involve a city demonstrating its commitment to providing facilities for and hosting major national and international events and promoting sports development at local level (Sports Council,

1995). In 1995, Sheffield became the first city to obtain this recognition, closely followed by Birmingham and Glasgow.

In July 1995, the central government published the policy paper *Sport: Raising the Game* which articulated the aspirations of John Major and his government with respect to sport, and in particular stated a commitment to the development of international excellence (DNH, 1995b). As such, this commitment to the development of sport for excellence in the UK shares some resemblance with other countries in a global context of sport (see Roberts and Kamphorst, 1989). The *Raising the Game* set out proposals for a network of institutions to provide the facilities and services to enable those with talent to compete successfully at national and international levels. Despite the facilities explosion of the 1970s and the development of National Centres as well as the numerous major events held in Britain (e.g. Euro 96 Football Championships), the country is still said to be lagging behind other Western European countries in terms of suitable facilities for hosting national and international competitions (Polley, 1998). After launching the National Lottery, one of the first initiatives of the Sport Council was to build a new £200 m. National Stadium for national and international football and rugby league matches as a replacement for the 70-year-old stadium at Wembley. Alongside this concern, the relative decline of success of both team and individual levels from the UK in international competitions has given rise to the need of governmental backing towards sport for excellence. Thereby, the 1995 policy proposed that a British Academy of Sport (BAS), later to become the United Kingdom Sports Institute (UKSI), be established to effect a major impact on the development of excellence in UK sport with the Lottery sports fund as the main source of funding for development of facilities and the revenue costs. Other sources of funding might include sponsorship and commercial activities, although the Australian experience shows these may be limited (Houlihan, 1996).

In mid 1998, after a long period of debate about the model of the UKSI and two rounds of competitive bidding and with a new Labour government, Sheffield was finally nominated to be the hub site of a regional network by the Secretary of State for Culture, Media and Sport. In the bidding process, Sheffield was one of a short list of three sites, including a British Olympic Association sponsored bid to redevelop a former USAF air base at Upper Heyford, and a consortium of Loughborough University, Queens Medical School at Nottingham and the two National Sports Centres at Lilleshall and Holme Pierrepont. The new Minister for Sport, Mr. Banks, previously announced the key nature of the UKSI in a policy paper '*Creating Excellence in British Sport*' (DNH, 1998) by saying:

It is one of the most important developments in Britain sport for many years. We are committed to ensuring that these proposals came to fruition. The Institute will be a key element in the national strategy for sporting excellence and in helping lift Britain back into the top ten sporting nations.

This will reduce the money for local municipal and club projects from £250 m. to £90 m. The new Labour government is now planning to reduce the budget of the National Lottery for sport and to diversify it to other areas such as education and health (The Sunday Telegraph, 11 May 1997). The government has announced that with the demise of the Millennium Fund in 2001, the money will go to this new cause and not to arts, sports, heritage or charities as they had hoped. Indeed, the five Sports Councils have budgeted for a National Lottery increase and have already started spending it.

The size of the sports sector in the UK economy has never been larger than it is in the 1990s. A 1992 survey for the Sports Council found that in 1990, the value of 'sport-related activity' stood at £8.27 billion, 1.7 per cent of the GDP, with consumer expenditure on sport and sports-related items accounting for £9.25 billion, and the sector as a whole accounting for 467,000 jobs –similar in size to the postal and telecommunications sector, and twice the size of agriculture, forestry, and fishing (Henley Centre, 1992; Williams, 1997). However, the widespread perception that sport is somehow now run as a business is clearly linked to the major changes and developments that have taken place since 1987. One of the most obvious changes has been the rapid commercialisation of professional sports, particularly football. In addition, there have been organisational changes within governing bodies and individual clubs attempting to run sport on more commercial lines (e.g. the number of football clubs being floated on the Stock Market since their first appearance in 1983 or Manchester United's commercial marketing which generates £24 million a year) (Evans, 1998).

These changes need to be seen in the context of developments in media coverage of sport, particularly the growth of television, including satellite and cable systems from the 1980s (Polley, 1998). Sponsorship together with television has also had a great effect how sports and clubs have been run. The volume of money that has come to be involved, the importance of the money to some clubs and some sports, and the constant need to maximise the potential income have ensured that such sports have had to become more business-like. With the deregulation of broadcasting as part of the 1990 *Broadcasting Act*, television rights for sporting events are sold to the highest bidder with only a few events protected for national network screening by legislation, increasing the mix of extending individual choice while excluding large sectors of the population. In particular, a large multinational corporation, BSky B now owns the exclusive right to broadcast, among

others, live Premier Football League, overseas cricket test matches, the Ryder Cup and international rugby. The BBC, the natural counterweight to these developments, has been unable to match such bids, due to its limited and fixed resources. Meanwhile, the influence of BSky B has extended even to traditionally amateur sports such as rugby union. This sport was dramatically reconstructed in the interest of satellite television in 1995 though against some resistance by clubs and supporters. Previously, broadcasters' fees, particularly, in football were responsible for increasing polarisation between large and small clubs. The Premier League, after its split from the Football League in 1992, secured substantial money from BSkyB and other means (Polley, 1998). However, in this context minority sports as well as some local sport and recreation services are finding it extremely difficult to attract private funding.

## **CHAPTER V**

### **URBAN PROGRAMMES AND SPORT IN SPAIN**



## **5.1 Introduction**

This chapter examines the most significant aspects of urban planning and sport policies as well as many of the changes that have taken place in the economic, social and political conditions of Spain. Four distinct periods are reviewed, initiated from the authoritarian 1939-1975 Franco period through the early stages of the social democratic period until the 1982-1995 period of the Socialist government: i) from 1939 to 1959, an autarchic economic system accompanied with a 'laissez faire' urban policy provoked an extensive deficit of collective services; ii) the decline of the autarchic system led to a period of economic growth from 1960 to 1975 which coincided with the application of Keynesian-Fordist principles, as in other Western economies; iii) the political transition to a social democracy coincided with a general economic and urban crisis. During this period (1975-1982), the centre-right government (UCD) in conjunction with the first democratic City Councils initiated a wide range of initiatives to meet long-term political, social and urban demands; and iv) with the Socialist government in power, an increasing number of local governments have adopted an entrepreneurialist approach with an emphasis on the development of high profile projects as part of some of the Spanish urban regeneration strategies. In addition, an overview of the evolution of sports policy shows how the Franco regime clearly instrumentalised sport as a means of nationalist propaganda and social control. It was only after the 1961 Sports Law when central government, for the first time, intervened directly in the promotion of sport. However, the importance of sport and sports policy has been gradually enhanced with the involvement of all levels of public powers throughout the democratic period. If during the 1970s and 1980s, sport was recognised as a public service as the 1978 Constitution states, with a prominent role played mainly by City Councils in the significant growth of 'Sport for All', the 1990s, as in other European countries, have seen a gradual movement towards sporting excellence and the promotion of sport prestige projects.

## **5.2 The period 1939-1959 of an autarchic economic system**

After the Spanish Civil War and with the advent of the Second World War, the Franco regime was isolated, suffering a long-term international economic blockade. The state was therefore forced to adopt an autarchic economic system with large-scale public intervention in the economy, as in other regimes such as Germany and Italy. Internally, the country faced a deep economic depression with weak industrial production together with an extensive scarcity of basic products (De Miguel, 1975; Payne, 1997; Tamames, 1983). An immediate concern of the state was to stimulate a rapid industrialisation

through, amongst other things, establishing in 1941 a state industrial holding (INI) (based on an Italian model) responsible for creating new industries and investing in existing firms in key sectors. However, the majority of these industries were initially concentrated in the new symbol of the regime, the capital city, Madrid (Fernández Durán, 1996).

In addition to needing to rebuild the economy, the reconstruction of Spanish towns and cities severely affected by the war was another priority (at least, in theory). If during the Second Republic (under the *Municipal Statute* of 1924) urban planning was municipally controlled, after the Civil War, urban planning relied on central government agencies with local authorities playing virtually no part (Capel, 1977; Richardson, 1975). Some upper-tier planning authorities were set up such as the National Housing Institute (INV) established in 1939 to undertake the National Reconstruction Plan. However, the initial urban planning, as in the industrialisation process, was very limited in scope, and primarily concerned with reconstructing Madrid (Fernández and Gavira, 1986; Terán, 1978; Richardson, 1975). The 1941 Madrid Urban Plan did not differ essentially from previous urban plans drawn up during the Second Republic based on the 'Garden City' model. So, housing areas were designated close to the industrial sites seeking to accommodate immigrants (Ayuntamiento de Madrid, 1981). Indeed, Martínez de Lamadrid (1948) highlighted the intention of this plan for segregating the working classes:

The distribution of industrial zones responded to the need to localise the working classes in satellite settlements that constitute true defensive nuclei against the invasion by the inactive masses encamped in the periphery, forming the suburban belts of misery against which we struggle (in Terán, 1978, p. 46) (*Original in Spanish, translated to English by the author*).

Rural poverty, because of the failure of agricultural policies, rather than the attraction of urban jobs, caused a gradual emigration not only to Madrid but also to other major Spanish cities. This emigration reached its peak during the 1950s and 1960s, and produced rapid urbanisation but with an accompanying lack of urban planning. The 'laissez faire' urban policy provoked a large-scale deficit in housing and other collective services in the major urban centres (Borja *et al.*, 1977; Capel, 1977, Gavira, 1994; Simancas and Elizalde, 1969; Leira *et al.*, 1976). Paradoxically, the housing deficit was not even considered a social problem for the regime. According to Leira *et al.* (1976), the combination of the massive scarcity of basic products and the low levels of the population's income lead to not valuing housing as a priority. Under those circumstances, private promoters were not interested in housing, focusing primarily on

the industrialisation process (Castells, 1981). If prior to the regime, City Councils enjoyed large-scale powers, the Franco regime completely undermined their role and they were controlled politically by the Falange (the then only political party permitted) and economically by the provinces (Gavira, 1994; García, 1994; Richardson, 1975). In such circumstances, the shortage of houses led to a rapid spread of shanty towns on the peripheries of major cities.

Despite this chaotic urban growth, housing and urban planning were the responsibility of the Ministry of the Interior (Home Office) with the city being seen by the state solely as an object of public order. At this time, some central government agencies were set up to control urban growth in major cities such as the Metropolitan Area of Madrid (1944), the Urban Commission for Barcelona (1953) and the Administrative Corporations of Valencia (1949) and Bilbao (1946). However, due to their limited powers, these public agencies failed to regulate the urban growth of these cities. What is more, the large-scale national housing deficit (1.5 million) and the continuous arrival of immigrants to major cities forced central government, for the first time, to intervene more directly in the housing sector, setting up housing policies in the late 1950s (Borja, 1977; Capel, 1977; Castells, 1981; Terán, 1978). Therefore, a coherent national urban policy (at least, in theory) began to emerge after the 1956 *Land and Urban Planning Act* was launched to be the first comprehensive law to co-ordinate all four urban planning levels (municipal, metropolitan, provincial, and national).

At the local level, although the 1950 *Local Regime Act* made it compulsory for certain types of city to have general plans, in reality, it was only after the 1956 Act that all municipalities were obliged to draw up urban plans within the following 15 years. The 1956 Act also introduced a complex land law in order to regulate previously unplanned urban development. As a result, all municipal land uses had to be classified into three categories: urban, 'urban reserve' (land reserved for urban development purposes) and rural in a manner consistent with the social function of property. Furthermore, municipal plans would be integrated in metropolitan and provincial plans with the National Urbanisation Plan as the highest level. Under this hierarchy, it was expected to ensure the spatial development of the national territory and to favour the decongestion of fast-growing cities such as Madrid, Barcelona and Bilbao (Richardson, 1975). At the same time, the government sought to connect urban and economic planning by launching 'Development Poles', a concept which will be considered later in this chapter.

Parallel to the legislation, the National Housing Institute was absorbed into a newly created Ministry of Housing to implement and to regulate all the urban planning levels as well as to speed up the housing process. The first National Housing Plan (1944-54) was replaced by a second National Plan with a target figure of over half a million houses between 1956 and 1960 (Borja, 1977; Capel, 1977; Richardson, 1975). Another public body, the Land Management Board was launched to be in charge of preparing land in order to divert population and industries from the major urban areas to new development areas, initially in Madrid, Barcelona, Asturias and Bizkaia and subsequently extended to other cities (Capel, 1977, Leira *et al.*, 1976; Richardson, 1975).

However, despite the significant boom in housing, the growing inflation rate forced central government to impose restrictions on public sector borrowing. In this difficult economic situation, the 1956 Act stimulated greater private sector involvement, by introducing subsidies to finance the management of these development areas with government providing public infrastructure (Leira *et al.*, 1976; Richardson, 1975; Wynn and Smith, 1978; Wynn, 1984). In the 1960s, for instance, construction of 90 percent of all subsidised houses was undertaken by private developers, who obtained substantial benefits which in turn resulted in land speculation (Ministerio de Vivienda, 1972; Castells, 1981). Not surprisingly, buyers of the majority of these subsidised houses were predominantly from higher socio-economic groups (Capell, 1977; Fernández and Gavira, 1986; Keyes *et al.*, 1993; Terán, 1978). This model of urban growth created physical and economic imbalances with the public sector unable to regulate them. Tamames (1974, p.6) illustrates the whole process by saying:

Private investors obtained substantial benefits, through public subsidies, to build public houses, which later were sold at a much higher price. Considering the objective of housing policy, the way of developing these subsidised houses was clearly incongruous. Central government, facing deep economic difficulties was financing public housing that only middle and upper class people could afford (*Original in Spanish, translated to English by the author*).

At the same time, the autarchic economic system was no longer viable. Conditions such as high inflation, extensive trade deficit, a limited domestic market as well as uncompetitive business behaviour did not favour any economic growth with central government close to bankruptcy (Ros Hombravella *et al.*, 1973; Payne, 1997; Tamames, 1983). This situation was aggravated by popular discontent. In early 1957, all these factors were accompanied by the loss of the Falange's political power and the arrival of

new Francoist right with a neoliberal technocratic orientation (Alonso Teixidor and Hebbert, 1982; Linz, 1984, De Miguel, 1975; Harrison, 1993). Once in power, the government introduced a new economic order based on Fordist production norms, similar to other Western countries. A 1959-1961 Stabilisation Programme was adopted to liberalise the economy and to open it up to foreign capital (Arango, 1978; Mateos and Soto, 1997; Payne, 1997). This initiative, which marked a new era in the Spanish economy, was accompanied by opening up of international diplomatic relations, especially, pacts with the Vatican and the US in 1953, and integration into the United Nations (1955) and the World Bank (1958). Simultaneously, foreign economic support, in particular from the US, indirectly contributed to the entrenchment of the dictatorship, and later to economic growth in the 1960s (Arango, 1978; Viñas, 1981). Only a few Latin American countries had previously supported Spain with the country being excluded from the Marshall Plan aid for European reconstruction. Nevertheless, the liberalisation of the Spanish economy did not affect the political and social context significantly.

### **5.3. Sports in the initial period of dictatorship**

With the country involved in a process of reconstruction, sport was not, in reality, a priority for both the Franco regime and for the great majority of the Spanish people during the early stages of the dictatorship. However, if during the 1920s and 1930s, sport had grown mainly without government control, under the dictatorship, the management and promotion of sport was entrusted to the Falange, rather than to the Ministry of Education, which exercised absolute control over all sports as in the rest of Spanish political life (Aguilera, 1992; Cazorla, 1979; Andrés and Delgado, 1995; García Ferrando, 1990). The National Sports Delegation (DND), for example, was created by decree in 1941, under the direction of one of the most outstanding figures of the Franco regime, General Moscardo (Cagigal, 1975). This sporting body envisaged a special plan for Spanish sport based on the German model with two instrumental aims: firstly, to serve as a means to create a healthy and 'virile' race, and secondly, as a focus for the international exhibition of patriotism and discipline as in other fascist regimes like those in Italy and Germany (Porro, 1996; London, 1995). Whilst these two countries invested massive amounts of money in sport in order to fulfil these objectives, the Franco regime initially did not provide any special funding and sport was forced to be practically self-sufficient (Cazorla, 1979; Shaw, 1987; 1988; Villalaín, 1995).

At the institutional level, the change of the name of the sports body (DND) to National Sports and Physical Education Delegation (DNEFD) in 1945 did not affect sport

significantly. Sports federations and associations continued to be controlled by the regime; in this case, the DNEFD appointed all the sports organisation chairmen. Moreover, the wide-ranging control of sport by the DNEFD was also extended to the regulation of all sporting events.

Sports participation and sports infrastructure lagged behind other European countries. Andrés and Delgado (1995) point out that, at this time, the only sports facilities were football pitches, public frontones and few horse racing tracks. Football, the most popular sport during the Franco era, overshadowed all other sports such as athletics, swimming or gymnastics were nearly unknown to the great majority of people (Andrés and Delgado, 1995). Football was also regularly utilised to maintain a high level of political passivity with the media close to the government contributing to the popularity of the game. *Marca*, the first sporting newspaper which appeared in 1938 (Fernández Santander, 1990; Shaw, 1988; Villalaín, 1995). After the war, this newspaper developed a daily circulation of up to 400,000. Another newspaper close to the regime, *Arriba*, highlighted the significance of football by saying: 'Spain is not a sporting country, Spain is a footballing country' (*Arriba*, 30 April 1975 in Villalaín, 1995). The national television channel was officially launched in 1956. Thereafter, the regime started to use it regularly (in particular, on the 1st of May during the late 1960s and early 1970s), to reduce the attendance at the illegal demonstrations of the opposition parties and the independent trade unions (Shaw, 1987, 1988; Villalaín, 1995). As another example, broadcasting football matches on relevant dates was a means of fulfilling an end as well as being part of the all-pervasive 'culture of evasion' which prevailed during the regime (Carr and Fussi, 1979; Cazorla, 1979; London, 1995).

Sport was also used for political promotion with the replacement of the national team's red football shirts by blue ones representing the Falange and a compulsory fascist salute before the start of all football matches (Shaw, 1987). This compulsory fascist salute was also extended to other sports events, but only when medals were awarded. Internationally, up to 1945, Spain's stance was close to that of other fascist countries in fighting against Communism as well as trying to consolidate an Axis coalition with Germany and Italy. Some Spaniards collaborated, in different ways, to achieve these aims. Sport again made a contribution, mainly through international football matches. As such, of the eight international games played by the Spanish national football team during the Second World War, four were against Portugal, and the rest against Switzerland, France, Germany and Italy (London, 1995). Parallel to this nationalist feeling, an anti-regionalist attitude grew, with provincial sports organisations and regional sports prohibited, though they had already begun in the Franco controlled zone

during the Civil War. In essence, regional groups in all sports, (with a special emphasis on Basque and Catalan teams), were not allowed to use their language, in order to discourage any nationalistic activity. However, this strategy, in some ways, contributed to emphasising independence, especially when teams such as Barcelona Football Club and Athletic Bilbao were competing against Real Madrid, which was considered to be representative of the regime (London, 1995; MacClancy, 1996).

In the educational sphere, the Franco regime, unlike its counterparts under Mussolini and Hitler, did not gain complete control over the education system because of the influence of the Catholic Church. Physical education was not important occupying a small part in the curriculum, despite its great potential for the promotion of the regime (see Devis, 1997). Meanwhile, the same author notes that physical education focused on utilitarian aspects such as body control and military training rather than on sports which were not included in the curriculum. In reality, only a few private schools fostered physical education. The role of women in sport was quite distinctive. The Falange envisaged a submissive role for women not only in sport but also in other areas of life. Sport for women was only a means to prepare for a maternal mission and by extension, to support the regime (Buñuel, 1991; Cortés *et al.*, 1994). The Women's Section of the Falange, an independent body created in 1934, was in charge of all areas related to women and in particular, of the regulation of physical education and sport. Among the most notable of its activities was the running of a six-month social service, equivalent to the male military service. This service provided an ideological context as well as practical maternal training. Moreover, the popular notion of female-appropriate sports such as volleyball, swimming and tennis was strengthened over other sports such as football, rowing and rugby, which were banned due to their 'negative effect' on women's bodies. The Women's Section also organised its own 'sporting' events, though with an emphasis on display (e.g. gymnastic exhibitions) rather than competitive sport. Here the emphasis was also on portraying appropriate forms of femininity (Buñuel, 1991; Cortés *et al.*, 1994).

All these factors, as Ors (1986) points out, indicated the nature of the sports policy in this initial period which was used to promote the regime rather than promoting sport per se. In this way, the Franco regime continued the previous tradition of a lack of any coherent sports policy as such, with a complete absence of specific budget or policy priorities. Sport also served, according to Coakley (1990), to divert attention away from other important political and social problems of the Spanish life.

#### **5.4. Urban programmes in the period 1960-1975 of economic growth**

After a short period of stagnation, the Spanish system of economic planning, initiated with the Stabilisation Plan, contributed to a significant economic growth in the 1960s, characterised by Peck and Tickell (1994) as 'delayed Fordism' (see also Coverdale, 1979; Harrison, 1993; Lieberman, 1982; Richardson, 1975). Indeed, the national income rose rapidly (at an annual rate of 8.5 percent in the period 1963-1971) as well as industrial production, which tripled between 1960 and 1970 and rose another 40 per cent between 1970 and 1975. This 'economic miracle' was also connected to a gradual integration of Spain into the international economic order, the attraction of foreign investment and money from Spanish workers' abroad, and tourism (Mateos and Soto, 1997; Tuñón de Lara, 1981). Over a billion pesetas entered the country from these sources during the decade: 31 per cent from private foreign capital, 54 per cent from tourist receipts and 15 per cent from remittances of emigrants (Alonso Teixidor and Hebbert, 1982).

The Stabilisation Plan was followed by the launching of the First Development Plan (1964-67). Inspired by the French and British planning model, this plan sought to contribute to the convergence of regions within the national economy and to limit the peripheral growth of major cities by encouraging the location of new industries in cities of adjacent less developed provinces (Alonso Teixidor and Hebbert, 1982; Harrison, 1993; Richardson, 1975; Tamames, 1983). In particular, five development areas were established in 1969 in cities of five provinces around Madrid. It was anticipated that the economic growth in these cities would 'trickle down' to the less developed regions, though this met with limited success (Fernández Durán, 1996). With industry being assigned a higher priority than agriculture, state economic planning continued to contribute to an extensive migration of some four million people from rural areas to the major Spanish cities. In particular, Madrid and Barcelona alone accounted for more than 14 per cent of the overall population and continued to attract over 100,000 people a year (Ayuntamiento de Madrid, 1981; Tamames, 1983). By the mid-1970s, 61 per cent of the population were in urban areas (with 37 per cent living in cities of over 100,000 inhabitants) (Gavira, 1994; Mateos and Soto, 1997) (see Figure 5.1). It is worth comparing this outstanding growth of Spanish urbanisation, particularly from 1965 to 1975, with most other Western European countries where this phenomenon took between 80 and 100 years (see Figure 5.1). State economic planning accelerated the rapid transformation from an isolationist, predominantly rural, agrarian society to an internationally integrated, urban, industrial nation (see Table 5.1).

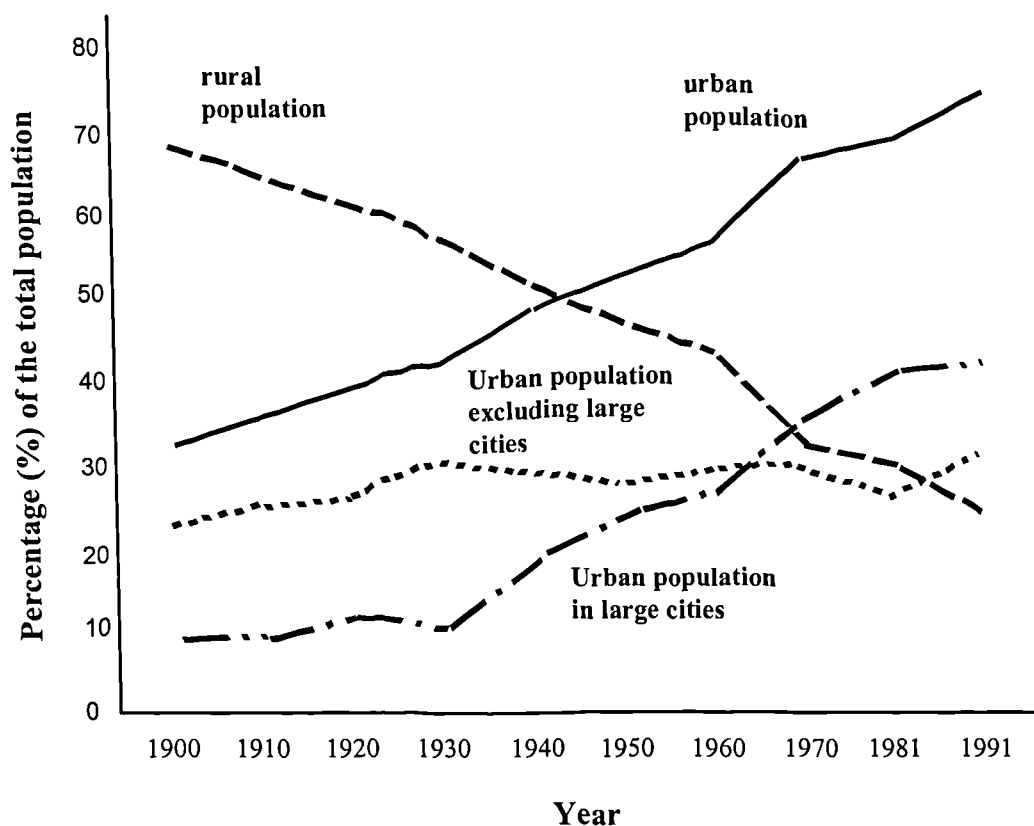


	Primary sector	Secondary sector	Tertiary sector
1950	51%	22%	27%
1960	40%	33%	27%
1970	29%	37%	34%
1980	18%	35%	47%

**Table 5.1: Structure of the economically active population**

Source: OECD Labour Force Statistics

### Evolution of the Spanish Population



**Figure 5.1 Evolution of the rural-urban Spanish population**

Source: Gavira (1994)

However, this rapid evolution was not accompanied by the generation of a sufficient number of jobs, which in turn provoked an increase in unemployment, from 91,000 in 1959 to 200,000 in 1960 (Mateos and Soto, 1997). In addition, the economically active population increased significantly by approximately one million people (38 per cent of the total population) during the 1960s (Arango, 1978). Parallel to the internal migration, a massive exodus of over one million people from some of the most deprived regions

to, mainly Western European countries, considerably helped reduce unemployment levels. This process was prolonged until 1974 when the world economic crisis brought this process to an end (Nicolau, 1989). In addition, this economic liberalisation continued to benefit the same socio-economic elite at the expense of the working class (Arango, 1978; Borja *et al.*, 1977; Castells, 1981; Harrison, 1993). The neutralisation of trade unions facilitated the maintenance of relative low wages. What is more, the economic liberalisation contributed neither to political democratisation with the continued absence of political parties, nor to the development of a welfare system, as in other Western European governments (García, 1994; Merigó, 1982).

The third National Housing Plan (1961-1976) envisaged the creation of 3,7 million houses in this period (Capel, 1977; Richardson, 1975; Wynn and Smith, 1978). Despite this ambitious plan, the economic difficulties, faced by central government, affected public sector housing negatively. At the political level, the fight about who should undertake the public housing building between the Ministry of Housing (advocating central government) and the First Development Plan Agency (supporting private developers) was resolved in favour of the latter. In the first phase of this plan, the private sector was in charge of building public sector housing, a process already initiated in the 1950s. However, from 1965 onwards, private developers gradually shifted their priorities from social housing to building unsubsidised houses (Borja, 1977; Capel, 1977; Castells, 1981; Leira *et al.*, 1976). In Madrid alone, for instance, commercial housing constituted 8 percent of the overall production of housing in 1963, as opposed to 76 percent in 1969 (Coplaco, 1980). In this context, the 1956 Act and the subsequent legislation failed to provide measures to control private developers which built more than was anticipated and clearly benefited from the expansion of Spanish cities (Borja *et al.*, 1977; Capel, 1977; Wynn, 1984). What is more, though the 1956 Law required all City Councils to develop general plans, it was only, after the 1976 Law that many Councils started, for the first time, to articulate them. In particular, by the end of 1971, only about 10 per cent of municipalities nationally had followed the provisions of the 1956 Act. Not surprisingly, the deficit in public housing and services still constituted a major problem.

The attempt to integrate both economic and urban planning failed to reduce regional and urban imbalances. The 1956 Act and the Development Plans were unable to co-ordinate the provision of public housing with regional development policies (Capel, 1977; Richardson, 1975, Wynn, 1984). The aims of the First Development plan were only partially fulfilled: first, at the regional level it did not promote any relevant social infrastructure (linked with the National Housing Plan) or employment as had been

expected, and second, the development areas were publicly funded and managed by the central government on behalf of private developers, but with the exclusion of local interests as far as politics was concerned (Richardson, 1975; Mateos and Soto, 1997). On the other hand, the process of urban growth and industrialisation was unevenly concentrated in large cities rather than in the development areas which left major cities in unplanned chaos with the production of urban speculation and peripheral sprawl on a greater scale than ever before. Despite the 1956 Act, the same problems continued during the 1960s exacerbated by the large-scale housing deficit (Capel, 1977; Castells, 1981). The next two Development Plans aspired to decentralise regional planning by stressing the potential role of provincial and municipal governments in the preparation and implementation process giving more priority to social needs for the less developed regions (Richardson, 1975).

In 1969, a political shift from the Falangistas to technocrats in the Ministry of Housing, for the first time, brought about new planning ideas to rationalise the housing problem and to decentralise major urban centres. Inspired by the British New Towns programme, the *Urgent Development Act* (ACTURS) was launched in 1970 (Sánchez Goyanes, 1994). This Act provided the Ministry of Housing with considerable powers to expropriate land to develop green-filled new towns and short-cut statutory planning procedures for the plan approval and implementation stages. In the first phase of this programme, eight new towns located outside the largest cities like Barcelona, Madrid, Valencia, Seville, Zaragoza and Cádiz were approved, each intended to accommodate between 25,000 and 100,000 inhabitants (Borja *et al.*, 1977; Castells, 1981; Fernández and Gavira, 1986). However, this initiative aimed to centralise both housing and industrial development as well as to limit the peripheral growth of major cities. Moreover, the state was in charge of providing land with private developers having a leading role in planning, financing, and managing these new towns (Borja *et al.*, 1977; Castells, 1977, 1981; Leira *et al.*, 1976). In essence, this model of 'concerted urbanisation' required massive public acquisition of land and private developers were obliged to provide basic services. A change of government from technocrats to Falangistas postponed most of these projects, but with the advent of the democratic period in 1975, the new Minister of Housing revived the ACTURS projects. In the following year, two 'mixed companies', founded with public and private capital, were created, one in Madrid to manage Tres Cantos, the other in Barcelona, to manage Gallecs. After entrusting private initiative with the leading role in the realisation stage, only one in Tres Cantos was finally built (Leira *et al.*, 1976; Wynn, 1984). Thus, commentators such as Capell were able to claim that that, in essence, the public sector had been a facilitator of private economic growth.

At the urban planning level, the 1976 Land Law replaced the 1956 Act, and, for the first time, minimum standards for green spaces, service provision and population density for municipal plans were introduced. This Law also introduced new planning regulations with emphasis on urban renewal, such as the 'Internal Reform Special Plan' (P.E.R.I) to be used for the improvement of mainly city suburbs (Presidencia del Gobierno, 1976). Although the 1976 Land Law sought to regulate the previous uncontrolled urban growth process associated with the evolution of Spanish capitalism at that time, the lack of co-ordination of economic and planning bodies made it possible for some of the traditional problems previously outlined to continue in the 1970s (Borja, 1977; Capell, 1977; Arango, 1978; Keyes *et al.*, 1993). In particular, by 1970 the housing deficit was 1.7 million houses (FOESSA, 1983). This chaotic urban situation fostered the emergence of neighbourhood associations in the large urban areas, mobilised especially in the areas of collective service improvements (Borja, 1977; Borja *et al.*, 1977; Castells, 1978, 1981). These groups intervened decisively in the decision-making process of local urban planning in the post-Franco era. However, their claims were not limited to the planning process and these associations, together with those of students, trade unionists and regionalists, contributed, to some extent, through their demands for political change to the crisis of the Franco regime. Locally, these groups attempted to take the lead in generating urban demands, given the lack of capacity of City Councils under the Franco period. Borja (1977) explained the origin of these groups in the 1960s:

The relative passivity of the working classes until the mid-1960s manifested itself in a general acceptance of the disorderly growth of the city and the scant publicity given to the role of local plans in the development process. But from the mid-sixties onwards, the working classes and certain elements of the press adopted more active stances, as witnessed in recent years in increasingly successful campaigns against the lack of collective service facilities (p.206).

### **5.5. Sports in the period of economic growth**

The Physical Education Law of 1961 or Elola Olaso (in honour of the second chairman of the DNEFD) was the first time that central government, not without tensions between the Falange and the technocrats, intervened directly in the promotion of sport and physical education (Devis, 1997; Ors, 1986; Real Ferrer, 1991). Despite the new technocratic government, the DNEFD continued to be responsible for the direction of all sports and the fostering of physical education. In this respect, the National Institutes of Physical Education (INEFs) were established to prepare teacher training colleges and sport coaches. Similar to the British 1944 Education Act, physical education (at least, in

theory) also became a compulsory subject at all educational levels by this time. However, the state of anarchy in physical education teaching, the scarcity of public sports facilities as well as the lack of political will, failed to improve the status of physical education (Devis, 1997). What is more, the 1961 Law favoured the legal regulation of the use of sport by the regime, but, in reality, failed to regulate the democratisation of sport (Aguilera, 1992; Real Ferrer, 1991).

The 1961 Law also improved the state financial system for sport. For the first time, after the football pools were launched in 1946, funds were allocated from them to sport. Thus sport was completely dependent on football pools rather than on public funding. Twenty two percent of the whole football pools turnover was directed to the DNEFD, which shared only a small part of this budget with the County Councils. Municipalities were excluded both from the promotion of sport and from building sports facilities. Football pool turnover increased rapidly from 704.3 million ptas in 1960-61 to 26.462 million ptas in 1977-78. However, part of this revenue from the football pools was diverted, to a considerable extent, to cover the basic needs of the population, rather than to sport itself (Andrés, 1983; Andrés and Delgado, 1995). In 1966, Samaranch, the current president of the Olympic Committee, was appointed as the chairman of the DNEFD. Under his direction, the promotion of sports acquired greater significance. By contrast, physical education and sports facilities still remained underdeveloped. In terms of sports infrastructure development, it is worth distinguishing two periods: firstly, between 1940 and 1969, when 12.000 new sports facilities were built, though the majority of them were undertaken in the 1960s and secondly, from 1970 to 1974 which saw a significant growth in public sports facilities, though lagging far behind other European counterparts (Martínez del Castillo *et al.*, 1989).

Despite this development of sports infrastructure, practically the only sport accessible to most people continued to be football. Its popularity as a spectator sport contrasted sharply with the low levels of sporting participation. In 1969, the audience for broadcast football matches amounted to over 6 million with the regime continuing to control political activity (Villalaín, 1995), while the first national survey on sports practice (1968) indicated that only 12 per cent of the population were actively involved in sport (Martínez del Castillo, 1986). By this time, in 1967, the DNEFD organised the first massive publicity campaign encouraging sport practice, but Shaw (1988) considered that this initiative had limited success because of both an apathy on the part of the population and the widespread shortage of public sports facilities. Nevertheless, this campaign contributed to an unexpected increase in the interest in sport of the population and public administration (Aguilera, 1992; Andrés and Delgado, 1995; García de la

Torre, 1992). At this time, 'Sport for All' (the policy slogan of the Council of Europe) was only popularised at school age through the Youth Championships promoted by the National Youth Delegation. These campaigns were prior to the explosion of 'Sport for All' which took place during the 1970s. The number of sports licences grew from 106,453 in 1960-61 to 1,106,665 in 1977-78 with football at the top of the list of sport preferences (Villalain, 1995). However, according to García Ferrando (1990), this significant increase in sport licences was perhaps as much a product of the urbanisation and industrialisation of Spanish society as of any specific sporting campaigns. At the international level, with the lack of state funding for elite sport, Spain won only one Olympic gold, two silver and two bronze medals during the whole of the Franco period. In essence, sport continued to be controlled by the regime and thus failed to operate independently of the political power. Only ad hoc initiatives were undertaken but without being part of any coherent sports policy.

#### **5.6. Urban programmes in the period of 1975-1982 with the establishment of democracy**

The political transition to a social democratic system started after Franco's death in 1975, with a parliamentary monarchy headed by King Juan Carlos (previously nominated as his successor by Franco in 1969). Nevertheless, Franco was preoccupied by the problem of the continuation of the authoritarian system and hence, Admiral Carrero Blanco was appointed president until his assassination by Euskadi ta Askatasuna (ETA), the Basque separatist organisation. Arias Navarro, a former member of the Franco government, was then appointed in January 1974. However, Arias Navarro was forced to resign after a short period (1974-75) by King Juan Carlos, and was replaced by a new president, Adolfo Suarez, who had long been identified with the National Movement (Morán, 1979; Tusell, 1997). With Suarez being appointed president, the political reform process was definitely initiated in 1976: the National Movement was disbanded, political parties legalised, the vertical labour syndicates abolished and independent trade unions established (Tusell, 1997). As part of this new political scenario, an electoral law was set up prior to the first democratic elections held in June 1977 which were dominated by the centre-right party (UCD), a coalition party headed by Suarez. Another important feature of this political transition occurred when the Spanish Communist party was legalised in the same year. Above all, in 1978, as a consequence of a political consensus among all the political groups of the early post-Franco years a new Constitution was established which confirmed Spain as a parliamentary monarchy and guaranteed the right of Spain's nationalities and regions to autonomy (Fusi, 1989). In the new spatial organisation of the state, certain so-called

historical communities, notably Cataluña, the Basque Country and Galicia have pursued autonomy most vigorously.

In the first years in office, the incoming UCD administration was facing a period of severe economic problems which included a high rate of inflation (26 per cent by the end of 1977) and the slowing down of the economy (between 1975 and 1978 the growth rate was 2.3 percent, falling to 1.1 percent in the period 1979 to 1983) (Tamames, 1995). These economic difficulties were aggravated by a plethora of global and local factors including the world economic crisis, the decline of international tourism, the return of immigrants from Europe and the integration of a large number of young people and women in the labour market. These factors intensified the effects of the employment loss during the 1975-85 decade. In this difficult context, in October 1977 the government launched the *Moncloa Pacts*, in a time of political consensus, in order to solve this economic crisis. As part of the control of the economy, wages were sharply limited and strike activity reduced to a minimum in exchange for government pledges of political and social reforms (Coverdale, 1979; Tamames, 1995; Tusell, 1997). At the social level, pensions and unemployment benefits were increased. Moreover, the Pacts contained short-term legislative measures to adjust to the demands of the new political system. As a result of the Pacts, a slowing of inflation and an improvement in the balance of payments were achieved. What is more, Spain presented the formal submission for consideration to join the EC in 1979. However, the Pacts failed to address aspects of the new autonomy process and the long-standing problems of City Councils.

The new political scenario also represented great complexity with different tiers of government involved often in areas of overlapping responsibilities. After a long period of centralised control, the 1978 Constitution embodied a philosophy of decentralisation with a move towards a quasi-federal system, with 17 Autonomous Communities (Fusi, 1989). This gradual shift of governance to the autonomous regions has been characterised by continuing tensions between the regions and central government (Gavira, 1994; Tusell, 1997; Wannop, 1995). At the same time, despite the urgency of the long-standing problems faced by local Councils, in particular the loss of political and financial autonomy, the treatment of local government in the Constitution was relatively brief and was relegated to the configuration of the Autonomous Communities. Prior to the first democratic Council elections in April 1979, it was necessary to launch financial 'urgent measures' to resolve the financial problems faced by many cities, problems also witnessed by their British counterparts. Politically, the coalition established by the Socialist and the Communist parties allowed both left-wing political

parties to dominate most large cities in the first Council elections.

In the early period of the democratic period, local Councils started gradually to increase their powers in relation to culture, education, health, social welfare and in particular, urban planning. Nevertheless, there is a certain ambiguity of competencies between them and the Autonomous Communities, which claimed powers in similar areas. In fact, the Autonomous Communities were given power to create their own urban planning legislation. With the Autonomous Communities exercising more powers in urban planning, all the central government agencies set up prior to the 1956 Act were abolished (Borja, 1990). This enlargement of local authority powers was not correlated with an increase in financial autonomy, which restrained their capacity to provide adequate collective services (Gavira, 1994; García, 1994; Tamames, 1995). The lack of financial autonomy of the first democratic Councils, with many of the larger cities heavily in debt, was due to various factors such as the centralisation of politics during the Franco regime as well as the expansion of local government spending in the 1980. Thus, after the 1979 local elections, local councils, both individually and later through the Spanish Federation of Municipalities and Provinces (FEMP), began to lobby the UCD government for more financial resources.

As already stated, after the 1976 Land Law the housing deficit remained high. For example, Castells (1981) referring to Madrid, points out that 53 percent of all families (around one million people) had no access to a dwelling in 1975. But housing was not the only problem, there were also demands for collective services in other areas such as education, health or sport and leisure in the whole country (Borja, 1977; Leira *et al.*, 1976; Castells, 1978, 1981). All these factors were aggravated by the economic difficulties together with the decline of the dictatorship and a period of 'urban crisis' ensued (Castells, 1981). The symptoms of urban deprivation became more accentuated in the inner areas of the most relevant industrial cities where industrialisation and urbanisation processes were more concentrated from the 1950s to the mid-1970s. This has had profound effects on the socio-economic structure of these cities in the form of population loss, high unemployment, environmental decay and the creation of derelict areas in central areas, problems previously witnessed in the British context. Thus, after the constitution of the first democratic Councils, local governments in conjunction with central government initiated multiple programmes to meet local needs. In fact, the pressure exercised by the neighbourhood movements and the political parties contributed not only to this process but also to reform local political life (Borja *et al.*, 1977; Castells, 1981). However, the same authors, after analysing the urban policy of this initial part of the democratic period, highlighted that local Councils put an



emphasis on infrastructure projects without meeting the main demands of the neighbourhood associations.

Politically, confidence in Suarez diminished and in January 1981, as a result of growing opposition from within his own political party, he resigned. Calvo Sotelo, hitherto the Deputy Prime Minister, succeeded him until 1982. The economic conditions continued to deteriorate while the limited, reluctant political reform contributed to growing popular discontent which threatened to undermine the stability of the democracy itself (Tusell, 1997). In February 1981, a group of armed Civil Guard members attempted to take power, when the second round of the elections in the parliament to choose the successor to Suarez was taking place, but the intervention of King Juan Carlos resolved this crisis. The first parliaments (Basque and Catalan) were established in March 1980 and, in both elections, the UCD was heavily defeated by the regionalist parties. Subsequently, other parliaments were elected, such as for Galicia in October 1981 and for Andalucia in May 1982. General elections held in the same year also represented the beginning of the Socialist government.

### **5.7. Sports policy in the period of 1975-1982**

The importance of sport and sports policy started to develop in the democratic period. Part of this phenomenon can be explained by the involvement of all levels of public powers as the 1978 Constitution states, an increasing general interest in sport, the decentralisation process and what is more, the nomination of Barcelona for the 1992 Olympic Games (CSD, 1992; García Ferrando, 1990, 1991; García de la Torre, 1992; Puig, 1996). The chaotic situation inherited from the Franco period also fostered public intervention. As such, the 1978 Constitution article 43.3 stated that “it is up to the public powers to foster health education, physical activity and sport. It should also foster the most advantageous use of leisure time”. In this context, as in other European countries, sport is recognised as a social need and even a public service.

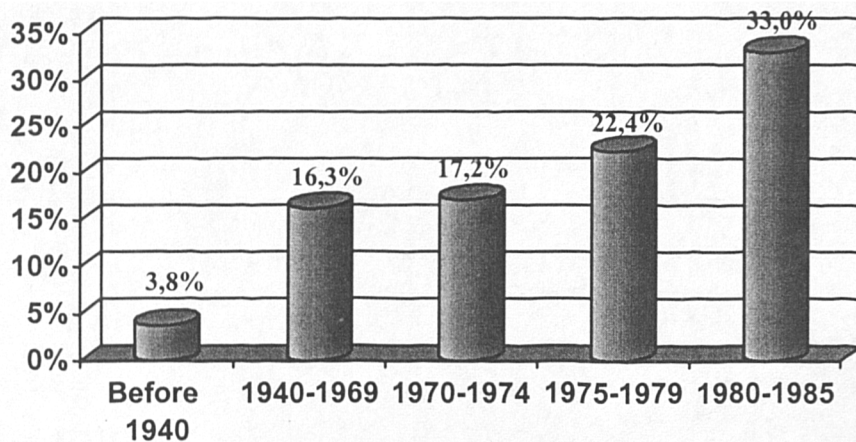
With the UCD in power, the DNEFD became the Spanish Sports Council, under the auspices of the Ministry of Culture in 1977. In this early stage of the democratic era, the Sports Council’s budget increased gradually from 6,534 million ptas in 1978 to 8,033 million ptas in 1979 (Cazorla, 1979). The decentralisation process extended also to sport with elite sport being part of the responsibilities of central government with a substantial allocation of public funds to governing bodies of sport (sports federations) and to the provision of new sports facilities, while the promotion of ‘Sport for All’ was gradually undertaken by the 17 Autonomous Communities and municipalities (Andrés

and Delgado, 1995; García de la Torre, 1992). At a national level, the political manifesto of the two most popular political parties (UCD and PSOE) in 1979 agreed about the need for public sector support to achieve 'Sport for All'. In the same way, different initiatives such as the 1974 National Congress of Sports Architecture and the 1977 General Assembly of Sport together with the increasing demands of sport by the population contributed, not without some tensions, to the promulgation of the 1980 Sport Law that conceded significant intervention to public powers (Aguilera, 1992; Puig, 1996).

Sport could not escape the decentralisation process (see article 148.1 of the 1978 Constitution). Hence, the Autonomous Communities have gradually assumed some competences, such as the power to legislate within territorial limits, control of autonomous sport federations; promotion of sport associations and the promotion, building and management of sporting facilities. In this respect, the Autonomous Communities built between 30 and 40 per cent of all public sports facilities in the period 1980 to 1985 (Martínez del Castillo *et al.*, 1989). At the time of writing, only four Autonomous Communities have passed their law on sport: Madrid, the Basque Country, Catalonia and Castile-Leon (García de la Torre, 1992). At the same time, the Spanish Olympic Committee (COE) and national sports federations were recognised as private bodies with legal status, but still dependent on public funds. In addition, the 1980 Sport Law changed the previous way of funding sports (via football pools) with the decision to include specific public funds for sports in the state budget (Aguilera, 1992; Puig, 1996). Furthermore, the 1980 Sport Law confirmed physical education as part of the school curriculum and also regulated the anarchy of sports qualifications (Devis, 1997). Despite these developments, youth sport was hardly mentioned.

Prior to the advent of the first democratic Councils, the situation of sport at local level was dramatic with existing sport facilities privately managed together with the complete absence of any municipal sporting body and minimal sport budgets. Despite this situation, the prominent role played by City Councils has been generally recognised in the growth of 'Sport for All' in the early period of democracy (Aguilera, 1992; Puig, 1996). 'Sport for All' became a priority of all Councils with popular events flourishing in most cities as another way to claim more freedom and democracy. As one of their first initiatives, City Councils started to launch newly established Sports Departments, either through direct management via Sport Institutes or indirectly via Foundations which have also been crucial in the sporting change during the last two decades, in particular in the planning and management of both sports infrastructure and participation (Andrés and Delgado, 1995; García Ferrando, 1989). In the period 1979-

1983 alone, nearly 400 Sport Institutes were created nationally. More recent legislation, the 1985 *Local Government Act*, states that “all City Councils with over 20,000 inhabitants should create a municipal sports department”. Parallel to this public involvement, sports infrastructure was another priority with municipalities being particularly active in building sports facilities, mainly swimming pools, football pitches and ‘polideportivos’ (sports centres of considerable size that can accommodate various activities). In the period 1970-75 alone as many public facilities were built as over the thirty years 1940-1970 (Martínez del Castillo *et al.*, 1989). This public involvement in sport infrastructure has been constantly increasing, as Figure 5.2 illustrates. However, this boom took place without any legislation and afterwards, in 1980 the Sport Council launched some recommendations to legislate for all sport facilities whereas the 1976 Land Law had placed an obligation on urban plans to reserve land for building sport facilities.



**Figure 5.2: Changes in sports facilities provision 1940-1985**

*Source: Martínez del Castillo et al. (1989)*

The combination of municipal sport departments, the gradual increase of sport facilities as well as access to more resources have directly contributed to a gradual increase in sport practice in conjunction with widening the scope and diversity of tastes (Aguilera, 1992; Martínez del Castillo *et al.*, 1989). Surveys from 1982 to 1991 highlight this trend with participation in sport reaching 36 per cent of population in 1991 (García Ferrando 1982, 1986, 1991). This manifest itself in the continuing practice of sport amongst the aged and the spectacular increase in the participation of women. On the other hand, the reduction of participation in ‘community sports’ had become apparent by the late 1980s while sport practised at the individual level has tended to increase. This is a common international trend (Roberts and Kamphorst, 1989).

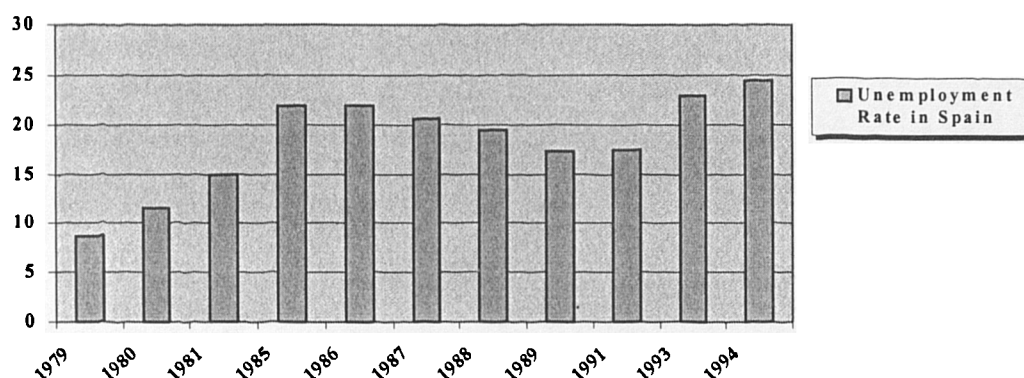
### **5.8. Urban programmes in the 1982-1995 period of the Socialist government**

During the last phase of the political transition the Socialist Party (PSOE) was in power, from 1982. Its leader, González, former president of the Spanish government, claimed that the PSOE, when in opposition was the only democratic alternative which proposed fundamental socio-economic reforms to correct the imbalance between social groups (Arango, 1978; Tusell, 1997). Two of its initial promises were to create an additional 800,000 jobs and to take Spain out of the North Atlantic Treaty Organisation (NATO) which Spain joined in 1981. Once in power, the Socialist administration, in the midst of a serious economic crisis, abandoned these commitments, and despite its majority, speeded up the process of economic reforms previously initiated by Suárez with economic priorities dominating over social ones (Fernández Durán, 1996; Petras, 1996; Tamames, 1995). The Socialist government adopted neo-liberal policies as other Western European governments did, with great emphasis on bringing down inflation, controlling public expenditure and industrial restructuring while the fight against unemployment and the need to improve the status of less-favoured sectors remained a secondary concern.

After the internal normalization of economic and political life, Spain became a member of the European Community on 1 January 1986. Some positive effects of entry can be acknowledged, beginning with the break down of Spain's long-term isolationism. Economic indicators also improved: from a growth rate of 1 percent in 1982 to 5 percent by 1987; inflation was cut at the same time, from 14 percent to 5 percent; foreign debt was reduced and the trade balance improved (Santillán, 1993, Tamames, 1995; Tusell, 1997). On the other hand, this integration produced some adverse effects. The first was to dismantle the protectionist industrial policy inherited from the Franco period. From that moment onwards, the Socialist government gradually introduced market mechanisms to improve the competitiveness of Spanish production. The urgent need to carry out the restructuring of many industrial sectors led to the Socialist government launching a national re-industrialisation process prioritising some industrial regions as 'Zones for Urgent Reindustrialisation' (ZURs) (Navarro, 1990; Pascual, 1992). Despite the improvement in macro-economic indicators, these neo-liberal policies have brought some important social consequences as in other Western countries; in particular, a substantial escalation in unemployment (from 150,000 people in 1974 to 2,750,000 people in 1988) to one of the highest in Europe (see Table 5.3). Two groups have been clearly affected, young people and women. The female rate, for instance, experienced the sharpest rise since the mid-1970s, especially between 1980-1985 from 11.4 percent to 27.7 percent (Alcobendas Tirado, 1993; Petras, 1996;

Santillán, 1993). Finally, despite the fact that the welfare state system as known in most European countries had never been fully developed in Spain, since 1986 the Socialist government undertook major reforms in the social security system (García, 1994). One of these constituted a reduction in the number of people receiving unemployment benefits from 69 percent (1974) to 42.5 percent (1988) (Fernández Durán, 1996).

The Socialist government started to suffer a decline in support, beginning in the general elections in June 1986 and continuing through the European Parliament elections in June 1987, as well as in 13 of the 17 regional parliaments and in municipal governments. In December 1988, a general strike against its economic policies (the first since 1934) was also supported by almost eight million people.



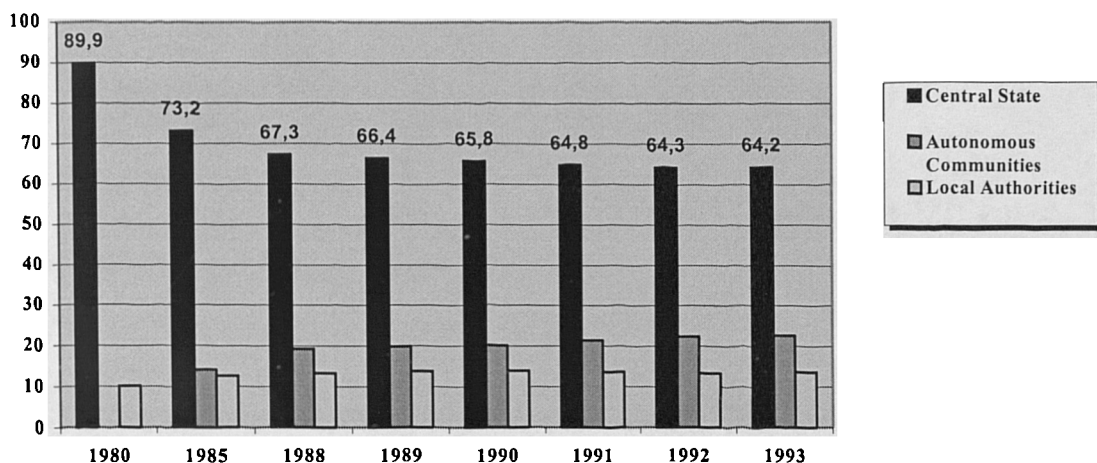
**Figure 5.3: Changes in unemployment 1979-94**

Source: *Anuario El Mundo*, 1995

At the local level, after the 1982 general elections the Socialist government had made a commitment to secure the financial autonomy of local government through structural reforms. However the need to control public spending and the costs arising from regional devolution postponed it again (Gavira, 1994; Page and Goldsmith, 1987). In the meantime, the 1985 *Local Government Act* introduced more flexibility for local government, but may have also resulted in added financial and administrative burdens by multiplying the number of government tiers involved in providing services. In fact, most of the functions designated by the Act as belonging to local government (see article 24) are by no means exclusive to the local level, but are also shared with the national state and, to an increasing extent, the Autonomous Communities (García, 1994; Suárez-Pandiello, 1996). Despite having a much more fragmented system of urban government, there has been a continuous fight about competences and resources

between the three levels of government.

The 1992 Pacts between the central government and the Autonomous Communities agreed to transfer more resources to the regional level but not to the local level, which to date remain underdeveloped (*El País*, 17 July 1998) (see Figure 5.4). Despite the 1988 *Ley Reguladora de Haciendas Locales* recognised Councils' autonomy to manage their own budgets; in reality, so far, the Councils do not enjoy much more financial autonomy and still reinforce their financial dependency on the central government and the Autonomous Communities. City Council budgets come predominantly from local rates (47 percent of the whole) and government grants. Their borrowing of money has gradually expanded over the years (by 1991 it was 12 percent). Nevertheless, central government and the autonomous communities have limited it to a maximum of 25 percent (Gavira, 1994).



**Figure 5.4: Public expenditure by administrative level (%).**

In terms of urban planning, the 1976 Act prefigured the 1992 Act. The 1992 legislation was developed in a period where there were continuous disputes over the respective competences of the national and regional tiers of government with respect not only to urban planning but also to other fields. In addition, the 1992 Act established a hierarchy of urban plans where each plan is required to conform with higher level plans and require that higher level authorities approve the urban plans at city level. As in other areas, the autonomy of municipalities in relation to urban planning seems to be limited, but in reality, no National Plan and few Regional Plans have been prepared (Sanchez Goyanes, 1994; Keyes *et al.*, 1993).

At the same time, similar to other European cities, Spanish cities were facing a range of economic, social and environmental problems, including growing inter-city competition, high unemployment, social polarisation, housing shortages, transport congestion or fiscal stress (Ajuntament de Valencia, 1987; Castells, 1990). In response to these problems, an increasing number of local governments have adopted an entrepreneurialist approach, as the politics of economic development become more significant (Busquets, 1990; Castells, 1990). Cities have also been using strategic socio-economic plans reflecting the perceived inadequacy of the traditional statutory urban planning system (Busquets, 1990; Castells, 1990; Fernández Güell, 1997). A key component of these Plans has been the investment in high-profile prestige projects (for instance, the 1992 events –Olympics, Expo and European Culture Capital- or the Bilbao Guggenheim Museum) as well as the development of partnerships between public and private organisations to strengthen political integration within urban areas. At the national level, the Socialist central government through the Ministry of Public Works, Transport and the Environment, launched a programme ‘Coordination of Action in Cities’ (following the public aid given to the 1992 events) to reproduce this integrated approach in cities like Madrid, Bilbao and Oviedo. This urban programme favoured also a partnership approach in order to attract private investment to finance urban development projects mainly located in central urban areas by selling the most strategic piece of lands, owned by central government (Fernández Durán, 1996).

Following several years of strong economic expansion with a substantial reduction in inflation, late 1992 saw a sharp deterioration in Spain’s economic situation, one of the worst recessions for 30 years. The increase in public expenditure contributed substantially to this situation because of the events of 1992 and an incremental rise in unemployment benefits. The Prime Minister then, clearly influenced by the 1991 EC Maastricht Treaty, launched the 1992-1996 economic ‘convergence programme’ (which involved drastic cuts in social spending) to address Spain’s serious economic crisis. In November 1993, however, there were demonstrations against this economic strategy with the government compelled to modify its initial economic plans. Local elections in May 1991 reflected the steady decline of the Socialist government with the loss of control over several major cities. This tendency was confirmed again at the general election of 6 June 1993, when the Socialist government, for the first time, lost its absolute majority and was forced to sign a coalition agreement with the Catalan (CiU) and Basque (PNV) nationalist parties. The general elections of 3<sup>rd</sup> March 1996 gave power to the Conservative Party (PP), but without an absolute majority. In this way, the PP continued with the same coalition partners as the Socialist government had had, namely CiU, PNV and the Canary Island nationalist parties.

### 5. 9. Sports policy in the 1982-1995 period

By the mid 1980s some of the main Spanish cities began to value leisure, sport, culture, and tourism as part of their urban regeneration processes. Afterwards, the 1992 events held in Seville, Barcelona and Madrid initiated this trend of using high profile projects to promote urban renewal and changing the city's image. Nowadays, cities like Barcelona, Seville and Palma have used sports prestige projects as part of their urban regeneration strategy reflecting the trend worldwide (Brunet, 1994; Fernández Durán, 1996).

As noted, the nomination of Barcelona for the 1992 Olympic Games was one of the most significant factors in sport policy in the 1990s (Puig, 1996; González and Urkiola, 1993). This nomination brought with it substantial financial resources for the city and for the development of a large number of sports facilities in the rest of the country. Locally, Brunet in his study of the economic impact of the 1992 Olympic Games notes that public sector investment totalled 643,613 million ptas (67 percent) while private investment totalled 313,017 million ptas. Nationally, more than 40 percent of 49,000 sports facilities were built in this decade (Martínez del Castillo *et al.* 1989). This development was provided with government funds through the Sports Council in conjunction with the Autonomous Communities and City Councils. For instance, Councils received 4,446 million ptas from 1986 to 1990 for sports infrastructure (Aguilera, 1992). Parallel to this expansion of sports facilities, central government gave considerable impetus to a *Physical Education Plan* (1987-1992) in order to improve school sports facilities and to provide physical education teachers for all educational levels. Prior to its initiation in 1987, 86.8 per cent of schools did not have appropriate sports facilities while 50 per cent of schools also lacked physical education teachers (Aguilera, 1992; Andrés and Delgado, 1995). At the same time, this Plan sought to maximise the use of these public facilities installing a 'dual use' philosophy of recreational access, as in the British context, with local sports clubs and the local community utilising facilities outside school hours. At the educational level, physical education was finally recognised as a compulsory subject at all pre-university levels in the 1990 Sport Law.

The 1992 Games also facilitated launching special programmes on sport for excellence and building National Sports Centres. In this respect, the central government started to value sporting excellence as a way to improve both Spain's image in the international context, and internally to develop Sport for All (CSD, 1992). Although since 1980 there had been a programme for sporting excellence, it is only in 1988 that sporting excellence became one of the main priorities of the central government. Complementing this public concern, the same year a privately funded programme called Association of Olympic Sports (ADO) was



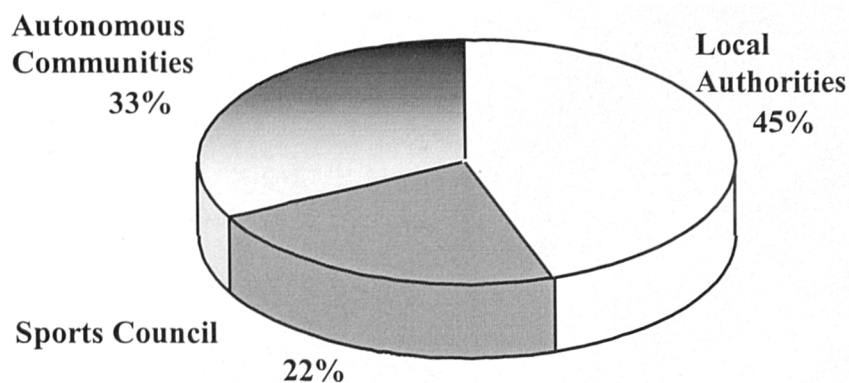
launched to promote the 1992 Olympic preparation of the Spanish teams. In particular, 12,600 million ptas were given by 21 private companies between 1988 and 1992 (Sánchez Bañuelos, 1992; CSD, 1992) (see Table 5.3). Since its origin, an annual list of top-level athletes has been drawn up according to selection criteria. In this way, 900 elite sportsmen and women were initially assisted in 1989, a number which was subsequently reduced to 269 in 1992. The outcome was a substantial improvement in the Spanish performance with 22 medals, almost as many as the 26 achieved in all previous Olympics. This programme continues, though with a substantial decrease. By 1997, its budget was to be only 1,000 million ptas with 300 elite sportsmen and women included in this Plan (*El País*, 2 December 1996). Not only the Sports Council but also the sports federations and in some cases, the Autonomous Communities have responsibilities for top-level athletes.

Year	CSD	ADO	Income	Total
1988	2,664	1,654	365	4,638
1990	3,534	1,893	985	6,414
1992	3,915	1,735	970	6,621

**Table 5.2 Association of Olympic Sport (ADO) 1986-92 (million ptas)**

*Source: CSD, (1992); Sánchez Bañuelos, (1992).*

Public funding for sport as a whole was enhanced from 79,000 million ptas (1987) to 145,000 million ptas (1991). From this amount, 44.7 percent came from City Councils, 22.6 percent from the Sports Council, and the remaining 32.6 percent from the Autonomous Communities (see Figure 5.5). The size of the sport sector in the Spanish economy has also been gradually enhanced. In 1992, the value of sport related activity stood at 1.2 percent of the GDP, similar to other European countries, and the sector as a whole accounting for 150,000 jobs (CSD, 1992; Toña, 1992).



**Figure 5.5. Public funding of sport in Spain 1992.**

Source: CSD (1992)

The 1990 *Sports Law* replaced the 1980 legislation and defines the functions of both public and private bodies. In the current organisation of sport, (see Table 5.3), above all bodies in the governmental sector stands the Sports Council (CSD), which implements the government’s policies for sport.

	Governmental	Non-governmental
National Level	<ul style="list-style-type: none"> <li>• Sports Council</li> </ul>	<ul style="list-style-type: none"> <li>• Spanish Olympic committee</li> <li>• Federations</li> <li>• Professional Leagues</li> </ul>
Regional Level	<ul style="list-style-type: none"> <li>• Autonomous Communities</li> </ul>	<ul style="list-style-type: none"> <li>• Regional Federations</li> </ul>
Local Level	<ul style="list-style-type: none"> <li>• Municipalities</li> </ul>	<ul style="list-style-type: none"> <li>• Clubs</li> </ul>

**Table 5.3 Organisation of Sport in Spain in the 1990s**

Source: CSD (1992)

The organic structure of the CSD includes representatives from the central government, the Autonomous Communities, City Councils, the national sport federations and various personalities in the field of sport. The CSD sport policy focuses on four different areas:

sporting excellence, research in sports issues, the promotion and dissemination of physical education and sport, and the general planning and building of sports facilities (CSD, 1992). In terms of sport and leisure, it supports physical and sporting activities in co-operation with City Councils and sports organisations to develop 'Sport for All'. In respect of sport and education, in addition to developing sports facilities and implementing the Physical Education Plan, the CSD provides support to specific groups, school and university sports. Despite all these functions, the CSD concentrates primarily on controlling the national sports federations to improve the performance of elite sport groups (Aguilera, 1992).

The 55 national sports federations, which are private bodies with legal status, share responsibilities at the national and international levels with the CSD. In this new sporting structure, despite the fact that public funds were diminished after the 1992-1996-convergence programme, elite sport is considered the main priority of the central government and subsequently, the sports federations have seen their budgets with public funding increased substantially (international trend reflected by Roberts and Kamphorst, 1989), in particular, from 8,000 million ptas in 1989 to 9,000 million ptas in 1990 (Aguilera, 1992). During the same period, although the Spanish Olympic Committee (COE) is a non profit-making body, the 1992 Olympic Games provided it with extensive resources. At regional level, the sports federations limit their actions to the Autonomous Communities. Finally, the professional leagues were set up under the new sport Law, specifically, in football, basketball and handball. These professional leagues have legal status, operational autonomy, the capacity to organise their own events and the power to enforce discipline within their own clubs. As part of these leagues, the law sets up limited sport companies (commercial companies with a sports purpose) for those sport clubs or professional teams participating in official events of a professional nature. Nevertheless, it is surprising that central government decided in 1990 to write off the debt of all first division football clubs. To this end, more than 5.900 million ptas were given to first division football clubs in the short period from 1986 to 1990 (Aguilera, 1992). In the 1990s, private business enterprises have been becoming increasingly active, in particular, television rights for football matches have rapidly increased in value, as is the case in other Western European countries (Toña, 1992).

At the local level, the municipalities operate in conjunction with other public bodies to promote and develop local sport activities. It is also their responsibility to provide spaces for new sports facilities, to help build and manage public sports facilities, to develop programmes of 'Sport for All' and to assist local sports clubs. In reality, municipal sports departments predominantly are involved in running the 'Sport for All' programmes, organisation of local events and making sports facilities available to clubs and individuals.

Levels of sports participation identified in the 1980s continued to rise throughout the 1990s with a continuing increase in the individualisation and segmentation of tastes together with a concern with health and lifestyle and a drop in demand for collective sports (González and Urkiola, 1993; García Ferrando, 1991; Puig, 1996). In 1990, for instance, 35 percent of the population between fifteen and sixty years of age engaged regularly in sports. Football continued to be the dominant sport, but its growth is explained by the introduction of 5-a-side indoor football. Other sports such as swimming, cycling, jogging, adventure sports and outdoor pursuits also have a big hold on participation. Table 5.4 shows the evolution of the most practised sports from 1990 to 1995. In this process, although since 1968, women's practice has remained behind that of men, the 1990s showed a substantial increase, with women seeming to adopt a similar model of sporting behaviour (Buñuel, 1991; García Ferrando, 1990; Puig, 1985; CSD, 1992).

	1990	1995
<b>Football</b>	28	36
<b>Swimming</b>	39	33
<b>Cycling</b>	15	27
<b>Fitness</b>	14	16
<b>Basketball</b>	23	14
<b>Jogging</b>	15	13
<b>Tennis</b>	18	12
<b>Aerobic</b>	5	12
<b>Mountaineering</b>	4	9
<b>Athletics</b>	9	9

**Table 5.4: Changes in the most practised sports 1990-1995**

*Source: Marca, 3 February 1996.*

If between 1983 and 1992 the principal objective of sports policy was to gain political return from the actions undertaken, the 1990s represents a period of rationalisation of public funding for sport (Andrés and Delgado, 1995; Burriel, 1992; Puig, 1996). After signs of deep economic crisis from 1992 and the launching of the convergence programme, economic viability in sports management has become one of the main concerns of public agencies. In addition, despite the general assumption of public support for sports in the democratic period, public powers have started to introduce a 'new managerialist approach' with respect to the traditional local authority, in particular, in the management of sports facilities (a trend also reflected in the British context) (Puig, 1996). Also, despite all of the sport legislation, sporting excellence, to a

great extent, remains at the centre of all public agency programmes with ‘Sport for All’ receiving symbolic attention.

## **CHAPTER VI**

### **SPORT, URBAN REGENERATION AND URBAN REGIMES: THE CASE OF SHEFFIELD**

## 6.1. Introduction

This chapter seeks to evaluate the emergence and operation of public-private partnerships for the economic regeneration of Sheffield, Britain's fourth largest city. It also evaluates to what extent these partnerships constitute an example of the development of an urban regime in a European context and if does, to consider what the implications are for the nature of urban politics *and sports policies in the city*. This chapter also seeks to outline ways in which sport has been incorporated as part of the strategies for revitalising its economy as well as providing a new image for the city as a 'city of sport'. Indeed, since the 1991 World Student Games, numerous national and international events have taken place in one of the few British cities which gained the Sports Council's title of 'city of sport'. These sports events, together with professional teams, have been employed by city leaders for different purposes.

The very particular political culture of Sheffield is rooted in the nature of the local economy and social structure. After the Second World War, the city, traditionally a leading British industrial city based on the steel and heavy engineering industry, has often been renowned for its good local services embodied with the ideology of municipal socialism. However, the collapse of the world market for metal products of the 1970s with the loss of many jobs in its traditional industries and the interventionist urban policies of the Conservative central government affected this status. The nature of Labour politics at the local level has nevertheless been subject to local variations as well as to change over time within Sheffield. The chronology of Labour politics in the city since the mid-1970s is best described as falling into three distinct periods: the first up to 1980, a period of 'traditional Labourism' prevailed; the second from 1980, when David Blunkett gained the leadership of the local Labour Party (and therefore the City Council), until 1987, there was a period of new urban left politics in the city; the third from 1987 to the mid 1990s, there was a period of new 'Labour realism' and co-operation with business interests, which facilitated the emergence of partnerships between business and political interests. The following sections of this chapter go on to describe these stages in political development in the city as the context for evaluating the formation and operation of public-private partnerships.

## 6.2 Local Labour politics and economic policy in the 1970 and the early 1980s

Sheffield traditionally has been left wing with a close association between the local authority and the unions (Hampton, 1970; Goodwin *et al.*, 1992; Lawless, 1989; Seyd,

1993). Labour controlled the city, for almost an unbroken period of over fifty years from the 1930s, signalling the expansion in the post-war years of local services, especially in the areas of council housing, education and local arts, libraries, and sports and leisure facilities. For much of this time, Council policies on the whole were related to consumption rather than production policies, which remained beyond its remit in central government and private sector hands, reflecting to some degree the 'dual state' thesis identified by Saunders (1981).

The *Local Government Act* of 1972 affected the power of local authorities with new structures being created. Thus, a new body, the South Yorkshire County Council was established in April 1974, taking on some of the traditional local government functions, in particular, police, water and fire services. In addition, from the time of world recession in the mid 1970s, local government also came under pressure from the Labour controlled central government to reduce its expenditure (Lawless, 1989). Because of this, relations between Labour central government and the Council deteriorated sharply. Policies introduced by the Labour central government undermined Council expenditure, and a growth in local taxes aimed at compensating for expenditure cuts, resulted in a drop in electoral support of 12 per cent for Labour locally (Seyd, 1990).

At this time, a group of new, younger politicians, the 'New Urban Left' emerged locally as in a number of cities in Britain (Gyford, 1985). The original members of the 'New Urban Left' in Sheffield included Bill Michie, David Blunkett, Roger Burton and Peter Price. They were joined later by Joan Barton and Clive Betts (Seyd, 1990; 1993). The emergence of this group was initially a reaction against the Labour central government's policies (1974-1979) and later, against those of the Conservative central government (Darke, 1992; Lawless, 1989; Seyd, 1993). After the failure of Labour central government to reduce inequalities, the new left-wing Labour leadership elected in 1980, sought to promote change at a local level. To this end, the Council was committed to adopt a more proactive role in local economic development. This approach of greater control of the local economy was summarised in Blunkett and Green's (1983) *Building from the Bottom* (see Blunkett and Jackson, 1987) and was complemented by a commitment to decentralising decision making to local residents. The policies associated with this interventionist approach included: technology networks, planning and enterprise agreements, the identification of social needs, and the encouragement of co-operatives (Darke, 1992; Seyd, 1993). There was an extensive programme centred around the District Labour Party's manifesto which was the product



of elaborate discussions between members of the local Labour Group and the District Labour Party (Darke, 1992; Seyd, 1990). As a result, an extensive local socialist programme, more wide ranging than the initial workerist commitments of the New Left leadership, including education, health, the environment, equal opportunity, housing and recreation and the arts, was developed. In essence, Council direct intervention in the economy sought to minimise the impact of market forces and also to provide and maintain the generally high standard of local services. After Blunkett was elected as Sheffield's Labour leader in 1980, the city became popularly known as the Socialist Republic of South Yorkshire (Middleton, 1991; Seyd, 1993).

From the beginning of the 1980s, the loss of jobs in the steel industry hit the local economy very hard. The industrial decline accelerated throughout the 1980s with local unemployment exceeding the national average from 1981, and growing threefold from 5.1 percent in January 1980 to 16.2 percent in September 1987. In 1971, almost half of the industrial workforce (around 45,000 jobs) was engaged in the manufacturing industry, but this had fallen to 24 percent by 1984, with job loss in the metal-based manufacturing sector being double the rate for the UK, in general between 1981 and 1984 (SCC, 1984, 1993; Smith, 1991; Lawless, 1989; 1994; Lawless and Ramsden, 1990). The effects of the economic restructuring and industrial decline were described in the following terms:

From the late seventies to the middle eighties we lost in one area of the city, the Lower Don Valley, 40,000 jobs. It was one major shutdown after another and it was both the loss of jobs, the rise in unemployment and loss of opportunities to get new jobs. This demoralised the local population and changed their view of the city to a negative one...most of these people live in certain areas of the city where unemployment has gone from 5 to 20 per cent in a period of 10 years. Young and old people with no hopes of getting another job (Interviewee 14, former leader of the Council, Labour MP, 21 June 1996).

The impact of unemployment was recognised by politicians and local officials as being spatially concentrated in certain city wards, especially in the east end (those controlled by the Labour Party) while the western part (which tended to be middle class) was not directly affected, contributing to the increasing gap between rich and poor. Thus, in some of the poorest inner city areas, such as Castle, Manor, and Sharrow, unemployment rates ranged from 18 to 21 per cent in 1981 (Seyd, 1993):

[There has been] a huge increase in the divisions [in the city]. For example, 20 years ago, the ratio between the best and the worst electoral wards [in terms of unemployment rate] was 2 to 1, roughly 6 to 3 per cent. The ratio now is 5 to 1, 30 to 6 per cent (interviewee 15, member of the CLG, 24 June 1996).



Figure 6. 1: Map of Sheffield

The decline of steel-related industry was compounded by the relatively poorly developed service sector, with growth in the business, financial, and high-technology sectors being well below the national average (Darke, 1992; Strange, 1997). Despite the movement to the city of the headquarters of the Midland Bank (2,400 employees by 1988) and the Training Agency (previously the Manpower Services Commission) and a growth in service jobs of 25,000 between 1971 and 1984, local growth was not only below the national growth rate, but also behind its to two regional competitor cities, Leeds and Manchester (Henneberry and Lawless, 1989). As a result, this relatively low

growth in the service sector failed to compensate for the loss of jobs from the shrinkage in manufacturing employment. If until the early 1980s economic production was assumed to be the responsibility of central government, in 1981, Sheffield Council established the Department of Employment and Economic Development (DEED), one of the first such initiative in the UK, as part of its greater intervention in economic affairs (Lawless, 1989; Goodwin *et al*, 1992). This initiative aimed to co-ordinate the Council's economic and political responses to high unemployment and economic decline.

The philosophy was very much based around the interrelationship between public sector regeneration (sic). The turnover of the local authority, 3/4 of a billion pounds, represented a huge investment. The theory was indeed to maximise the use of that investment to stimulate jobs across the city. The DEED and myself tried to put the emphasis in those early days on job creation, on training and equal opportunity community involvement (interviewee 21, former chair of SERC and Labour MP, 26 July 1996).

In this context, the Council attempted to maximise public sector-led initiatives as well as to protect its own workforce (SCC, 1984). The Council was (and still is) thus the major employer within the city; five times larger than the largest private employer, with an annual budget of over £200 million (Strange, 1993; Leigh, 1995). However, the Department's expenditure was minimal, at £1 million (1981) rising slowly to £5 million by 1988 (Seyd, 1993; Lawless, 1989). By the mid 1980s, the DEED realised that these economic policies could only have a tiny effect on the regeneration of the local economy and decreasing unemployment. Lawless states that in the early 1980s, the DEED only managed to create about 1,000 jobs a year, while more than 1,000 jobs were lost in manufacturing alone (Darke, 1992; Strange, 1993). In addition, although Sheffield was at the fore in terms of resistance to the policies of the Thatcher Conservative government, the local economic strategy failed, as a former leader of the Council recognised:

A lot of powers were taken from the Councils. The Sheffield UDC was set up and took power. At the same time massive cuts on grants from central government. We realised that jobs were not coming back. It took a long time for people to accept this. We had the initial response of setting up municipal enterprises and having strategies for the public sector, creating jobs. But in reality this was never a possibility under the Conservative government (Interviewee 14, former leader of the Council, 21 June 1996); and

The Conservative government regarded Sheffield as an example of how badly a city can be run by Labour...So, very often the Council was pursuing local initiatives without any help or encouragement from central government. Blunkett had a left-wing reputation, which alienated many people from central government (Interviewee 16, Liberal Democratic Councillor, 24 June 1996).

In essence, urban regeneration under the new urban left was clearly dominated by the old Fordist coalition between elected politicians and the city's unions with the chief officers from different Council departments also holding significant power. Local businesses were not involved directly in city politics, only through their representatives, in the Chamber of Commerce or the Cutlers' Company. By this time, the city's two universities did not play a significant role in urban politics (Seyd, 1993) and relations between the trade unions and the Labour Party on the one hand, and the Council and the employers and bodies such as the Chamber of Commerce, on the other, were not good, in part due to the high property taxes in the city.

The Labour Party and the unions were clearly in conflict with the employers, the employers blaming the employees for inefficiency, the employees blaming the employers for not running the firms correctly. Relationships were extremely bad. We said all these jobs have been lost in the private sector but we can not sack people as well because we are in the public sector. We raised taxes by 14-15 percent in the years which followed. Firms then came back and said that if the council raised taxes they would have to sack more people. By 1983-4 people hardly spoke to each other, there was real antagonism (Interviewee 14, former leader of the Council, Labour MP, 21 June 1996).

### **6. 3. The development of partnerships in the City**

Following the failure of a strategy of confrontation with central government in the late 1970s and early 1980, the antagonistic, anti-business politics of traditional Labour was rejected by the Labour group, and a new strategy of collaboration with local capital was initiated in the mid 1980s (Lawless, 1989; Seyd; 1993; Strange, 1993). In 1987, Clive Betts replaced Blunkett as Leader of the Council, and although both had been members of the new urban left group that had taken control of the Labour Party and Council in 1980, Betts' accession to power was seen as a watershed. How much of a watershed this really was is debatable, since the Sheffield Labour Group, under the leadership of Blunkett had already begun to make overtures to the city's business interests.

In the mid 1980s, the Tories were in power [in national government] and things got quite difficult and Clive Betts took over. Clive was generally regarded as being 'right wing' on the Labour Party. He is pragmatic and had a different view, and instead of playing the role of socialist who will never get in bed with businessmen, Clive took the view that he had to drive a different kind of politics because he wanted to show that he was a different kind of leader (Interviewee 17, Council leisure officer, 5 July 1996).

Traditionally, relationships between the Council and the business groups had been difficult. However, by the mid 1980s, there was a recognition by most of the interested parties that the economic and industrial decline had had a profoundly adverse impact on the city, particularly, on the Lower Don Valley area, and that local government alone could not hope to redress the problem. Informal meetings then initiated the process of co-operation to develop a regeneration strategy for the city after recognising mutual dependency, as indicated by a former leader of the Council:

In the early 1980s, there was a recognition between the education sectors, the industrial and commercial leaders, and the political leaders that something had to be done about the economic, industrial decline. It was an economic necessity that forced them to come closer together than they had been in the past. By 1985, we came to recognise that we had to start working with the private sector and there would be no possibility of significant redevelopment unless all the elements of the city work together (Interviewee 14, former leader of the Council, Labour MP, 21 June 1996).

The first informal approach between the Council and business groups was in 1983 when Clive Betts and John Hambidge (Chief Executive of the Chamber of Commerce) shared a trip to China (Seyd, 1990, 1993; Strange, 1993). As part of this initial contact, some local government officials, in particular John Darwin, were regarded as important in the promotion of coalitions with business interests (City Council officer, 5 July 1996). At the same time, this shift in attitude from the Council was also replicated by individual members in the Chamber of Commerce. Seyd identifies these leading business people as Richard Field (senior vice president), Norman Adsetts (junior vice president), Bev Stokes (president) and John Hambidge (see also Strange, 1997). As part of the process of building confidence, other initiatives such as the Ranmoor Church Forum were established in 1986, which provided a common ground where politicians and businessmen could meet. The Chamber of Commerce created an 'Image Working Party' with Council officers as members, regarded by Strange as the embryonic partnership association, to examine the internal and external image of the city. Formalisation came in December 1986 with the establishment of the *Sheffield*

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*Economic Regeneration Committee* (SERC) in the Council's Department of Employment and Economic Development (Lawless, 1989; Seyd, 1990; Strange, 1993, 1997). This coalition brought together those organisations that had taken part in initial contacts, including representatives of the City Council, local business community, the trade unions, higher education institutions, central government agencies, and local organisations. The aim of the coalition, as stated in the principal planning document it produced, *Sheffield 2000*, was to develop a long-term economic regeneration strategy for the city, with a particular focus on the Lower Don Valley. This recommended the diversification of the local economy around manufacturing, information technology, environmental protection, public services, culture industries, and sport. Coalition partners, meanwhile, were also united around the idea of creating a new city image, which stressed a competent, collaborative leadership (Strange, 1993, 1997), though SERC was City Council-led.

The Council may take the lead in inviting people and we tried to select a representative group...Regarding the Games, the Chamber of Commerce appointed the people and we developed the new facilities for the Games. We had a trust set up responsible for the operation of the facilities. So they were two representative key bodies and the Development Corporation came in its own right. The two universities were also involved with bodies like the Health Authority playing a lesser role (Interviewee 14, former leader of the Council, Labour MP, 21 June 1996).

A Labour MP and former board of the SERC noted about the contribution of the Council and the Chamber of Commerce in this initial coalition:

Producing reports, commanding general agreements, which resulted in finance coming into the city which, was important. SERC had its backup offices in the City Council and the Chamber of Commerce used to write reports and it had officers working for that committee (Interviewee 21, former board of the SERC and Labour MP, 26 July 1996).

The traditional allies of the Council (the unions) initially played a role in the coalition, but gradually their contribution declined:

They lost a lot of members and some of the more weighty leaders at this time like Bill Owen (Transport) and George Caywyn (Engineering)... By the end of the 1980s, the reality was that the unions had little influence at that sort of level, because they were involved in bodies like SERC and not in other partnerships and did not bring a lot of power to play anymore. But

the Council would invite them to bodies like the TEC, but they were neither invited to join the Sheffield Development Corporation nor to play a part in the Games (Interviewee 14, former leader of the Council, Labour MP, 21 June 1996).

In March 1988, another public-private partnership, *Sheffield Partnerships Limited*, was established to unite the main actors within the city around a commitment to local economic development and the fostering of an entrepreneurial climate (SCC, 1988). The partners involved in *Sheffield Partnerships Limited* were representatives from the City Council, the Chamber of Commerce and the Cutlers Company and it was generally accepted as an outcome of the Chamber's image initiative (Strange, 1993, 1997). This came to fruition through other initiatives such as the private sector-led investment bank, *Hallamshire Investment Limited* in 1988 which incorporated local businessmen and the City Treasurer as directors, with the aim of encouraging and developing local economic development initiatives. As part of the regeneration process and following the recommendation of commercial consultants that a flagship project be required to spearhead the drive for regeneration, the city developed a successful bid in 1987 to stage the 1991 World Student Games. This project stemmed from the partnership process (business and civic leaders together put forward the bid to the governing body of the World Student Games), and both groups further contributed to partnership activity. However, the Games were also the source of divisions that began to appear in the partnerships established as the Games approached.

Previously, a major coalition crisis threatened to appear after the introduction of the Sheffield Urban Development Corporation in March 1988. This non-elected agency was set up with a seven year budget of £50 million, and the sole power to execute development policies in the deindustrialised area of the city (Lower Don Valley), leading to market-led, property-based regeneration. Local government planning powers were thus suspended over this area, in the interests of developing an economic regeneration package. This agency imposed by central government against the wishes of the Council, undermined SERC's partnership plans for regenerating the area and promoted the notion that business enterprises provided a better motivator of economic development (Seyd, 1990, 1993; Strange, 1997). This formed part of the central government strategy to redirect urban regeneration to the private sector excluding local governments. Initial Council antagonism towards the Sheffield Development Corporation was evident, since SERC (rather than the Sheffield UDC) was seen by the Council as the appropriate body to promote local economic development. As a former chair of SERC stated:

I am sure that our preference through SERC was that the regeneration would continue to have a city wide context, and channelling so much under a different administration into one area of the city [ran counter to this]. We did not feel, and still do not feel, that this was the most effective way of channelling those funds into Sheffield. At first, the Council was very worried at central government imposing its will on a particular area of Sheffield, which was the Council's responsibility (Interviewee 21, former chair of SERC, Labour MP, 26 July 1996)

Notwithstanding this view, it was recognised that central government funds (estimated in £350 million) would not be available to undertake the regeneration of the Lower Don Valley unless co-operative arrangements were reached (Seyd, 1990, 1993). Therefore, a pragmatic co-operation was adopted and the Council initially agreed to collaborate with the Sheffield Development Corporation and later on, with another central government agency, the Training and Enterprise Council (TEC), in 1990. The agreement with the Sheffield UDC was contingent on the following mutual concessions: (1) the UDC would expand its activities beyond the Lower Don Valley; (2) the Board members of the UDC (which included three local businessmen, three Councillors, a local newspaper representative, and an ex-Sheffield Labour MP) would incorporate representatives of SERC; and (3) the Council would modify its opposition to a proposed out-of-town (£230 million development) shopping centre (Meadowhall) which received planning permission in 1987 commencing operation in 1990 largely under the control of a local entrepreneur, Eddie Healey (Middleton, 1991; Seyd, 1990, 1993; Williams, 1997).

Subsequent experience has suggested that the Meadowhall complex has had some negative impacts on the city centre development, and the UDC's planning statement *A Vision of the Lower Don Valley* reawoke the Council's fears that industrial development would be subordinated to service sector development, and the UDC would promote an additional out-of-town retail park (Seyd, 1993). The fears of the Council were echoed by members of the Chamber of Commerce, and by two large city stores, all of which were concerned that the proposed retail park would deepen economic depression in the city centre. Thus, as this issue illustrates, despite their mutual adjustment, the tensions between the Council and the UDC were never far from the surface. The differences in strategy, which were suspected, or emerging, between, the UDC and the other members of the city's coalition illustrate some of the difficulties inherent in the construction and sustaining of such a project. At the time of writing, it was expected that the UDC would be replaced in 1997 by a new body, the Sheffield Regeneration Agency set up by the Council, but "not just limited to one geographical



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area” (Interviewee 18, a representative of the Chamber of Commerce, 5 July 1996).

Although the Games produced the first significant coalition between the Council and the commercial sector, the ensuing financial problems associated with the Games “temporarily reduced confidence in partnership” for all those involved (interview with a member of the Liaison Group, 24 June 1996). As part of the process of overcoming these differences and with a new leader in the Council (Mike Bower), the major organisations of the city came together again in late 1992 under the umbrella of a new partnership body called the *City Liaison Group* (CLG):

When the Games were finished and also the Council had a new leader ... (he) felt it important to have a new vehicle for partnerships and this is why he created the *City Liaison Group* (Interviewee 15, member of the CLG, 24 June 1996).

The evolution of partnerships from the SERC to the Liaison Group was considered a logical step, according to the former leader of the Council. The Liaison Group evolved from the broad membership of the SERC (24 members) to a small group of 12 members, and was described by both a member of the *Liaison Group* as moving from a ‘talking shop’ (i.e., the SERC) to a more ‘active role’ (Liaison Group). The function of the Liaison Group was described as acting as a forum in which interested parties could formally exchange ideas and information “to ensure that plans for regeneration do not just stay plans and make things happen” (interview with a representative of the Chamber of Commerce, 5 July 1996):

The leaders come to the meetings, the institutions support what we are doing and all contribute financially to the cost of the Liaison Group (Interviewee 15, representative of the Liaison Group, 24 June 1996).

The Liaison Group had no executive power, no resources, and a small staff (as SERC had had); yet as one member described it, the very fact of partnership was recognised as empowering: “if we all agree to do the same thing that gives us power in a different sense”. The Liaison Group included some individuals and representatives of groups at a senior level in the city that previously had been involved in partnerships. These were the Council, the Chamber of Commerce, central government agencies (the Sheffield UDC and the local Training Enterprise Council), the two city universities, the Cutlers Company and the Sheffield Health Authority (see Sheffield City Liaison Group, 1994). A former senior local Councillor suggested that the most positive feature of the new

organisation was that the two universities were to take a more proactive role in the economic development. This is also relevant because both universities are among the largest employers in the city (Leigh, 1995). But particular groups, (e.g. opposition political parties, small employers) and individuals (e.g. the Chief Constable) who might have been anticipated as members of a wider coalition were finally excluded from the partnership.

The fact that the Universities came in, the Liaison Group was really on the agenda of the Vice-Chancellor of Sheffield University, Gareth Roberts. His view was that if we are going to have a liaison which is going to influence policy you must be represented by the top people of each institution, not some chap who is down the line...The two Universities have an influence because they are the major source of intellectual resources as well as they have close connections with the Labour Party (Interviewee 1, former city Director of Sport, 4 June 1996).

As part of the activities of the Liaison Group, a strategic plan *The Way Ahead*, incorporating both the economic and social regeneration within the city, was developed in April 1994. At this time, the economic and employment potential of sport was apparently given greater relevance in the Liaison Committee (Sheffield City Liaison Group, 1994). A discussion paper *Shaping the Future* (January 1995) also focused on social regeneration and as a result of a process of open consultation, a new plan *Sheffield Growing Together* was published the same year. This plan represented an updated version of *The Way Ahead* (Sheffield City Liaison Group, 1995).

Despite tensions and differences amongst coalition partners, which were acknowledged by interviewees, there did appear to be a general unanimity and consensus on the improvement of image, economic growth, and the attraction of inward investment within the partnership (as in SERC) (Interviewee 18, member of the Chamber of Commerce, 5 July 1996). Although the Liaison Group was seen as certainly 'led' by the Council (as SERC was), the significance of contributions from the other coalition partners was acknowledged by representatives of all constituencies at the interview. This consensus was reflected in the strategic plan published by the Group, *Sheffield Growing Together* (Sheffield City Liaison Group, 1996).

The Council clearly is the most important actor because of its democratic legitimacy and we got our legitimacy from this. All the institutions are important in different ways. The UDC not only has its own planning powers but also a lot of money to regenerate the Lower Don Valley. The

TECs have significant sums of money and the private sector is desperately important for us through the Chamber of Commerce and the Cutlers Company (Interviewee 15, member of the Liaison Group, 24 June 1996); and

The Liaison Group is driven by the Council who decides who should be members. We like to believe that the Liaison Group could take the lead. Realistically it does not appear to...We do not see a real partnership there (Interviewee 20, a representative of a community group, 25 July 1996)

As a representative of the Liaison Group admitted, in this public-led partnership, the participation of the private sector remains more opportunistic than with a real involvement in city-wide initiatives (Interviewee 15, representative of the *Liaison Group*, 24 June 1996). In addition, one of the Labour MPs also pointed out that: “the private sector has not come forward with a significant amount of risk capital to regenerate the city, but they have enjoyed being brought through into the partnership committee taking the credit of being close to the decision making”. Despite the central position of the Council, the participation of the private sector within the coalition was nevertheless considered important in attracting external funding (particularly from central government and European funds) which would favour its developmental agenda (see Strange, 1997). In this way, the representative of the Chamber of Commerce described the abilities to network and broker as the attributes which local business interests were expected to bring to bear on the *Liaison Group*:

The business sector adds credibility to any proposal for regeneration, for attracting funding and it also has added a large measure of practical experience and a keener, sharper economic focus. The Council realised that particularly here, because of its reputation, they needed our credibility to succeed. I think that it has worked to some extent...A lot of people in the private sector think it should be more private-sector driven and feel that there is an element of being invited into the partnerships for the sake of appearances and when it comes to the crunch their views are not always heeded. But it is infinitely better than it was... Therefore, if you look out of your window and you see that the city is not successful and one of the reasons for that it might be predominance of left-wing views on the Council and you have the chance to moderate their views by going into partnerships, you will say yes. Because at the end of the day, you will benefit from proper infrastructure, easy access to customers, to suppliers both locally, national or internationally...when you choose where to place a business these are very important factors and you will be crazy not to take a chance to enhance your lot. Partnerships are seen as a way of having

some influences in that process (Interviewee 18, representative of the Chamber of Commerce, 5 July 1996).

Despite the failure of two previous bids for City Challenge Grant funding (developed on a partnership basis) put forward by John Major's Conservative government, Sheffield was finally awarded £74.4 million from the government's Single Regeneration Budget (SRB) over 7 years period and from the European URBAN initiative for 4 years. The SRB aims to improve the most socially and economically distressed areas, though, only three inner city areas in the Northwest benefited. However it was recognised that the city could not rely only on external funding:

We have to create jobs from growing our businesses. I think that whatever successful you are with inward investment it is not going to solve our problems. We have 30,000 local people unemployed and it is unrealistic to think that we are going to create 30,000 jobs through inward investment (Interviewee 15, representative of the *Liaison Group*, 24 June 1996); and

Central government and indeed European funding do have an influence regarding the determination of priority areas for investment. The idea of this funding is to kick start things (Interviewee 18, representative of the Chamber of Commerce, 5 July 1996).

As in other city initiatives, and despite its importance, representatives of the voluntary sector were excluded from the decision making. This was strongly criticised by a member of one of the extensive number of community groups in the city:

The SRB is now going to become a private company in Sheffield with the Council and TEC as the shareholders and other partners as board members. As we understand it, the voluntary sector will have some representation on the Board but in the negotiation process it was clear that some issues would not be addressed...The Council and the TEC have excluded the voluntary sector from any involvement (Interviewee 20, member of a community group, 25 July 1996).

Even though the proliferation of partnerships around the economic regeneration in the 1980s and 1990s have succeeded in changing the city's image as well as attracting substantial external funding, Seyd (1993) notes that one of the weaknesses of the coalition strategy has been to give higher priority to development projects rather than the city's human resources. The commitment to social regeneration from the *Liaison Group* was minimal due to "the lack of resources to develop an understanding of the

needs of particular local communities” (interviewee 15, a member of the *Liaison Group*, 24 June 1996). The same representative stated: “we have to focus on city wide issues and trying to create the conditions in which other organisations can tackle local issues”. In particular, all the interviewees agreed that the rate of local unemployment (still 12 percent in 1994) and social polarisation has not substantially changed and still remains high (Sheffield City Liaison Group, 1994). Thus, a former leader of the Council noted that “there are some parts of the city where youth unemployment is still 15 percent and this one of the things that we have not sorted out”. Similarly, the impact is also highly uneven spatially with some traditionally poor wards such as Burngreave, Castle, Manor, Park and Sharrow still having a high unemployment rate (about twice the Sheffield average), while others which are better off such as Hallam and Ecclesall have an unemployment rate of less than half the average (Sheffield City Liaison Group, 1996). Additionally, one of the Labour MP summarised this issue by saying:

The social aspects have been very difficult mainly because the Council has had its budget cut all the time and it was a problem that we recognise...There is a lot more to be done in making sure that the regeneration benefits poor people but this is something that the Council cannot do without some government support. We could have been more successful if we would have had more abilities as a Council (Interviewee 14, former leader of the Council and Labour MP, 21 June 1996).

Regarding the longevity of the Liaison Group, it was expected to discuss its future since “all its agreements will expire in March 1997” (interviewee 15, representative of the *Liaison Group*, 24 June 1996). Nevertheless, at the time of writing and with a new Labour central government in power, it is difficult to predict the Government’s impact on not only the nature of the coalition but also on the power of Councils. Thus, prior to the elections, some Labour MPs forecast that a new Labour central government would give greater recognition to the role of Councils in local economic development strategies.

Despite the formalisation of different coalition arrangements in the last few years and although relationships between local authority and local business have improved since the mid 1980s, there is still a residual lack of trust between the Council and the private sector. The problem has not yet overcome “if we select someone from this University the other University will be upset, if we have some from the Council, then the business sector will be upset” (interviewee 1, former City sports officer, 4 June 1996). What is

clear is that the proliferation of coalitions of various kinds around the economic regeneration in the 1980s and 1990s, enduring for various lengths of time, has become a significant feature of the city's economic development strategies. As we shall see in the following section, such coalitions as well as the shifts in the political culture of the city from the 1970s to the 1990s also were also reflected in the politics of leisure and sports in the city.

#### 6. 4. Sports Policy in the City

In the sole and brief period that the Conservatives took power in the city (1968), the city's Recreation Department was created and incorporated services such as arts, museums and libraries as well as sport and active recreation (Taylor, 1990). Prior to the Games, sports provision in the city was very much 'community' orientated, concerned with sport as welfare (Coalter *et al.*, 1988), but heavily reliant on an ageing stock of leisure facilities, which had not benefited from investment, largely due to financial constraints (Renshaw, 1993). One of the members of the Recreation Department (5 July 1996) argued that this lack of investment was not typical of British cities in the 1960s and the 1970s, and that this continued throughout the 1970s and 1980s with sport receiving little capital investment for new public sector facilities. Indeed, Sheffield had not built a major new sport or leisure community facility since 1975 (SCC DEED, 1990). This could be explained by the decline of central government funding and local government's inability to raise local taxes. By the beginning of the 1980s, the city was served by a network of facilities, many of which were dated and in need of repair or replacement. In particular, Gratton (1989) pointed out that while swimming participation was growing in the country generally, Sheffield's demand was in decline due, principally, he argued, to the general low quality of the city's pools.

When the Council was exploring new ideas to regenerate the city's economy in the early 1980s, the Economic Development Department initially advocated an approach based on a return to manufacturing, but some members of the Recreation Department began to suggest a move towards service industry and leisure. In 1984, the Recreation Department produced a report, titled *Leisure Challenge: A Prospect for the Lower Don Valley* (Sheffield City Council Recreation Department, 1984), to replace the lost manufacturing industry, contributing to economic regeneration and job creation (Taylor, 1990). In the mid-1980s, the SERC commissioned Coopers and Lybrand consultants to investigate ways and means of regenerating the Lower Don Valley. One of the recommendations of this report was to focus on the idea of developing one or

more flagship projects that would clearly demonstrate the city's commitment to regeneration and to the changing image of the city. It was in this context that the proposal to seek the nomination for the 1991 World Student Games emerged. Prior to the Games, local Councillors used Indianapolis as a model of a city that had embarked on a sports strategy for rebuilding its city centre and changing its image (Rosentraub *et al.*, 1994; Rosentraub, 1997).

We went to Indianapolis to monitor the impact of sport in a city that attempted to regenerate itself after the car industry decline. They built major sports facilities with professional teams, which have attracted a lot of crowds and created secondary expenditure. We then thought that it may work here (interviewee 6, former chair of the Recreation and Leisure Services Committee, 6 June 1996).

The attraction of the 1991 Games to Sheffield has been described as the result of the enthusiasm of two men: Peter Price, Chair of the Recreation and Leisure Services Committee, and Gerry Montgomery, the city's Director of Sport (Seyd, 1993; Solley, 1991; Taylor, 1990) whose support for the project appears to have been influenced by personal circumstances:

In the middle 1980s, people started to take on board our plan for the eastern part and the next thing that happened is that the Assistant Director for Sport in the Recreation Department, who was married to a Yugoslavian woman, went on holiday to Zagreb in 1978 when the Games were being held there. He saw this event and started to think, this is interesting, and maybe Sheffield could do something like this. So, Gerry came back with a twinkle in his eyes about the Games and started to talk to Peter Price and we got the Games (Interviewee 17, Leisure Services Department officer, 5 July 1996).

Thus, the concept of Sheffield as an 'urban sports centre' and tourist attraction, boosting the city and restoring civic pride, quickly developed (Gratton, 1989; Roche, 1992; Dobson and Gratton, 1996), with the Games as a key element for urban regeneration. Gratton suggests that the Games were:

A means of transforming the local economy, firstly through the immediate economic impact of tourists during the Games and on a longer-term basis through a change of image from a northern industrial steel city to a modern service based economy.

It was expected that the Games would improve Sheffield's international reputation and attract investment, while at the same time providing the city with state-of-the-art sport and leisure facilities (Bramwell, 1997; House of Commons, 1995; Seyd, 1993). It was also believed that these facilities would be heavily utilised by the local population and therefore, the level of participation in sport, particularly for indoor sports, would increase. All these effects were summarised by Peter Price:

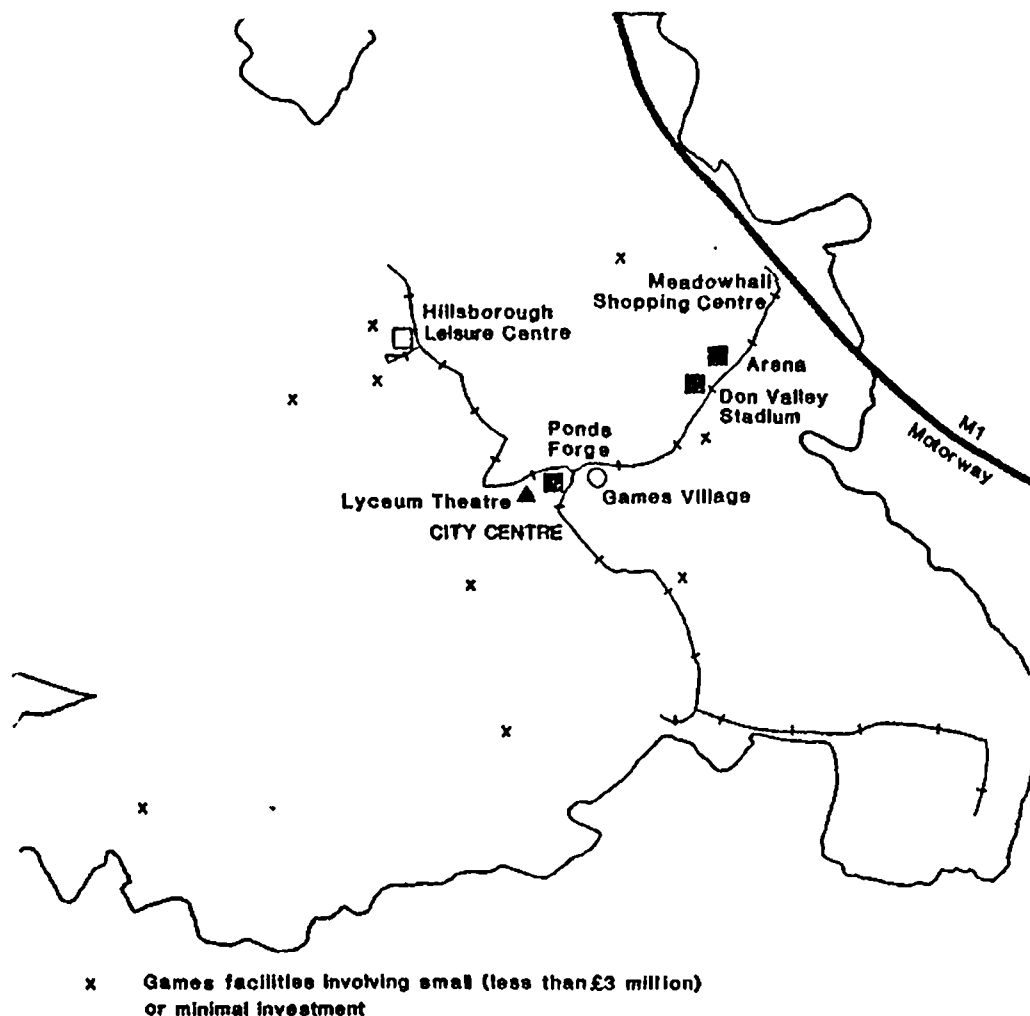
Sheffield as the venue for the World Student Games will bring prestige and world recognition and as such the city will benefit economically from an expansion of its tourist market, with the city being established as a national and international venue for sport. With its range of high quality leisure facilities, the city will be established as a leading destination attraction. This will also make a contribution towards the local economy by the spending multiplier (Price, 1990).

In November 1986, the Council approved a bid, believing that the cost of running the Games would be met by generated income and the capital costs of the facilities would be met by government grants, charities, and private sources (Foley, 1991; Roche, 1992). The decision to bid for the Games was taken without prior economic impact analysis, or consultation to ascertain the opinion of local residents regarding the public funding of this event (Bramwell, 1997; Dobson and Gratton, 1996). However, by 1988, new central government legislation constrained the Council's capital borrowing and spending, with central government unwilling to support this event financially. This meant that EC grants could not be gained since matching funds would not be available.

The city faced a critical dilemma and at the time estimated that at least £110 million was needed to develop the facilities for the Games. A private trust was created to run the facilities and to access private funding. This private trust, the *Sheffield Leisure and Recreation Trust* (SLRT), was established in March 1988 to provide the facilities and manage their future use. The capital was raised through foreign bank loans with a twenty-year repayment period (Loftman and Nevin, 1996; Seyd, 1993). Subsequently, two subsidiaries of the SLRT were established with different roles: firstly, *Universiade (GB) Ltd.* was to administer and raise finances for the Games and secondly, a joint public-private board, *Sheffield for Health Ltd.* was to manage the Games and two of the major facilities (Ponds Forge Swimming Pool and Sports Centre and the Don Valley Athletics Stadium) (see figure 6.2); a further major new facility, the Sheffield Arena, was put in the hands of an American company, Sport Marketing Group International (SMGI) sub-contracted to *Sheffield for Health Ltd.* This was the only new facility,



which proved attractive to the private sector.



**Figure 6. 2: Location of World Student Games facilities within Sheffield**

*Source: Bramwell (1997)*

The Games involved the largest sports facilities construction programme seen to date in Britain, with a total cost of the Games estimated at around £180 million. Construction of the new facilities accounted for nearly £150 million, with £27 million required for the running of the event itself (Bramwell, 1997; Middleton, 1991; Roche, 1992). Except for the Arena, which was funded with £34 million by SMGI, the Council underwrote the rest of the construction. In addition, refurbishment of the Lyceum Theatre, as part of the Cultural Festival of the Games, was also funded to the tune of £12 million

(Bramwell, 1997; Loftman and Nevin, 1996). By mid-1990, only £500,000 had been raised, and *Universiade (GB) Ltd.* was forced to cease trading and wound up with debts of nearly £3 million. Event organisers in 1991 were only able to achieve a small proportion of the income targets predicted in 1990 for the areas of sponsorship, ticket sales and merchandising (15%, 45% and 18% respectively). A negotiated television sponsorship contract with British Satellite Broadcasting was lost, when this company amalgamated with Sky TV in 1990. Subsequently the Games never secured major national television coverage (Dobson and Gratton, 1996). Consequently its ability to raise commercial sponsorship was severely limited. After all these setbacks, in June 1990, the city was compelled to take direct responsibility for the running of the Games.

Prior to the Games, several studies were undertaken to estimate the economic impact of this event to Sheffield's economy. One of these studies, commissioned from Cambridge Economic Consultants in 1989, predicted the creation of 1,436 jobs locally in a period of approximately 2.6 years (3,672 job years), with an estimated 4,068 further job years for operating the facilities after the Games (Foley, 1991). Foley argued that the number of jobs predicted was clearly overestimated. He forecasted 1,250 jobs in the local economy and 2,163 in the region. The facilities were expected to generate an additional 390 jobs in each year following the Games. In essence, these figures represent a small number of jobs when considering the high level of public investment. However, a former city Director of Sport justified the use of the Games by saying:

The economic impact has been significant. It has been carefully analysed...whether they are marketing very well is another issue. The WSG have only ever been portrayed as a financial disaster, they lost £10 million, but when you are re-building a new city, spending £150 million in facilities and £10 million on marketing is nothing. They did not handle it very well, the local authority felt that central government should have helped them (Interviewee 1, Former City Director of Sport, 4 June 1996).

After the Games, no study was commissioned to evaluate their actual economic impact in the local economy (Bramwell, 1997; Dobson and Gratton, 1996). As a result, the city's commitment to the Games was criticised as a high-risk strategy, being politically expedient but financially questionable (Darke, 1992; Roche, 1992). With respect to this, a representative of the community groups (25 July 1996) stated: "the District Auditor Report actually slammed the Council for the way that the Games were handled". But it was not only the District Auditor, but also the Council's Chief Executive and the Internal Audit Service, which criticised the operation of the event. It was also criticised

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as being the product of a lack of consideration of alternatives (Cricher, 1991). Because of the escalation of the facilities costs from £110 million in 1988 to £147 million, the payment of debt charges commenced in 1992 and was rescheduled to end in 2013, with every adult paying an additional £25 annually in local tax (Darke, 1992; Dobson and Gratton, 1996). At this time, local (Sheffield Star, 1991; Sheffield Telegraph, 1991) and national media, in conjunction with national government (Conservative) and local (Liberal Democrat) opposition parties were very critical of the Games. The city's external image (improvements of which was one of the objectives outlined before) was negatively affected (Bramwell, 1997; Roche, 1992). Thus, despite the fact that the media seems to play a prominent role in partnerships in some British cities (Lawless, 1989) and in American cities, this was not evident in Sheffield.

The local media generally got quite a lot of mileage out of this. They could give you great stories about the Masters Swimming Championships and next week when there is no big event they ask people how they feel about the fact that there are not many social services because all this money has been spent in these new facilities. You also got the opposition of political parties like the Liberal Democrats locally and the Conservatives nationally saying in the Houses of Parliament that Sheffield is an incompetent city (Interviewee 17, Leisure Services Department officer, 5 July 1996); and

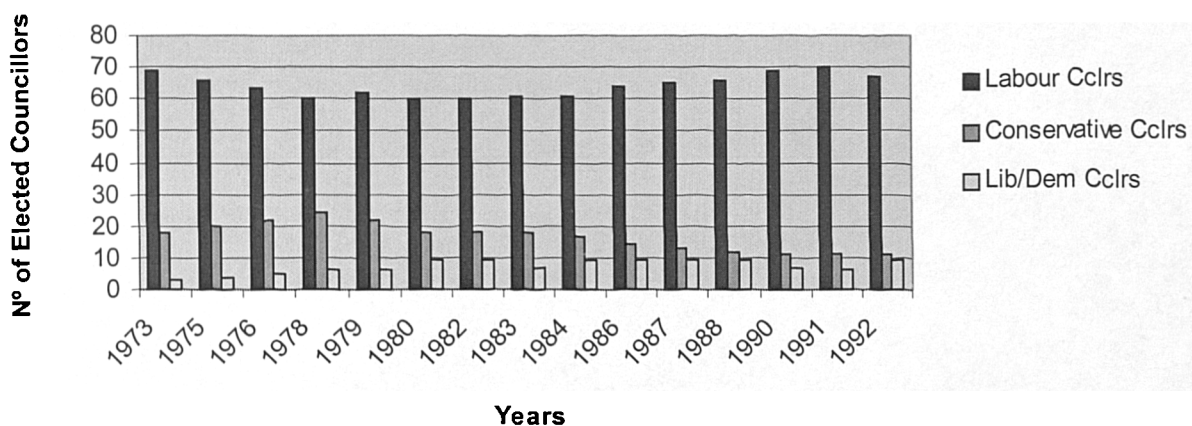
We had some bad publicity after the Games, which is a bit unfair. We ran the Games on budget...when we were planning for the Games, the national economy was doing quite well, but by the 1990s, we were in the middle of recession, and we couldn't raise the £10 million in co-operative sponsorship. £10 million of the actual Council's budget of £600 million is nothing...We ended up having to pay the money back over a very short period of time. That's not been sorted out. Despite all the difficulties there have been substantial benefits, I think that it was the right thing to do (Interviewee 14, former leader of the Council, 21 June 1996).

The debt of the Games and the constraints imposed by central government have considerably reduced the local spending in the traditional local provision of services, with the closure of local libraries, community recreation facilities and parks. At the political level, despite the increase in support of the Labour Party nationally, Sheffield represents a case where, since the Games, the reverse has occurred. Most of the interviewees took the view that there was a possible link between the lack of funding in certain areas of the city with the reduction of local services, and the loss of support for the Labour Party (see Table 6.1, which shows the outcomes before and after the Games).

It is due to a number of factors: one is the psychological effect of the Games and the sporting facilities. It gave the impression that the Council was concentrating on one particular area of policy and ignoring everything else. It is a very unfortunate coincidence that with the exception of one Councillor in Hillsborough and one in Wharncliffe, the North of the city is Liberal Democrat and those areas have not received any money yet. After the Games the people got fed up with the Council because they ignore everybody else ...Voting trends in the last few years would indicate that perhaps, in the next 3 years, the Liberal Democrats will control local urban politics (Interviewee 20, member of a community group, 25 July 1996); and

The attempt to create major sporting facilities meant that money has to be withdrawn from other funding programmes. It has been unpopular in some areas. Politically speaking the east of the city is still a Labour stronghold, the western part has become Liberal Democrat which was a direct consequence of the investment that Labour has made (Interviewee 16, Liberal Democratic City Councillor, 24 June 1996).

### City Council Elections



**Table 6.1 Sheffield MDC Councillors Elected 1973-92**

Source: Seyd (1993, p 155)

According to Seyd, the local public-private partnerships held up surprisingly well throughout the pre and post-Games period. However, the SERC did not survive the post-Games stresses and strains, even though the local business community had remained largely supportive. Only one prominent local businessman, Bev Stokes, transgressed the convention established in 1986 that criticism of members of the partnership should not be voiced in public by appearing on a national television programme that was heavily critical of the Council. There was also, however,

opposition to the Games from within the District Labour Party and from within the Labour Group. Seventeen Labour councillors, once they became aware of the deficit the Council would have to meet, voted to reduce the size of the Games and one, Peter Duff, (former Deputy Chairman of the Employment Committee) resigned from the Council ostensibly in response to this issue (Seyd, 1990; 1993; Strange, 1993). The schism in the local Labour Party has been described as a divide between visionaries who were politicians committed to the development of the city in a new mould, and traditionalists who argued for increased social expenditure rather than investment in sport (McColl, 1994). Furthermore, political opposition was not the only opposition to the proposals. During the Games, a group that called itself the 'Stuff the Games' group demonstrated publicly against the staging of the Games in Sheffield. Thus opposition to the Games came from a wide variety of political backgrounds but not (critically) from local business, which from the mid 1980s paid business rates set nationally rather than locally and were therefore relatively unaffected by the cost of local government expenditure.

The principal justification of the high level of public sector expenditure on the Games promoted by urban leaders was that these would bring long-term benefits, especially to the local population. However, the Games and subsequently the cost of running the major sports facilities also had an enormous effect on the community with a considerable dissatisfaction with the closure and the deteriorating condition of community facilities. Another effect was the concentration of leisure and sport provision at fewer facilities, with disadvantaged people having difficult access because of the high entry price especially to the Ponds Forge leisure pool and the cost of travel into the city centre. Sheffield was one of the first local authorities to introduce a 'Passport to Leisure' in 1985, which is a discount on the full charge for the old and new facilities, but for the worst off, the Council offers the 'Gold Passport to Leisure' Card which provides an even greater discount. The Council pays for it and underwrites this card scheme:

Most leisure facilities these days are not cheap. It is very difficult for a family to use swimming pools... The perception of local people is that now the facilities are very expensive because the Council subsidised things very heavily in the past, but they are not so expensive now (Interviewee 19, Leisure Services Department City Councillor, 9 July 1996); and

Everything seems to be situated outside the centre or in the south of the city apart from Hillsborough. This effectively cuts off half of the city as a

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market place, because if someone wants to use Ponds Forge and lives at Chapeltown, it is £2.10 for a return ticket plus the entrance fee...Community sports facilities have been neglected in order to support major sports facilities (Interviewee 20, member of a community group, 25 July 1996).

In addition, the use of the major facilities has also put more emphasis on the requirements of major sports events rather than on the needs of local residents for recreational participation as a member of the Leisure Services Department officer recognised:

We do not have any particular policy to encourage the use of facilities after events. Basically people are given information about when the facility will not be available, and when it will be next available. It is a major problem, I am responsible for two sports development schemes (swimming and diving) and any time that there is a major event in Ponds Forge, our schemes just stop. We do not have other small local facilities to absorb this on a temporary basis (Interviewee 5, Leisure Services Department officer, 5 June 1996).

The leader of the Council, Mike Bower, sought to redress the loss of political support by placing more emphasis on the links with the community in order “to make the Council more accessible, more accountable” (interview with a representative of a community group, 25 July 1996). This is also reflected in the recent change of “the chair of the Leisure and Tourism Committee, Mike Pye, who was sacked as the person responsible for the Council policy on major facilities and replaced by Councillor Nicholson, because a change in the direction was needed due the potential dangers of closing community facilities” (Interviewee 16, Liberal Democratic Councillor, 24 June 1996).

When the government announced its local government ‘Spending Assessment Levels’ in 1990, the implication for Sheffield in 1991 was that the Council had to reduce its budget by £35 million (Taylor, 1990) (Spending Assessment Levels are figures published by central government which represent what the government assesses to be the spending requirements for each local authority, given local circumstances, to provide an appropriate standard of services. Spending significantly beyond these levels attracts either a penalty and/or the imposition of a financial ‘cap’ or limit on local expenditure). As a consequence, the Recreation Department had to reduce its services by one fifth. However, Taylor (1990) suggests that in terms of local government leisure policy, this combination of legislation and spending constraints imposed by central

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government should be seen as a catalyst for development, rather than as a crisis for the city's leisure service. A Council officer also reflects this opinion in comments:

As the government constrained budgets, the local government became unable to fund the previous level of local provision. Services started to suffer, as did some very old facilities around the city. The dilemma was whether to continue to fund recreation services when the budgets were being reduced. The conclusion they came to was that they have to replace the facilities with new ones, and they will need to be attractive enough to encourage people to pay more...and the whole concept of building facilities that could be used for events came along because it was possible to subsidise community recreation programmes by making a profit on events (Interviewee 17, Leisure Services Department officer, 5 July 1996).

New ways of running the old facilities by Community Trusts were developed and in particular, three community swimming pools represent a different managerial role with respect to the traditional bureaucratic local authority:

At the King Edward Pool, four local businessmen decided to form a Charity Trust to keep it open. Since then, the Trust has made £100,000 to re-invest in maintaining the building...which it would not be able to do under the local authority control. This example should be replicated at other local facilities through partnerships with or without local authority involvement. However, the other two pools have not developed as well as King Edward (Interviewee 17, a member of Sheffield University, 17 June 1996).

The stock of old community facilities was to remain under the direct control of the Leisure Services Department, but the new facilities were to be operated by the *Sheffield for Health Trust*. A Leisure Services Department officer described these two different leisure operators as the "Sheffield Harrods and Woolworths syndrome":

...The new facilities are Harrods and the older facilities are the cheap Woolworths. It illustrates the differences which occurs when an awful lot of money goes into the support of the new facilities and a lot less is spent on the old ones (Interviewee 5, Leisure Services Department officer, 5 June 1996).

In April 1995, *Sheffield for Health* was replaced by a more commercial-like, private company, *Sheffield International Venues Limited* (SIVL) owned by the Sheffield City Trust (see figure 6.3), but with any operating loss underwritten by the Council. As one

of the representatives of the Recreation Department relates, the change of name from *Sheffield for Health* to SIVL represented an attempt to further free the operator of the major facilities from the bureaucratic and employment constraints of the local authority-type operations to which *Sheffield for Health* had been subject:

The city was obviously concerned about the level of subsidy that they had to put in [and] perhaps the financial under-performance of the facilities. But it was also a concern for the facilities' operators about flexibility and the ability to sort of deal with the things in the way that they wanted to do, and there was a mutual agreement that some changes were needed. A new company has been established (SIVL), a new chief executive has been appointed and shortly the whole operation, will change, whether it does change very much remains to be seen. When it was *Sheffield for Health*, they were still having a lot influence from the Council, about how the company should operate, how to target groups. Now, that it is SIVL, there is probably greater freedom for the company to decide what markets it wants to be in, what services, what prices (Interviewee 5, Leisure Services Department officer, 5 June 1996); and

SIVL is being developed...to...become a genuine operating company and...which would be virtually independent of the Council except for the debt guarantee. But the idea is that SIVL will become independent and profit making, and the more profit it makes, the more impact on that debt-repayment. So this becomes a net positive for the Council and not a drain (Interviewee 11, member of Sheffield University, 17 June 1996).

A personal communication from a member of the new company (Letter, 20 February, 1997) explained in more detail the conditions of this agreement: "the importance of the amendment is that the Trust and SIVL are not and must not be seen to be owned by the Council. Such an arrangement would destroy the Trust's ability to be the borrower of the original capital and financial and legal arrangements would collapse. The Council's legal connection with the Trust and SIVL is that the board of each has one Councillor respectively representing the city's interests. The law requires that the Council's representation should not exceed 20 percent of the total number of board members". However, the setting up of the new company was severely criticised during interviews with representatives of the community groups and a representative of the Liberal Democrat Group on the Council because this organisation was going to be considerably less accountable to the Council. The classic tension between flexibility and revenue maximisation, on the one hand, and public service priorities and accountability, on the other, was evident in the cleavage between the partnership members and the Liberal



Democrats and some community interests.

The leader of the Council (Mike Bower) was very surprised that there was no opposition to the creation of the SIVL, when the Liberal Democrats were denied information because of commercial confidentiality. However, this private company is publicly administered and if you are not on the board you do not have a say. SIVL is going to be the same with the Council having a token two or 3 representatives on a board of 10 or 12 (Interviewee 20, a representative of a community group, 25 July 1996).

Besides the World Snooker Championships held at the local Crucible Theatre every year, since 1991, one of the areas on which the city has focused, is the staging of national and international sport events. Over 300 major events ranging from World Championships to regional events have been held in the city, attracting 700,000 competitors and spectators and with an estimated £31 million income boosting the local economy since 1991 (Sheffield City Council, 1995; Williams, 1997; Sheffield Telegraph, 2 June 1995). In 1996, the city hosted the European Football Championships (Group D) and the sixth World Masters Swimming Championships. Gratton (1998) estimates that both events attracted 67,000 competitors with a £9.5 million income. Related to this economic activity, the Liaison Group started to value the economic potential of sport to enhance local growth. In addition to the already established professional football teams such as Sheffield Wednesday (the world's oldest football club) and Sheffield United, new professional teams are operating in the city, in new emerging sports (ice hockey and basketball). In addition, the Sheffield Eagles (a rugby league premiership club) came to the city in 1996 (located in the Don Valley Stadium). According to a former city Director of Sports (4 June 1996) "Sheffield Sharks (basketball) was created only because of the facilities". The ice-hockey team (Sheffield Steelers), based at the Arena, represents an interesting example of how a sport with a low profile in Britain, can, in Sheffield, gain attendances of 8,000 spectators per match. This phenomenon was based on a good marketing campaign:

The ice-hockey people have done a very good job in the short term... in the first 2 or 3 years, they were literally throwing tickets to get people into the Arena. They managed this at the same time as they have gradually built up a successful team. (Leisure Services Department officer, 4 June 1996).

The accompanying Table 6.2 provided by Dobson and Gratton (1996) offers a useful summary of the benefits and costs of the Games:

Benefits	Costs
1. Economic rejuvenation	1. Financial: £147m for facilities, £10.4 m running costs
2. Unparalleled set of facilities in Britain	2. Under-utilised facilities
3. Attraction of major international, national and regional events	3. Polarisation of participation between rich and poorer sections of the community
4. Tourism development	4. View that the Games damaged the interests of the working class majority of the city who expect from the council decent housing, education and social services
5. National Success of sporting teams grown out of WSG facilities	5. Increasing debt charges, associated with financial mismanagement of the Games
6. Improved infrastructure	6. Employment opportunities scarce
7. Organisational skills to host major events	7. High admission prices to facilities
8. Development of a thriving retail and cultural quarter	8. Lack of community based facilities, threatened closures and parks in disrepair
9. Attraction of governing bodies of sport	
10. National and international TV exposure	
11. Designation by Sports Council of 'City of Sport' status	
12. Renewed confidence in Sheffield and the development of a sporting 'feel good factor'	

**Table 6.2. Benefits and Costs of the World Student Games**

After the Games and alongside sports facilities development and a major sport events strategy, an idea based on the links between the local and national dimension around sport emerged, leading to the development of the *Sport Sheffield Project*. Originally, the aim was to host national sports teams or squads in the city, which would influence local community sport development and attract government money. To this end, in October 1992, the Council submitted a bid of £188,000 to the central government body (The Foundation for Sports and the Arts) to fund a four-year local community programme. The overall cost of the project was estimated at £230,000. However, official correspondence from the Department of National Heritage (DNH) to one of the Sheffield MPs on 20th May 1993, stated that this project should be implemented "without assuming grant-aid from national funding channels such as the Sports Council and the Foundation for Sports and the Arts". However, although the bid for money to support these activities was unsuccessful, the idea of formally linking groups involved in sport in the city was developed into the *Sheffield Sports Association* (SSA) which was originated at the two city's universities and in the City Recreation Department after the Games, as a representative of the Sheffield Hallam University related in the

following paragraphs:

Sheffield Sports Association started as informal meetings with people from the Universities, the Colleges and the Recreation Department. We conceptualised, we wrote it down in notes and we held press conferences to publicise the idea. So, a certain amount was achieved, not a great deal. We found that possibly we could have achieved more if we formalised a bit more and we recognised from the beginning, that we really needed to generate a resource so that somebody had the time to manage it and chose people to get things going. That is when we wrote the memorandum for co-operation and got everybody to sign up; and

We thought that it would be a good idea to have some academic activities around sport. The Don Valley Stadium naturally would be the logical home with some classrooms and laboratories. We actually tried to establish that before the Games, we even bid for sponsorship. At that time it costed £1 million to create an extension to the Stadium, but we were not able to raise that money (Interviewee 7, representative of the Sheffield Hallam University and member of Sheffield Sports Association, 6 June 1996).

The *Sheffield Sport* project was officially launched to the members of the Chamber of Commerce on 20 November 1992. On 16 May 1994, a memorandum of co-operation was signed, and the SSA was established. This coalition of sports interests include two members of the Council, two members of the City Trust, two representatives of the universities, one representative of the Chamber of Commerce, a representative of Sheffield College and two representatives from the Hospital Trusts. However, at the time of writing and according to a member of SSA, this coalition is academically driven, with little involvement of the private sector:

...amateur, almost unofficial, it has no resources, it has no power, and it does not control anything... The only contribution that goes into Sheffield Sports Association is the time of the people, and, the formal contribution is from the local authority who are designated as chairing the meetings of Sheffield Sports Association ...Right now, the two universities are doing the work on behalf of the potential partners which includes the two hospital Trusts and the Council (Interviewee 7, representative of the Sheffield Hallam University, 6 June 1996); and

We have tried to get involvement and support from commercial sports operator without much fortune. The local business community always say yes when it comes to support sport in the city but always sat back and

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waited to see what happen...but they have been prepared to take advantage of any business opportunities that is presented to themselves (Interviewee 19, Leisure Services Department City Councillor, 9 July 1996).

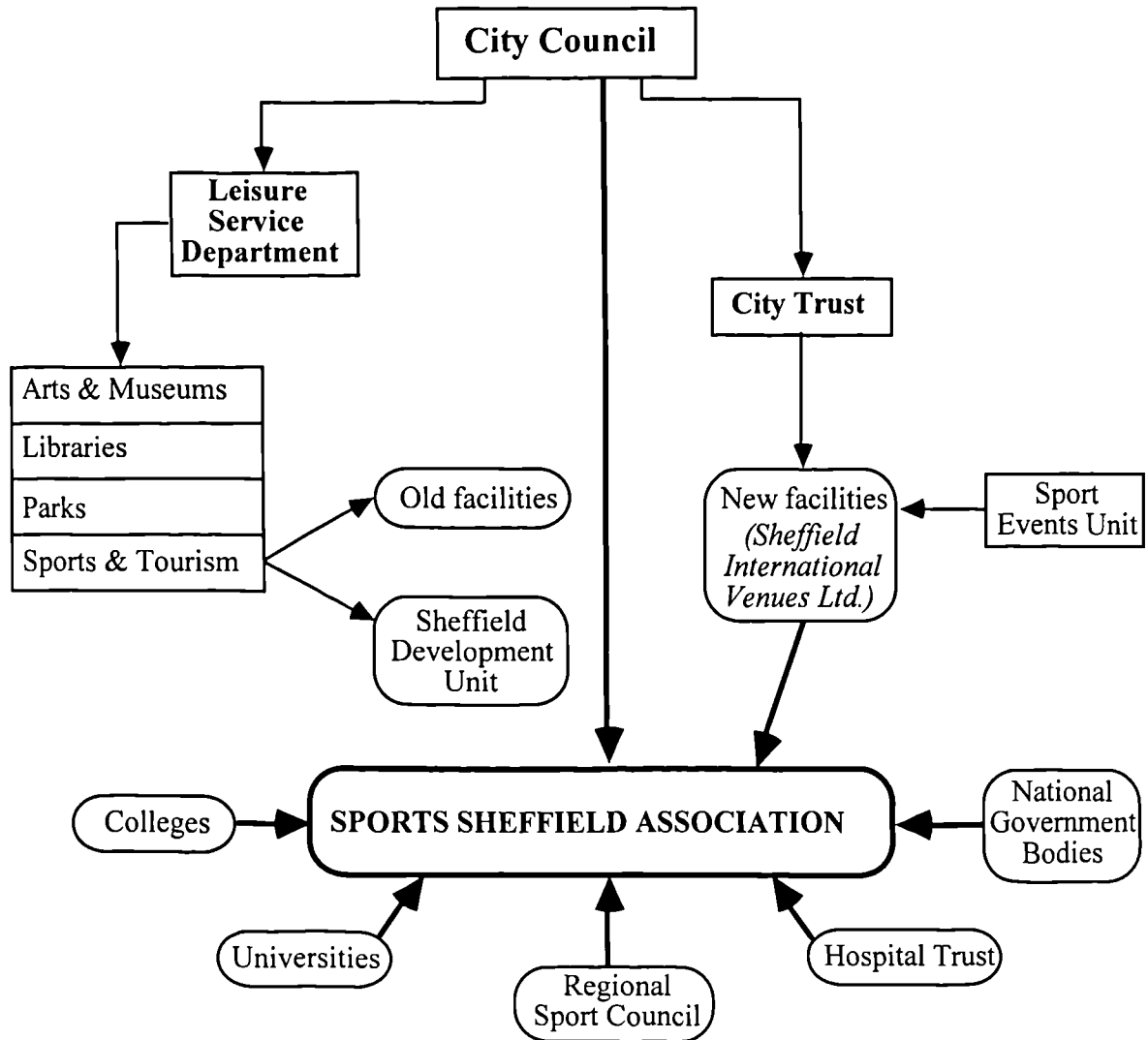
In contrast to the limited contribution of the private sector to the running of the Sheffield Sports Association, it is in the Cultural Industry Quarter where its contribution has been much greater as one of the Labour MP related: "...with a lot of small companies (e.g. music, film, and so on) that have settled down there and are investing their own money" (Interviewee 21, Labour MP, 26 July 1996). Following the establishment of Sheffield Sports Association, the (British) Sports Council announced plans to invite cities to bid for the title City of Sport, which, for a bid to be successful, would involve a city demonstrating its commitment to providing facilities for and hosting major events and promoting sports development (Sports Council, 1995). In 1995, Sheffield became the first city to obtain this title (closely followed by Birmingham and Glasgow). Although the benefit of obtaining this appellation is limited to its symbolic value, the construction of the bid demonstrated a common sense of purpose for these different groups:

All the major agencies in the city recognise that having national City of Sport status would actually help in attracting major events, in attracting resources nationally associated with sports development either through the Lottery or through specific initiatives like the BOA. This status was also like a credential to apply for these funds and it will put us a step ahead on cities that did not have it (Interviewee 11, Member of Sheffield University, 17 June 1996).

Despite the absence of a substantial economic impact study of sport over the last five years, and little empirical data to justify public investment in sport, Sheffield, in its second phase of sporting development after the Games, has failed in its bid after ambitious plans were rejected by the Sports Council such as the extension of the Don Valley Stadium (declined by the Sports Council), the National Stadium (which is to be located at Wembley in London), the National Basketball Centre (decision postponed), the National Ice Stadium, for staging the 2002 Commonwealth Games (to be held in Manchester). However, the coalition of sports interests around Sheffield Sports Association anticipate that Sheffield would at least be nominated as one of the regional branches of a National Academy, if not as the hub site of the Academy itself. In mid 1998, after a long period of debate about the model of the United Kingdom Sports Institute and two rounds of competitive bidding and with a new Labour government, Sheffield was finally nominated to be the hub site of a regional network by the

Secretary of State for Culture, Media and Sport. It was intended that should Sheffield be nominated as the hub site of the UKSI, the Sheffield Sports Association would evolve into a limited company, the *Sheffield Sports Institute* (see Figure 6.3) with the primary thrust of “running the British Academy of Sport and all associated services” (Interviewee 7, representative of the Sheffield Hallam University and member of the Sheffield Sports Association, 6 June 1996) and would be charged with maintaining the various activities and provisions that are associated with maintaining the City of Sport title. Thus a member of the partnership forecasts:

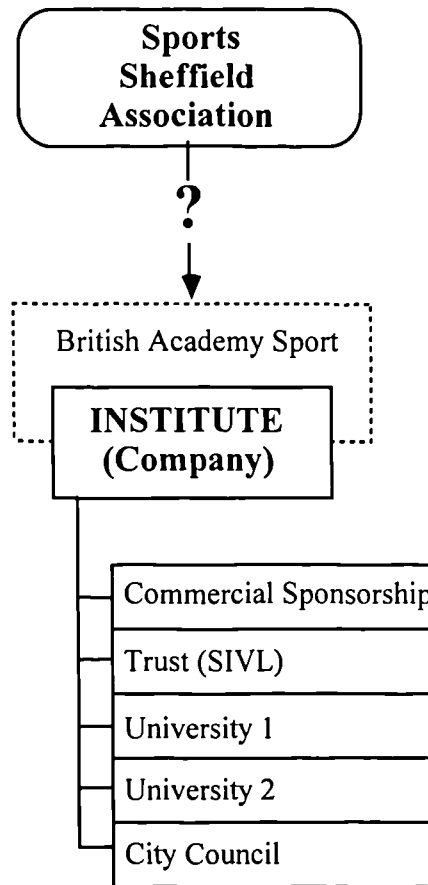
The Institute Company will arrange the appropriate programmes of activities for the British Academy of Sport, for the local sports clubs, for local and regional, national governing bodies and deliver those services at a rate. Basically you have money coming in and direct revenue income generated through the British Academy of Sport programme or revenue income from university students or revenue income for providing services for the local professional clubs (Interviewee 7, representative of the Sheffield Hallam University and member of SSA, 6 June 1996).



**Figure 6.3: The Emergent Organisational Structure for Local Authority-Owned Sports Facilities**

A city Councillor (Leisure Services department) and a member of the Sheffield Sports Association described the structure of the proposed company:

In essence, it would be a Trust (SIVL) with representatives from both universities, the Council and the Hospitals (possibly). It may be that at a later stage, not at the bidding, we will look to involve members of the local business community. The business sector is not particularly represented on the Sheffield Sports Association (Interviewee 7, representative of the Sheffield Hallam University and member of the Sheffield Sports Association, 6 June 1996).



**Figure 6.4: Proposed New Structure arising from a successful Bid for the British Academy of Sport**

Though the government’s policies are placing emphasis on developing elite sports, the creation of this new company will attempt to combine both elite sports and ‘Sport for All’, as a member of the Sheffield Sports Association explained:

Sheffield Sports Association or some strategic group may be attempting to steer what is going on here in this company around the excellence domain but through this route you are still trying to influence that...I envisage that in 10 years time, the city will promote community recreation. We are going to find £50 million for the next 5 years perhaps to setting a set of community recreation centre networks around the city perhaps tied to schools to promote grassroots sports (Interviewee 7, representative of the Sheffield Hallam University and member of SSA, 6 June 1996).

This individual also has indicated how the different partners would contribute within the new structure:

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If the universities teach students within the complex, either they would put capital into it, which does not come from the (new national) Lottery, in which case they own part of the company, or they do not put capital in it, but they lease the teaching accommodation from the parent company in order to do what they have to deliver, but they also undertake to deliver any of the teaching that the Institute requires. Similarly, SIVL are already putting their facilities at the Institute's disposal. So, they would use those facilities to...draw money from there (Interviewee 7, representative of the Sheffield Hallam University and member of the Sheffield Sports Association, 6 June 1996).

However, the structure of the new company will not include responsibility for broader sport development:

It (the Sports Development Unit) has no defined responsibilities to operate on the kind of scale envisaged for the Institute, it would not play a role in the sense that if you set up this Sport Sheffield Institute as part of the British Academy structure, the Sports Development Unit is a very small group with a very small budget within the local authority and as such is not a key player in this game (Interviewee 7, representative of the Sheffield Hallam University and member of the Sheffield Sports Association, 6 June 1996).

This separation of sports development (essentially developing opportunities for sports participation in the city, sports as welfare, as opposed to elite sport) from the management of the new facilities highlights the potentially divisive nature of the proposals put forward. With reference to figure 6.3, responsibility for those older sports facilities which remain in the city, and for the Sports Development Unit is retained within the traditional bureaucratic structures of the Leisure Department of the Council (illustrated on the left-hand side of the diagram). Sport as a welfare function is thus maintained in the traditional manner of running public services. A 'new managerialist' approach (see Farnham and Horton, 1993; Leach *et al.*, 1994) is, however, evident in the mixed public-private management of publicly owned facilities which are operated either for profit or as a means of fostering economic development (represented in the lines of responsibility cited down the right-hand side of figure 6.3).



## **6.5 Concluding comments**

In the Sheffield context, the crisis of Fordism associated to the global economic restructuring of the 1970s and the local government policies of the Conservative Central Government brought about severe socio-economic problems to a city traditionally dominated for much of the post-war period by a coalition between the Labour party and the city's unions. For a brief period at the beginning of the 1980s, the new-left wing Labour in the Council presented a distinctive and alternative economic and political response to the crisis of the local economy, but with little involvement of the local business community in local politics. In the post-1987 period, under the new leadership of Clive Betts, the case of Sheffield appears to represent a shift from the prepartnership characterisation of Sheffield as a city of political division and economic decline to a new period of Labour realism associated with the proliferation of different public-private partnerships and the promotion of a series of prestige projects as part of the distinctive policy response to overcome the problems associated to the economic restructuring, central government urban policies and the limited capacity of the Sheffield Council to promote urban change (see Strange, 1997). All these factors contribute to explain the emergence of a symbolic regime in the Sheffield context.

After recognising that the previous opposition from the City Council to local business interests in strategy-making was likely to be counterproductive, there was an emerging awareness of mutual dependency between the public and private sector for carrying out urban development projects in the mid 1980s. By this time, the research revealed that there was a nearly general agreement in respect of the programmatic goals for regenerating the local economy as well as changing the image of the city. As will be explained through the prism of Stoker and Mossberger's (1994) conceptual framework in the concluding chapter, the implementation of the development strategies and the formation of a 'symbolic regime' between local government and business groups were far from straightforward.

After an embryonic partnership approach was initiated with the 'Image Working Party', the first governing coalition was formalised with the establishment of the Sheffield Economic Regeneration Committee in 1987, though this was in opposition to the Central Government imposed Sheffield Development Corporation. Despite initial struggles, which threatened to emerge after the setting up of the Sheffield Development Corporation in 1988, the power of social production was ultimately exercised, and all parties incorporated in the symbolic regime co-operated in an attempt to attract the 1991 World Student Games.

The shifts in the political culture of the city alluded to above were reflected also in the politics of leisure and culture in the city. Sport and sports politics, as a 'non-political' activity, was seen as something that members of the symbolic regime could identify with. The Leader of the Council, Clive Betts, played a central role in formulating and promoting the city's development strategy while Councillor Peter Price was identified as important in the promotion of the Sheffield's regeneration flagship scheme, the 1991 World Student Games. Therefore, in the period of New Labour/ new realism the opportunity to use an international sports event such as the 1991 World Student Games as a catalyst to attract inward investment and provide a new identity through sport was readily accepted by coalition partners in SERC. However, some elements within the business community, and within the political community (including some members of the local Labour Party) were opposed to the symbolic message of the sports city strategy developed through the World Student Games. A number of Labour Councillors thought that such expenditure of money should be directed more towards the provision of traditional local services.

Though the partnership approach adopted is claimed to have succeeded in changing Sheffield's image of industrial decline and political division, the commitment to social regeneration from the symbolic regime was minimal. Indeed, different commentators argue that social polarisation in the city has not substantially changed and still remains high. In addition, the case of the 1991 World Student Games may help to illustrate the negative impact of using an ambitious urban project, which burdened the local population with a long-term debt repayment. Regardless of the tangible and intangible benefits that sports related projects can bring to cities such as Sheffield (e.g. economic rejuvenation, attraction of major sports events, formation of new professional teams or attraction of one of the new regional branches of the British Academy of Sport), the 1991 World Student Games also brought with it some considerable costs, partly exemplified by financial mismanagement (the £10 million debt), reductions in public services and higher prices in local services. In addition, the financial problems associated with the Games reduced confidence in SERC. With a new leader in the Council (Mike Bower), the Sheffield City Liaison Group was established as a second phase of the development of the symbolic regime. The Games also involved the debureaucratisation of leisure services with the formation of private companies (e.g. SIVL) and trusts to operate some of the facilities opened for the World Student Games. This new approach to management of the public sporting infrastructure contrasts markedly with the city's older remaining sporting facilities that were to operate under a traditional public sector ethos.

## **CHAPTER VII**

### **SPORT, URBAN REGENERATION AND URBAN REGIMES: THE CASE OF BILBAO**

## **7.1 Introduction**

As in the case of Sheffield, this chapter seeks to examine urban governance and sports politics in Bilbao to uncover the implications for the nature of urban politics and cultural and sports policies in the city. It also sought to outline ways in which culture attractions have been used as part of the policy responses for revitalising its economy as well as for promoting itself as a major culture centre, in particular, through the siting of a new European Guggenheim Museum.

It will be argued that the material manifestation of an urban regime in Bilbao, and the struggle to shape it, are reflected in the activities surrounding five key events, which are chronologically described as follow (see Figure 7.3). The first relates to the development of a *Strategic Plan for Metropolitan Bilbao* produced by the Basque Government together with the Bizkaia County Council in 1989, but which excluded the Council from its deliberations. As a consequence, during the period 1987-1990, when Mayor Gorordo (PNV) was in power ongoing disputes with both the Basque government and the central government took place over who should lead the regeneration process. At the same time, the Council developed a second, 'alternative', approach to urban regeneration, which when rejected forced his resignation in 1990. The arrival of a new Council leader, Ortuondo (PNV) facilitated the adoption of a more collaborative approach between Bilbao Council, national government, the Basque administration and business interests. The third key event was the establishment of the first private-public partnership, *Bilbao Metropoli 30*, in 1991 after Ortuondo gained the leadership of Bilbao Council. Such partnership was a coalition of the thirty local authorities of the Metropolitan Area, which also includes the Council, in association with the Basque government, the province of Bizkaia and the private sector. This Association was launched to implement the *Strategic Plan for Metropolitan Bilbao*, which Gorordo had opposed. The fourth event was the establishment of a new public-led partnership, an urban development corporation type organisation, *Bilbao Ria 2000* (in 1993) by the Spanish central government in conjunction with the Basque authorities to promote the regeneration of Bilbao and its metropolitan area. Finally, the same year, the fifth key element, a City Urban Plan was approved. An account of the investigation of urban governance in the city is given in the following sections of this chapter.

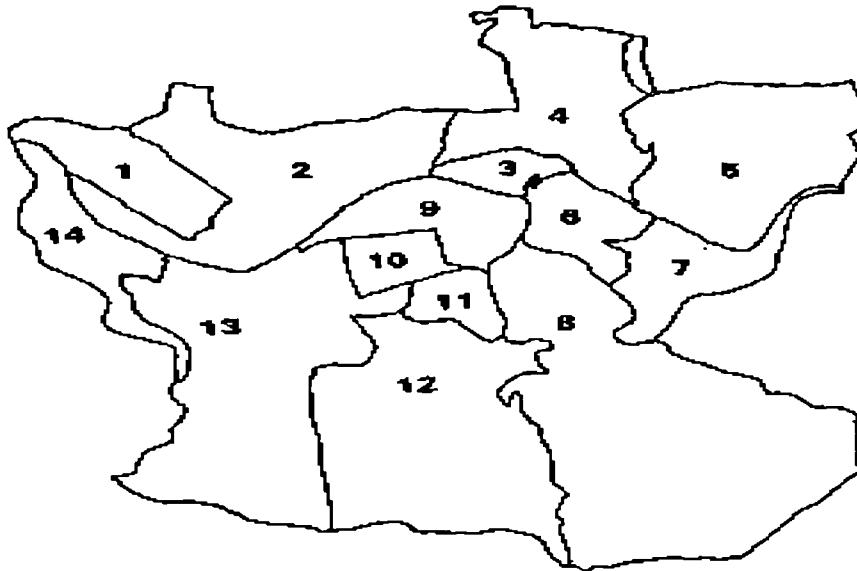
## **7.2 A recent history of Bilbao**

Founded 700 years ago, Bilbao is Spain's fifth largest city and second largest port. The city of Bilbao is at the core of the Metropolitan Area of Bilbao, which includes some 30 towns and municipal districts around the Nervion River and a population of nearly a million inhabitants. Bilbao is located at a site on a bend in the Nervion River just inland from its mouth, nestled in a green valley surrounded by steep hillsides limiting the physical expansion of the city. The industrial revolution arrived in Spain via Bilbao at the beginning of the 19th century. Afterwards, commercial and industrial companies such as Euskalduna, the Bank of Bilbao, or Compañía Marítima of Nervion, together with high-class residential development grew up around the centre of the city. The combination of a long commercial tradition, financial and investment capacity, and manufacturing led to the city's rapid industrialisation. As a result, considerable capital was attracted to the city, placing Bilbao in a powerful economic position.

Over the years, the gradual expansion of the city centre, approved in 1891, has led to an amalgamation of out-lying areas such as Begoña and Deusto. This expansion connects both sides of the Nervion River, which became a symbol of the city's industrial landscape. The river divides the city in two and, as such, is the centre-piece of the whole area with a combination of industrial and residential uses. The industrialisation process not only affected the city physically, but also led to socio-spatial division of the population, with the working class people situated predominantly on the 'left side' of the river, while the business and residential areas were located around the centre of the city and on the 'right side' of the river (Arpal and Minondo, 1978; Clemente, 1981; Leonardo, 1989).

In the 1960s and the 1970, Bilbao was characterised by rapid industrialisation, population growth and unplanned urban development. During this period the city, renowned for its steel and shipping industry, enjoyed virtually full employment and the highest levels of per capita income in Spain. At this time, the industrialisation of Bilbao and Bizkaia produced "50 percent of the total Spanish shipping output and 70 percent of the steel production" (Interviewee 17, ICV politician, former mayor of the city, 2 February 1996) which contributed to the economic growth of the rest of the country. This economic growth attracted immigrants in large numbers into Bilbao, which made a real impact on the population. This incoming population was located in peripheral neighbourhoods, predominantly Recaldeberri, Zorroza and Txurdinaga (Escudero, 1990; Leonardo, 1989) (see figure 7.1). However, the rapid urbanisation of these neighbourhoods was not always

regulated by the Council which provoked large scale deficits in housing and other public services as in other major Spanish cities (Escudero, 1990; González, 1993; Leonardo, 1989).



**Figure 7.1: Map of Bilbao and Surrounding Districts** (1. S. Ignacio; 2. Deusto; 3. Uribarri; 4. Zurbarán; 5. Txurdinaga; 6. Begoña-Casco Viejo; 7. Santutxu; 8. Bilbao La Vieja; 9. Abando; 10. Indautxu; 11. Amezola; 12. Recaldeberri; 13. Basurto-Olabeaga; 14. Zorroza).

*Source: Leonardo (1989)*

The steel and shipping industries started running down by the world recession of the 1970s. This situation was aggravated by the negative effect of the political situation and terrorism which have undermined the local economy with profound effects on the socio-economic structure in the form of massive unemployment, plant closures, systematic divestment in the Basque Country, growing marginalisation, and the creation of derelict areas on both sides of the Nervion River. In the period 1975-91, 37 percent of the city's industrial jobs were lost including the loss of 39.7 per cent of manufacturing jobs in Bizkaia County Council (Caravaca and Mendez, 1994). At its peak in 1986 the unemployment rate in Bilbao stood at 25 percent and it is still high. According to the Deiker Institute at the city's Deusto University, the impact of the de-industrialisation process hit hardest at those under twenty five years (with an unemployment rate of more than 50 percent for this age group) and contributed to an increase in the traditional social divisions in the city with 14 percent of population deemed to be suffering severe poverty (Deia, 11 October 1994; Leonardo,

1989). Thus, the effects of the industrial decline were described at an interview by a former mayor of the city in the following terms:

From 1976 to 1996, job losses have decreased from 200,000 to 85,000. This situation is not ideal considering that local people under 20 years old can not get jobs, people over 52 years old, are not working anymore, and living with 70 percent of their former income after the Altos Hornos closure. Unemployment is higher than the official figure of 25 percent (Interviewee 17, ICV politician, former mayor of the city, 2 February 1996).

Concurrent with the socio-economic impacts of industrial development, the environmental conditions of many residents were negatively affected. As a local Councillor explained: “the industrialisation process around the Nervion River was not compatible with quality of residential life” (Interviewee 2, PNV City Councillor, 16 January 1996). Subsequently, industrialisation led to a divorce of the city from the river. The Nervion River has been the source of the city’s wealth, but also of its environmental ruin, with industries and harbour facilities located along the riverbanks. Many of these activities are now closed or have become obsolete. Moreover, the city itself (see table 7.1) and the Metropolitan Area have both experienced population loss and outward migration.

<i>1970</i>	<i>1981</i>	<i>1986</i>	<i>1991</i>	<i>1995</i>
410,490	393,759	381,506	369,839	313,661

**Table 7.1: Change in the population of Bilbao (1981-1995)**

*Source: EUSTAT: Censos de Población and Padrones Municipales.*

Despite the city’s continuing role as the financial capital for the north of Spain, this has not been able to compensate for the loss of industry. After leading the industrialisation process over the last century, the Basque private sector, following the industrial decline, relocated to other areas of Spain such as “Sagunto (Valencia) [Altos Hornos of Mediterraneo] or Cádiz [Astilleros Españoles]” (Interviewee 5, HB City Councillor, 31 January 1996). As a result, the central government took ownership of some of the major companies and sites in the city, which coincided with the national Re-industrialisation Process. The Basque Country and in particular, the Nervion River area were considered as areas for urgent reindustrialisation. In 1989, 123 projects were developed with an investment of nearly 64,000 million ptas and creation of 3,342 new jobs (Navarro, 1990; Pascual, 1992). However, the re-industrialisation in the Basque Country was completely different to that in other areas of Spain and faltered “because of the degree of politicisation between central

government and the Basque institutions. This fact negatively influenced the attraction of private funding” (interviewee 19; a member of the unions, 8 February 1996).

At the local level, despite the economic decline and the rising levels of unemployment in Bilbao and along the left bank of the Nervion River, the Basque institutions did not recognise the magnitude of the problem until the late 1980s when urban regeneration became an important policy area (Rodriguez, 1996). This lack of institutional action was justified in part by “the de-centralisation process which postponed any wide-ranging action by the Basque institutions and the disputes between the Basque government and central government” (Interviewee 2, PNV City Councillor, 16 January 1996). The PNV and the Socialist Party (PSOE-PSE) in Euskadi as well as the Council were also blamed “for the closing down of major industrial companies...without a plan to generate employment” (Interviewee 14, IU City Councillor, 30 January 1996). This view was reinforced by a former mayor of the city by saying, “there has not been enough encouragement to defend Basque industry...and continuous blame has been placed on the social climate and Madrid (central government), but there is also a local responsibility” (Interviewee 17, ICV politician, former mayor of the city, 2 February 1996). Hence, according to another local politician, “the PNV has not promoted substantial investment in Bilbao. In fact, Bilbao has suffered from a lack of investment from both the central government and the Basque government” (Interviewee 5, HB City Councillor, 31 January 1996). Alongside the complex political situation has been the negative effect of terrorism which was generally accepted as a significant barrier to the development of a ‘good business climate’ in the city. As a representative of the National Conservative Party (PP) put it:

The political situation and the terrorism have reduced private investors’ interest in the Basque Country. It is said that Basque businessman went to Japan seeking foreign investment for the Basque Country and the Japanese considered the Basque Country as the second most dangerous area in the world after Libya (Interviewee 10, PP City Councillor, 1 February 1996).

The fear of terrorism may be more imagined than real but exists and companies such as Daewoo, Rolls Royce and VW were cited as examples of multinational companies declining to locate in the Basque Country. As a local politician noted: “the only barrier to success is terrorism and how it will affect the private investors. Without terrorism, I am sure Daewoo’s car company would be here” (interviewee 9; PSOE politician, 30 January 1996). However, a representative of HB minimised the effect of terrorism on private investors and thus the urban regeneration process by saying: “except Madrid and Cataluña,



there is no other area of Spain with more private investment than the Basque Country” (interviewee 5; HB City Councillor, 31 January 1996).

### **7.3 Politics and the decentralisation process**

The complexity of local politics in the Basque Country requires additional explanation. As related in chapter 5, after a long period of centralised political control, the 1978 Constitution favoured a gradual shift of governance to the autonomous regions, which awarded a special historical status to the Basque Country. Three tiers of government were created within the autonomous community: the Basque government itself, the (historic) Provinces (Diputaciones, equivalent to English County Councils) (Bilbao falls within the Province of Bizkaia) and the local Councils.

The Basque Statute of Autonomy was passed in 1979 and regional elections held in the early 1980s allowed the PNV, (founded in 1895), to take control with a minority vote. However, the institutional competition between the Basque institutions over who should lead the political process within the Basque Country has had important political consequences (Juaristi, 1996). One of them was the resignation of the former ‘lehendakari’ (president) Garaicoetxea of the Basque government after his victory in the 1984 autonomic elections. An internal political crisis within his own political party (PNV) between ‘regionalists’ and ‘provincialists’ about which level of government, either the Basque government or the County Councils should have more power and resources, was the main reason for his resignation. This dispute was made more acute by the fact that provincial rights include important fiscal privileges, which allow the County Councils to collect local taxes in the place of central government. As a consequence of this inter-organisational rivalry, in 1986 the PNV split and the former lehendakari Garaicoetxea formed a new political party, Eusko Alkartasuna (EA). Another political consequence was the resignation of Mayor Gorordo in December 1990. In regard to the inter-governmental rivalries, a local politician commented:

The arrival of the Basque government during the 1980s was very influential: firstly, it needed to design its own policies and secondly, there was a lack of co-ordination between all three levels of government (within the Basque Country) with a dispute about attracting more responsibilities. Recently, the *Historical Territories Law* has been approved which defines the competences to be adopted by both the Basque government and the County Councils. However, this law had a political cost with the split of the PNV

based on different models of the conceptualisation of the Basque Country (Interviewee 10, PP City Councillor, 1 February 1996).

Afterwards the PNV was also forced to share power in a succession of coalitions, albeit always as the main partner. In the three tiers of government, at the time of the research, the PNV was in coalition either with nationalist parties and/or with the Socialist Party (PSOE-PSE). From 1990 to 1993, at the regional level, PNV was in coalition with the Basque Left -Euskadiko Eskerra (EE) and later, in 1990-91 and again from 1994, with the Eusko Alkartasuna (EA), as well as with the Socialist Party (Juaristi, 1996; Ross, 1996) (see Table 7.2). The complexity of local politics is also indicative of the wide political spectrum which includes the nationalist parties, on the right, the conservatives (PNV); in the middle left, Eusko Alkartasuna and on the radical left, Herri Batasuna (HB) which are particularly significant in the Basque Country. The spectrum is completed by the national parties such as on the right, Partido Popular (PP), on the left, the Socialist party and a coalition of different left-minded parties and organisations Izquierda Unida (IU). In addition to this range of political parties, the former mayor of Bilbao, Gorordo, after his resignation in 1990, created a new political party Iniciativa Ciudadana Vasca (ICV) in 1995.

The political control of the city has rested with the PNV since 1979. This is important, since Bilbao is the only capital of the Basque Country where the PNV has been continuously in power, albeit in coalition. Mayor Ortuondo (PNV) took power in 1991 and formed a coalition with the Socialist Party. As Ortega (1995) comments, this coalition represented a shift in terms of the political democracy away from Mayor Gorordo's period with the exclusion of the rest of the opposition political parties from local decision-making. Since 1995 and only for two years, the PNV has been in a new coalition, this time with the party winner of the 1996 general elections the national Conservative Party (PP). After its dissolution, the PNV formed a new coalition with the Socialist Party, EE and IU. The political representation in Bilbao Council from 1987 to 1995 is shown in figure 7.2.

Central Government		Basque Government		Bilbao Council	
1982-86	PSOE	1980-86	PNV	1983-87	PNV
1986-89	PSOE	1986-90	PNV-PSOE	1987-90	PNV
1989-93	PSOE	1990-91	PNV-EA-EE	1990-91	PNV-PSOE
1993-96	PSOE	1991-94	PNV-PSOE/EE	1991-95	PNV-PSOE
1996-2000	PP	1994-98	PNV-EA-PSOE/EE	1995-97	PNV-PP
				1997-99	PNV-PSOE-EE-IU

Table 7.2: Coalitions at central government, Basque government levels and the Council.

**Bilbao City Council**

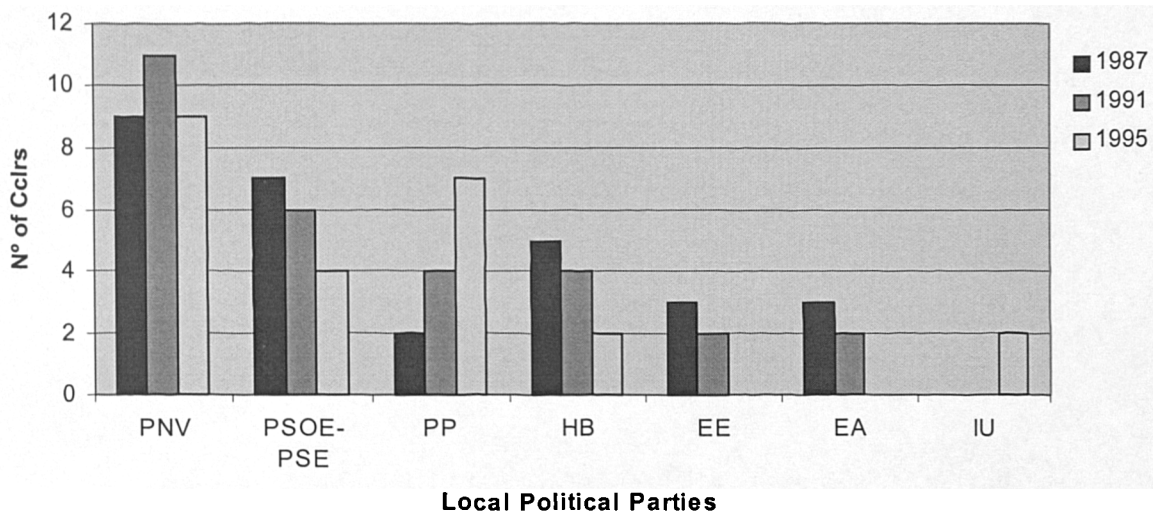


Figure 7.2: Bilbao City Council: 1987-1999

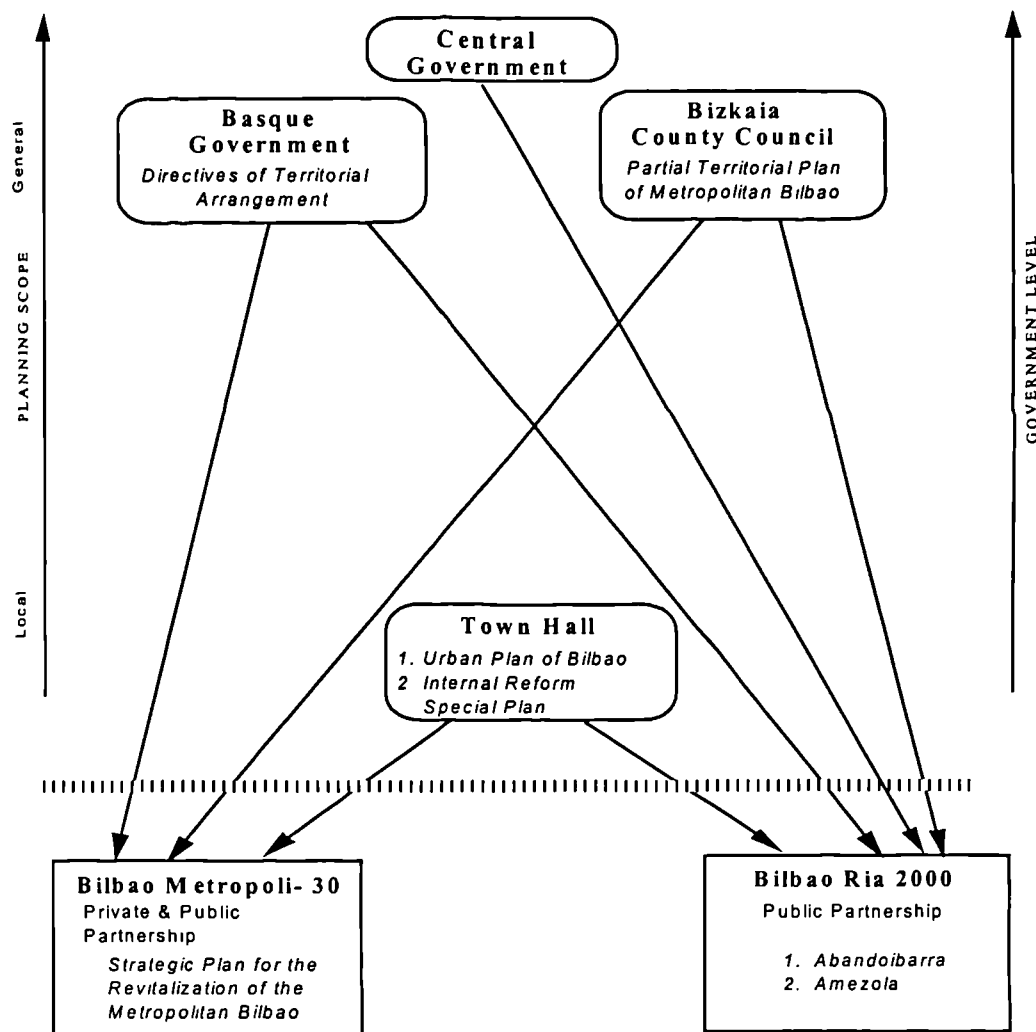
With the de-centralisation process many key responsibilities such as urban planning, culture and tax systems were transferred to the Basque County Councils, not without a considerable rivalry between the different tiers of government at the Basque level as well as that of central government. In particular, the Basque tax system dating from 1878 was reinstated in 1981 in two Basque County Councils (Bizkaia and Guipuzcoa) after it had ceased following the Spanish Civil War in 1939 (Castells, 1989). This aspect is extremely relevant because since 1981 the Basque Country as a whole and two of the three Basque County Councils, in particular, have recovered their financial autonomy. The third one, Alava had

continued with this special status because of its support to Franco during the Spanish Civil War. In essence, each territory has its own Treasury and collects its own taxes through the so-called Foral Diputación. Though this tax system has given greater manoeuvre to the County Councils, at least in principle, in terms of how County Councils spend their money, according to a former mayor of Bilbao, “it has been insufficient to completely reduce the Bizkaia and Bilbao’s infrastructure deficit from both the central and the Basque governments” and he estimated: “the deficit in Bizkaia to be around £1,750 million (358,000 million ptas) in 1977 (as identified in the report produced by both the Bilbao and San Sebastian Chambers of Commerce) as a result of County Councils suffering from a lack of funding” (Interviewee 17, ICV politician, former mayor of the city, 2 February 1996). However, according to a representative of the unions, “the claims about the insufficient investment from the central government in Euskadi are false. This company where I am working has received 140,000 million ptas in the last 14 years to maintain 1,700 jobs” (interviewee 19; a member of the unions, 8 February 1996).

The *Local Government Act* of 1985 established the function of municipalities at national level. However, in the Basque Country most of the functions designated as belonging to local governments have been assumed by the County Councils because of the poorly defined municipal competences under a permanent dispute between the Basque government and its Historical Territories. Although it was expected that the Basque parliament would launch a new *Municipal Law* which transferred some functions from County Councils to municipalities, it has yet to develop this. This delay has reinforced the long-standing problems faced by municipalities as in the case of Bilbao, in particular the loss of power and the financial dependency upon the County Councils and the Basque Government and the Central Government (Gavira, 1994; Ortega, 1995). In addition, much of Basque politics has also turned to the struggle between the rural areas and small towns on the one hand and the major provincial capitals on the other. As a local politician noted “the ideology of the PNV comes from rural areas... Rural voters are considered more important than urban counterparts” (Interviewee 9, Socialist City Councillor, 30 January 1996) which is extremely relevant for an understanding of Basque politics. Powers are executed by means of a parliamentary system, composed of seventy-five members distributed equally among the three Basque Provinces (Castells, 1989).

#### **7.4. Approaches to the Regeneration of Bilbao**

Despite the assertion that successful contemporary urban governance requires the development of coalitions of interests with the private sector, the urban regime underlying development in the case of Bilbao is dominated by the public sector. In effect, the strategies and organisational coalitions developed reflect inter-organisational rivalries between tiers of local, autonomous community and central governments, and between political parties at the local, the Basque Country and central government levels. As we have noted, the material manifestations of the urban regime in Bilbao and the struggle to shape it fall into five distinct events outlined earlier. Figure 7.3 offers the framework for understanding the process of urban regeneration of Bilbao.



**Figure 7.3: Framework for Urban Regeneration in Bilbao**

*Source: Compilation by the author*

After the PNV finally acknowledged the magnitude of the economic decline in Bilbao, there was recognition by the main local politicians and the business leaders that action needed to be taken to regenerate its economy. As a representative of *Metropoli 30* pointed out:

There was a feeling that Metropolitan Bilbao was losing prestige within the international context, mainly in the European network of cities. In 1989 the DATAR report, [a ranking of 200 European cities], indicated that investment was necessary in Bilbao...The main public and private actors were dissatisfied with the position that Bilbao held within this ranking (Interviewee 1; member of *Metropoli 30*, 10 January 1996).

### 7.4.1. The Strategic Plan of Metropolitan Bilbao

The first event is the initiation of a *Strategic Plan for Metropolitan Bilbao* in 1989. This was the product of the Bizkaia County Council together with the Economic and Planning Department of the Basque government. These two levels of government, with little or no consultation with the Bilbao Council produced a long-term economic regeneration strategy for Metropolitan Bilbao (Rodríguez, 1996). The strategy essentially revolved around building on Bilbao's prominent position in the economy of Northern Spain and the Basque Country, to establish itself as a prominent service sector capital in the Atlantic arc of Northern Europe. The strategy was to be spelt out more fully in 1991 following the creation of *Bilbao Metropoli 30*, a public-private partnership organisation with a strategy development function (Martínez Cearra, 1993).

One of the key features of the Plan, entrusted to Arthur Andersen consultants, was the proposal to build a cultural icon, a symbol of Bilbao's regeneration, and something which would declare it as a player in the global field of economic and cultural relations. The Basque government therefore entered into negotiations with New York's Guggenheim Foundation to agree to the siting of a new European Guggenheim Museum on Bilbao's riverfront. The Council was once again excluded from these negotiations as it was from the *Strategic Plan* as a former mayor of the city confirmed (interviewee 17; ICV politician, former mayor of Bilbao, 2 February 1996). However, a member of his former political party (PNV) explained the exclusion of the Council:

Bilbao Council was excluded because they did not want to lead this process with the other Basque institutions. It was a period of disagreement between the Council and the Basque institutions. These conflicts were more concerned with personal differences rather than the contents of the *Strategic Plan* itself (Interviewee 6; PNV politician, 29 January 1996).

The opinion of a representative of the unions was similar in nature to the PNV politician claiming that "Gorordo created contradictions with his own political party due to his aspiration of being lehendakari" (interviewee 19, a member of the trade unions, 8 February 1996).

The *Strategic Plan* in conjunction with the Council's Urban Plan, as a local Councillor noted, "seeks to regenerate its economy and change Bilbao's image associated with

industrial decline into a post-industrial city in order to foster an entrepreneurial climate with the attraction of new services” (Interviewee 2; PNV City Councillor, 16 January 1996). The newer post-industrial image of Bilbao, which follows American industrial city models such as Baltimore (with a similar background to Abandoibarra) and Pittsburgh (both areas are run-down ports), was seen as a central component in the city strategy (Interviewee 1, representative of *Metropoli 30*, 10 January 1996). The *Strategic Plan* focuses its main strategies on large scale urban renewal operations such as building transportation networks, cleaning-up the river, the transfer of inner-port facilities to a newly built outer-port harbour, the urban development of two derelict inner-city sites, Abandoibarra (to be transformed into a new emblematic area with the location of prestige cultural projects such as the Guggenheim Museum and the Convention Centre) and Amezola (see figure 7.4). The capital expenditure involved in Bilbao’s main urban development projects was estimated in 320,000 million ptas (approximately £1,600 million) (see table 7.3). Local authorities decided to bring in the world’s most celebrated architects which also forms part of the marketing of the city. Along with the innovative design of the Guggenheim Museum by Frank O. Gehry, Sir Norman Foster built the Metro system, Santiago Calatrava was commissioned to build a bridge and the airport terminal and Sir James Stirling designed a new station and bus terminal, now being developed by his former partner Michael Wildford.

Despite the lifespan of *Metropoli 30* being restricted to “eight or ten years as in the British UDC”, the implementation of the *Strategic Plan* would be phased over a twenty years period (Interviewee 1; representative of B.M. 30; 10 January 1996). It is uncertain what will happen in the 10 years after *Metropoli 30* has ceased to exist.

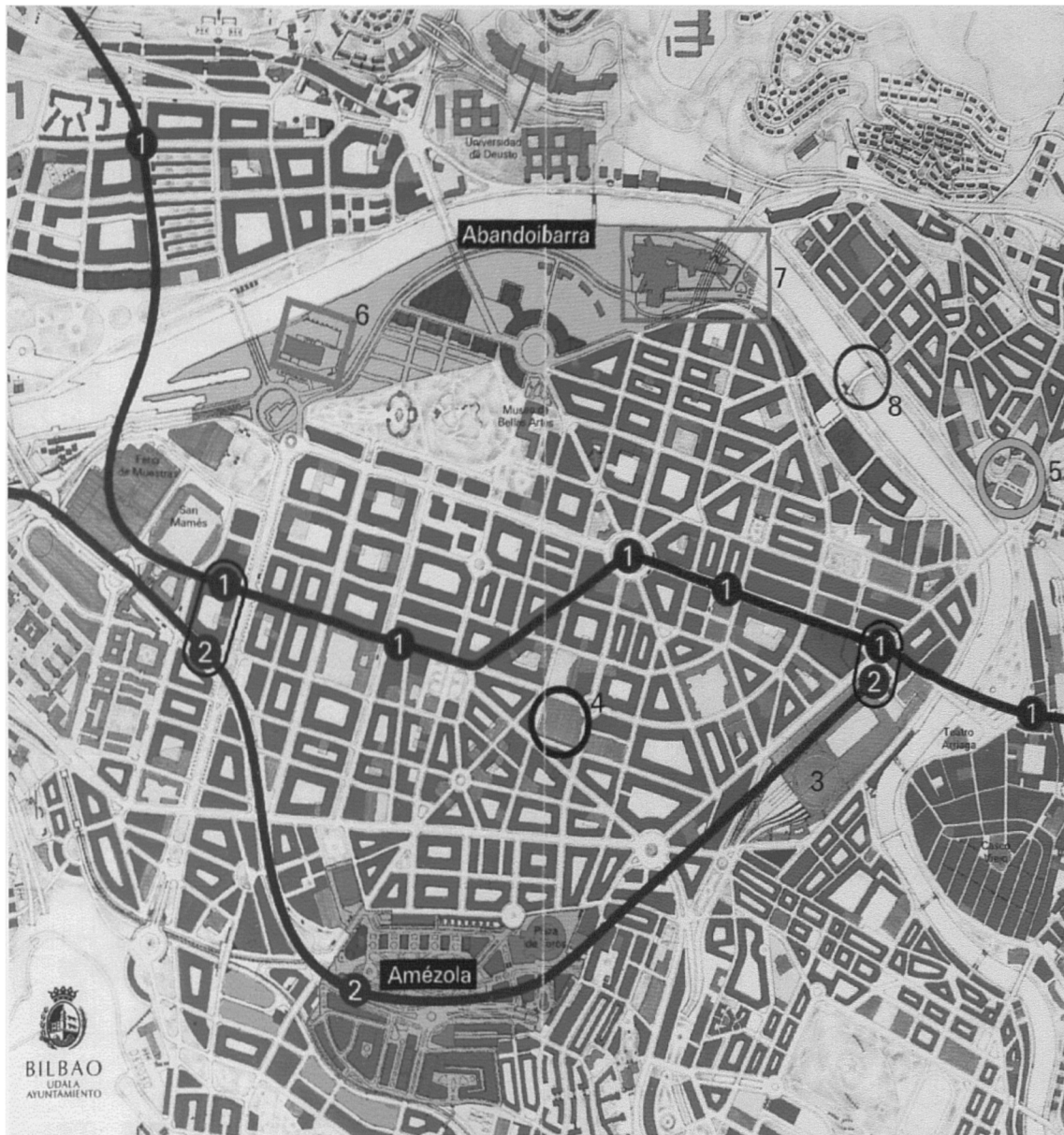
The *Strategic Plan* would be phased as follows: 1. (1985-1995) (Project Initiation) Projects are not implemented in isolation, they are coordinated to ensure they are mutually complementary with a high percentage of public investment expected. 2. (1996-2000) (Consolidation) Further public investment takes place to optimise the projects by complementary provision. For example, air connections to America and Japan would be improved. 3. (2000-2005) (Profits) The opportunities have been created and private investment is then forthcoming. 4. (2005-2010) (Success) (Interviewee 1; representative of *Metropoli 30*, 10 January 1996).



STRATEGIC PROJECTS		COST	ARCHITECTS
		(in million pesetas)	
1.	Airport	10,000	S. Calatrava
2.	Harbour: phase 1:	36,000	
	phase 2:	66,000	
3.	Underground: line 1:	70,000	N. Foster
	line 2:	40,000	
4.	Southern by-pass	12,000	
5.	RENFE freight terminal	4,500	
6.	New railway access to the harbour	5,000	
7.	Bilbao passenger interchange	40,000	M. Wildford
8.	Guggenheim museum	20,000	F. O. Gehry
9.	Conference and music centre	6,000	F. Soriano & D. Palacios
10.	Development of Abandoibarra	5,000	
11.	Euskalduna bridge	2,500	
12.	Development of Amezola	3,000	
<b>TOTAL</b>		<b>320,000</b>	

**Table 7.3. Estimated costs of strategic projects in Bilbao**

*Source: Ortega (1995, p. 242) and Bilbao Metropoli 30 (1993).*



**Fig.7.4. Bilbao and its main projects** (1. Underground; 2. Southern by-pass; 3. Passenger Interchange; 4. Alhondiga; 5. Town Hall; 6. Conference and Music centre; 7. Guggenheim Museum; 8. Euskalduna bridge).

#### 7.4.2. Gorordo's alternative regeneration plan

The second key event relates to the response from Mayor Gorordo about the lack of consultation and the imposition of some of the major projects from the other level of Basque institutions such as the Guggenheim Museum or the Convention centre, which undermined the capacity and legitimacy of the Bilbao Council to lead the regeneration process. In

particular, the Guggenheim Museum was questioned because it had little or nothing to do with Basque identity (Tellitu *et al.*, 1997; Zulaika, 1997). Instead, Mayor Gorordo proposed an 'alternative' cultural centre-piece, the building of a 'glass cube' on top of the Alhondiga, a large stylish and historic building, a former wine store in the centre of the city which reflected the Basque character of the city more clearly. The symbolic function of this new building, which was to be the tallest in the city, was a fusion of the historic (the old winery) and the new (the glass cube), to be designed by the Basque architect Oteiza. Arguments raged over the relative merits of the two proposals, and Gorordo staked his political career on the building of the cube. He threatened to resign if the executive board of his own political party (PNV) would not back his plan, and he did so in December 1990.

Throughout the 1980s, Mayor Gorordo entered into a major political confrontation with the Basque institutions and the national government, based on the demands for more resources and competences for Bilbao Council. At the level of the Basque institutions, Mayor Gorordo claimed to the executive board of the PNV that the Councils should have had more resources than the Bizkaia County Council (Ortega, 1995). However, he lost this dispute, because his own political party supported the view that power and resources should be controlled by County Councils rather than by municipalities (interviewee 16, a member of a neighbourhood association, 12 February 1996). As part of this institutional competition, the leadership of the Council has been constantly under attack from the Bizkaia County Council and the Basque government. A former mayor of Bilbao reinforced this idea by saying that the PNV has always believed more in the Basque level of government rather than local Councils. This is reflected in the extensive budget of the Basque government and the County Councils with respect to local authorities. By contrast, in 1993, the Bilbao Council's budget was 38,000 million ptas, 2,000 million less than in 1992 (Ortega, 1995). Thus, the room for manoeuvre of the Bilbao Council was tightly constrained.

At the level of the central government, Mayor Gorordo made a request that Euskalduna, a ship yard company strategically placed at the industrial riverfront site (Abandoibarra), should be handed over to the Council. The central government refused to grant the land to the city, which was part of Mayor Gorordo's strategy for obtaining more resources. Against this background to undertake his own regeneration plan, Gorordo was forced to borrow money from banks which led the Council to extensive long-term financial debts and placed it "on the brink of bankruptcy" (Interviewee 12, a member of *Ria 2000*, 13 February 1996) (see also Ortega, 1995).

### 7.4.3. Bilbao Metropoli 30

After the extensive financial debts accrued by Mayor Gorordo together with a period of ongoing dispute with both the Basque government and the central government, the arrival of new Council leader, Ortuondo (PNV) facilitated the adoption of a more collaborative approach with both of these public administrations (Interviewee 6; PNV politician, 29 January 1996). As part of the process of urban governance in Bilbao, Mayor Ortuondo said: “the most important thing is not who is going to undertake these projects, but how to undertake them” (Ortega, 1995, p. 25). This pragmatic co-operation sought to change the previous antagonism with Basque institutions and central government as well as to attract more resources from the other levels of government. In relation to both aims, former Mayor Gorordo, in the political manifesto of his new political party (ICV) complained about the long-standing lack of funding from the Basque and central government for the re-payment of the substantial financial debts of the Council when he was the mayor, by saying “it is striking that the same Councillor who was asking for money unsuccessfully in 1987, 1989 and 1990; in 1992 obtained 2,400 million ptas from the Bizkaia County Council”.

If, previously, there were also concerns about “the lack of communication between public and private sectors” (Interviewee 10, a PP City Councillor, 1 February 1996) and the “need for joint efforts in order to lead the regeneration process” (Interviewee 2, PNV City Councillor, 16 January 1996), this new period facilitated the establishment of a public-private partnership organisation in 1991, *Bilbao Metropoli 30*. This strategic level body took on the role of developing regeneration strategies for Bilbao and its Metropolitan Area. The Basque government was then convinced about the need to develop a *Strategic Plan* involving private companies (interviewee 17; ICV politician, former mayor of Bilbao, 2 February 1996). Most specifically, a representative of the unions identified two private companies “Iberduero and Iberdrola as instrumental in creating *Metropoli 30*. In particular, the president of Iberdrola and current chairman of *Metropoli 30* (Garrido)” (see also Ferrer, 1995; Martínez Cearra, 1993). Additionally, a Socialist local Councillor noted “though Mayor Ortuondo is its symbolic president, the main proponent of this organisation was the Basque institutions” with *Metropoli 30* regarded as the only likely recipe for progressing plans (interviewee 9, PSOE Councillor, 30 January 1996). The *Metropoli 30* strategy initially identified seven key areas to develop:

1. investment in human resources;
2. a service-based Metropolitan Area in an industrial region;

3. improved intra-metropolitan mobility and external accessibility;
4. recovery of the environment;
5. urban renewal;
6. Bilbao as a cultural centre; and
7. coordination of governmental and private sectors.

The focus of the *Strategic Plan* was on the centre of Bilbao, and in particular on two sites, Abandoibarra (where the Guggenheim and a Convention Centre were to occupy parts of the waterfront site) and the Amezola site. Both sites were formerly owned by the Spanish central government (except for the Guggenheim and the Convention Centre), having been formerly used by central government owned enterprises. However, *Metropoli 30* took no responsibility for developing projects. As an example, despite the fact that the development of Bilbao as a cultural centre was one of the key areas, *Metropoli 30* did not play any role in the decision to host the Guggenheim Museum in the city (Rodriguez, 1996).

As far as the private sector is concerned, it has been involved in the development of *Metropoli 30*'s strategy but not its implementation. Moreover, despite the fact that *Metropoli 30* incorporated private sector organisations, it was not very successful in attracting private funding either for its running costs (which were in the early years 90 percent met by public funds) or for the projects that it promoted for development. However, by 1996, the pattern of its funding had slightly changed with "the private sector contributing 70 percent and the public sector the rest" (Interviewee 1, a member of *Metropoli 30*; 10 January 1996). In 1995, the private members' contribution was increased by 10 percent while the main enterprises such as BBV, BBK and Iberdrola were increased by 20 percent (El Correo Español, Deia and El Mundo del País Vasco, December 14, 1994). Despite these contributions, the funds of the Association are extremely limited (£1,1 million (220 million ptas) in 1994). From this budget, 40 percent goes to the Revitalisation Plan, 12 percent is for international promotion of Bilbao and 23 percent is for marketing. According to a representative of this organisation, member contributions "are not great in order to facilitate a small flexible structure and vary based on: 1. the net value of the business; 2. the number of employees; 3. the location of the organisation (whether or not in Metropolitan Bilbao)" (Interviewee 1, a member of *Metropoli 30*, 10 January 1996). Nevertheless, having begun with 19 organisations in 1991, (of which only three were public institutions), it had risen to 126 by 1996, including public sector bodies, the universities, business groups and voluntary sector bodies (see Martínez Cearra, 1993; Rodriguez, 1996). The seven priorities cited in the strategy were added to in 1993 when, following the

pressure of adverse publicity and lobbying by particular local authorities, social development of the Metropolitan Area as an eighth theme was added. Notwithstanding this new theme, little action has been taken to foster local social development through the actions of *Metropoli 30*. The reason for not including it originally within the *Strategic Plan*, despite the important social problems in the city, was explained by a representative of *Metropoli 30* thus:

The boom was still present in 1989, but by 1993, Bilbao was sinking into economic decline, with some areas of severe poverty. It was then that 'social action' was incorporated and community groups of a variety of natures were invited to become members. Community groups have been incorporated, such as Caritas, Red Cross and the Once Foundation in 1993, to ensure that a 'dual society' was not created. Social action is now considered an essential part of the *Strategic Plan*. Previously these groups were less relevant as their activities were originally not included in the Plan (Interviewee 1, a member of *Metropoli 30*; 10 January 1996).

Members of *Metropoli 30* are expected "to have a participative rather than just an investment role" (Interviewee 1, a member of *Metropoli 30*; 10 January 1996). In this respect, "new members should provide expertise and knowledge" (Interviewee 6, PNV City Councillor, 29 January 1996). To this end, campaigns have been launched to attract new members around common interests, for example, "electronics companies and consulates" (Interviewee 2, PNV City Councillor, 16 January 1996). A general consensus within the coalition is achieved through the continued co-operation between the committees. In particular, the Association produces an Annual Progress report, which attempts to measure regeneration performance and makes predictions for the future. The presentation of this report provides a common ground where the main public and private leaders have "an opportunity to re-affirm commitment to the projects" (Interviewee 1, a member of *Metropoli 30*, 10 January 1996).

The enlargement of the Association does not represent any significant commitment according to a local Councillor who cited a typical exchange between *Metropoli 30* and a potential member, "when, for example, BBK (a Basque semi-public bank) was invited to participate, they asked what will it cost?, *Metropoli 30*'s response was that there is no commitment, only a small fee" (Interviewee 9, PSOE City Councillor, 30 January 1996). In essence, the commitment of private and public sector included in *Metropoli 30* is more symbolic than effective as the former mayor suggested: "*Ria 2000* is more proactive in its involvement in land management. By contrast, *Metropoli 30* has been criticised even by

members of the PNV as merely emulating the Chamber of Commerce” (interviewee 17, ICV politician, former mayor of Bilbao, 2 February 1996). However, a representative of the Casco Viejo Chamber of Commerce within the city highlighted its role by saying: “it is a very dynamic organisation, sometimes ahead of the public institutions. A general consensus is achieved in *Metropoli 30*. This situation does not happen in the Basque Country very often because political fights postpone taking decisions” (Interviewee 13; Casco Viejo Chamber of Commerce, 13 February 1996).

*Metropoli 30* seeks to attract external investment such as European funds which “are used to create private-public partnerships, an example of such is the European Institute of Software. The projects are not managed by the Association, merely resourced” (Interviewee 1, a member of *Metropoli 30*, 10 January 1996). *Metropoli 30* also aspires to increase the involvement of local people through individual committees (Martínez Cearra, 1993). As an example, in July 1995, a committee involving the private and public sector (such as the Basque government, Bizkaia City Council, Hotels groups, Chamber of Commerce or Travel agencies) was set up, named the *Bilbao Tourist Initiative* with the aim of enhancing cultural tourism (Interviewee 6, PNV City Councillor, 29 January 1996).

Though the Spanish central government is excluded from *Metropoli 30*, the incorporation of 30 municipalities into this coalition, according to an HB City Councillor, was justified due to “the political coalition between the PNV and the Socialist Party operating for the past eight years with all these municipalities being run either by the PNV or the Socialist Party”. On the other hand, those local Councils, which were not controlled by these political parties tended to take little part since social planning was sacrificed to economic development priorities. However, as a member of the Basque Socialist Party noted “as soon as *Metropoli 30* and *Ria 2000* started developing projects, municipalities realised the importance of being integrated” (Interviewee 9, PSOE City Councillor, 30 January 1996). This change was also reflected by a local politician who noted that “initially some members joined *Metropoli 30* because it was deemed important to be seen as a member, but nowadays there is a clear desire to make a positive contribution to the regeneration process” (Interviewee 10, PP City Councillor, 1 February 1996). Although, *Metropoli 30* states that there are no limitations in the number of partners involved, specific groups such as opposition political parties, neighbourhood associations, trade unions, small and medium-sized firms, ecological organisations, professional sports teams and local citizens are systematically excluded. A member of a union’s organisation explained their ‘symbolic’ involvement in the regeneration of the city as follows:

The unions are only used to legitimate policy action such as with the de-industrialisation process rather than to collaborate in the regeneration process (Interviewee 19, a member of the trade unions, 8 February 1996).

The exclusion of the most significant professional sports club in the city, Athletic de Bilbao, was explained by a Socialist City Councillor by the fact that “the chairman of this club (Lertxundi) was not a member of the PNV, despite the long term involvement of all the previous chairmen in this political party” (Interviewee 8, PSOE City Councillor, 30 January 1996). With Mayor Ortuondo in power, the opposition political parties have also been excluded not only from *Metropoli 30*, but also from *Ria 2000*: “of thirty nine elected politicians in the Council, thirteen are excluded in planning the future of the city” (Interviewee 14, IU City Councillor, 30 January 1996). In this way, the needs of local residents are not represented in the decision making of these two organisations as the representative of the Casco Viejo Chamber of Commerce argued: “the main weakness of this Plan is that it does not market the city to its primary audience, the citizens who do not believe in this regeneration process” (Interviewee 13; Casco Viejo Chamber of Commerce, 13 February 1996). Despite the enlargement of *Metropoli 30*, two members had discontinued their membership “because of economic difficulties”. Nevertheless, the process is considered dynamic with “new members expected to join while some existing members may be leaving” (Interviewee 1, a member of *Metropoli 30*, 10 January 1996).

#### **7.4.4. Bilbao Ria 2000**

As stated before, the Council was involved in disputes with the Central Government over the ownership of some of the most strategic sites formerly occupied by state owned companies. In particular, Mayor Gorordo claimed that the Central Government should return these sites to the city and made such a request. However, the Central Government refused to grant the land to the city. Although the arrival of Mayor Ortuondo represented a shift in local politics, the Central Government played a central role in the establishment of a new partnership *Bilbao Ria 2000* in 1993, as a representative of this coalition recognised “the origin of *Ria 2000* was in Madrid and not in Bilbao” (Interviewee 12, representative of *Ria 2000*, 13 February 1996) (see also Rodriguez, 1996). The coalition came originally from the Socialist government, through the Ministry of Public Works, Transport and the Environment (MOPTMA), which launched a programme ‘Coordination of Action in Cities’ (following the aid given to Barcelona and Seville with the Olympics and Expo in 1992) to reproduce the same integrated approach in other Spanish cities. The emergence of *Ria 2000*

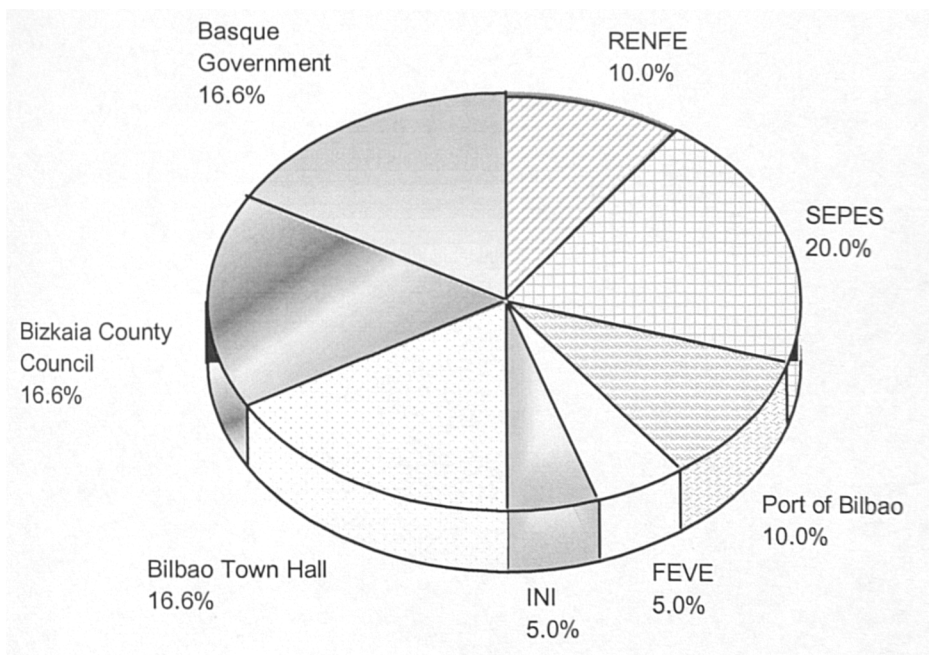


was facilitated by “the political connection between the Socialist parties in Bilbao and Madrid” (Interviewee 9; PSOE City Councillor, 30 January 1996) as well as by the economic weakness of the Bilbao Council. This coalition, according to a representative of *Ria 2000* “overcame previous political differences between Central Government and Bilbao Council”. Ortega (1995) noted that the initial idea was to create a Basque and Central Government Consortium. However, the consensus about this idea was broken in July 1992 as a result of the negative response from Central Government, which, instead, imposed a public limited company. After this, Bizkaia County Council decided to claim the repayment of debts from state companies to the Basque Government in case the Central Government refused to return one of the most strategic pieces of land, Abandoibarra. Finally, the Basque institutions accepted the Central Government’s policy and in October 1992, the Socialist Minister, Borrell signed the constitution of *Ria 2000*.

The emergence of *Ria 2000* represented “the first real partnership with all the public institutions involved...and the most important development in Bilbao for the last twelve years” (Interviewee 8; PSOE City councillor, 30 January 1996). The coalition of government actors originally involved partners from Central Government, the Basque Government, the Bizkaia County Council and the Council who recognised that “they needed to co-ordinate efforts in order to succeed” (interviewee 12, representative of *Ria 2000*, 13 February 1996). The initial compromise was based on the use of land owned by a group of state companies, who subsequently loaned it to *Ria 2000*. According to a representative of this organisation, the primary trust of *Ria 2000* is “to generate infrastructure on two sites, Abandoibarra and Amezola, in terms of transport, office spaces, private housing, etc, to allow regeneration plans to be fostered because, unlike in Barcelona and Seville’s events, the capital expenditure of the Central Government in Bilbao is limited” (Interviewee 12, representative of *Ria 2000*, 13 February 1996).

The Executive Board of *Ria 2000* is ‘political’, and includes senior members of all levels of government and representatives of the following political parties, PNV, PSOE, EA and PP. According to a City Councillor, “despite the impression of tension in the Basque Country, *Ria 2000* offers a model where the relations between the PNV and the PSOE are better than in any other part of Spain...There is not any other institution where the PSOE and the PP work together as here” (Interviewee 2, PNV City Councillor, 16 January 1996). Opposition political parties (as in *Metropoli 30*) were excluded from decision-making. Consensus is achieved through “unanimous agreements...so that no one party leads the organisation...the mayor of Bilbao is the president, but the Council only contributes 16 per cent. In reality, the

central government is the main partner, but its contribution is split between state companies” (Interviewee 12, representative of *Ria 2000*, 13 February 1996). The Executive Board placed the implementation of these projects in the hands of professionals with the aim of achieving maximum efficiency in the use of public resources “without costing central government any money” (Interviewee 12, representative of *Ria 2000*, 13 February 1996). The first action of *Ria 2000* organisers as such was to analyse the economic situation and “it was discovered that the expenses were greater than incomes. The main asset is the land and this is what would have to be sold. As a result, a general agreement was reached and a small economic contribution was required from each level of government” (Interviewee 12, representative of *Ria 2000*, 13 February 1996) (see also Rodriguez, 1996). Figure 7.5 shows the membership of, and sources of funding for, *Ria 2000*, with 50 percent of funding from the Central Government and 50 percent from all the three levels of Basque institutions.



**Figure 7.5: Participants in Bilbao Ria 2000**

*Source: Promotional Leaflet of Bilbao Ria 2000*

However, not all the institutions participate on the same footing, as a Socialist local Councillor explained “their participation depends upon the projects, for example, RENFE (a state railway company) will provide land valued at 5,000 million ptas to undertake the regeneration of the railway network. The other members do not participate in the same way” (Interviewee 9, PSOE Councillor, 30 January 1996). A representative of *Ria 2000*

reinforced this view by describing the first operative agreement reached in May 1993 which constitute the first intervention of three interconnected operations in Bilbao. As such, the Central Government agreed to relocate the old Renfe Freight Terminal station (located in Abandoibarra) to Santurtzi and to loan the site occupied by a ship yard company, Euskalduna to the Bizkaia County Council.

Central Government negotiated the building of a new railway station which allowed for the removal of the old station in order to construct a Business Centre; the Council contributed to 15 percent of the land and Bizkaia County Council agreed to build a new bridge...when expenditures and income balanced at the amount of 23,000 m. ptas, a second phase was initiated (Interviewee 12, representative of *Ria 2000*, 13 February 1996).

After land was then freed, the second operation in Abandoibarra involves the creation of a mixed area for advanced services with the location of cultural, entertainment and commercial infrastructures (including the Guggenheim Museum, the Convention Centre, a Business Centre, hotels and a shopping area 'Ria 21'), high income houses and the enlargement of Deusto University. As a result, the Central Government obtained the right to build. Despite the high level of commitment of the Council to *Ria 2000*, their limited financial autonomy resources meant that all these emblematic operations are contingent upon contributions from the Basque and Spanish institutions and contributions from the EC's Structural Funds (interviewee 2, PNV City Councillor, 16 January 1996). The actions realised by *Ria 2000* can be portrayed as a clear example of market-led regeneration as the main alternative was the generation of money through the urban development projects in Abandoibarra and Amezola (Rodriguez, 1996; Ortega, 1995).

The initial design of the Business Centre spanned 200,000 square metres associated with a budget of 60,000 million ptas of which "substantial private investment (60 percent of the project) was expected" (Interviewee 12, member of *Ria 2000*, 13 February 1996). However, the lack of private investment together with the over-provision of offices in the city has temporarily postponed this project though it had evolved into only 80,000 square metres in 1996 (Tellitu *et al.*, 1997). In this respect, the participation of the private sector remains more opportunistic and is only motivated towards the real-estate market –housing- and leisure (Interviewee 10, PP City Councillor, 1 February 1996). Another development, the shopping centre 'Ria 21', due to open in the spring of 1998, contains leisure entertainment complexes such as 21 screen cinemas, 100 small shops and so on. However, the conditions

for creating this commercial area has been strongly criticised by local small retailers as the representative of the Casco Viejo Chamber of Commerce explained:

As public institutions do not have enough resources to undertake some projects, urban plans have to be modified to allow private sector funding of these projects...but after that, the private sector acts with total freedom. This is not a true public-private partnership, instead it is a private exploitation of the lack of resources of public institutions (Interviewee 13; Casco Viejo Chamber of Commerce, 13 February 1996).

The third initiative, Amezola, is nowadays partly initiated and includes the transformation of an underused railway station into the Bilbao Passenger Interchange with 73,000 square metres of housing with 20 percent public houses and green areas (32,000 square metres). In response to criticisms of the project's speculative nature, a representative of *Ria 2000* justified it by saying: "although *Ria 2000* is seen to be speculating with the selling of houses, certain wealth will be generated...Amezola has created public work valued at 5,000 million ptas and private groups are already investing in the housing sector" (Interviewee 12, member of *Ria 2000*, 13 February 1996). The Abandoibarra and Amezola developments were included, outside the Bilbao Urban Plan, in a special plan (P.E.R.I). Criticisms of *Ria 2000* echo those addressed at *Metropoli 30*, that is they relate to the geographical centralisation of urban developments on central Bilbao, and the economic focus of the plans with little or no consideration given to address the physical and social inequalities in the city or the wider metropolitan area. More recently there have been proposals to promote development in two socialist local authorities (Barakaldo and Sestao), neighbouring the city of Bilbao, and lying on the deindustrialising left bank of the river. As a consequence, Barakaldo City Council has recently joined *Ria 2000* after benefiting from EC funds (the European Regional Development Fund) to the tune of 1,800 million ptas. Such proposals have been insufficient to deflect criticisms about the lack of political accountability and social concern of this coalition. In addition to these criticisms, Rodriguez (1996) notes the overwhelming concern of *Ria 2000* with economic feasibility as the guiding principle for intervention.

The creation of *Ria 2000*, according to a Socialist Councillor, has undermined the role of *Metropoli 30* considering that "*Ria 2000* runs the main projects where the future of the city is directed...*Ria 2000* should be enhanced by the main actors of *Metropoli 30* which at present is merely symbolic" (Interviewee 9, PSOE City Councillor, 30 January 1996). Another City Councillor reinforced its symbolic role after saying "*Metropoli 30* usually

sends you magnificent reports, but, in fact, it is *Ria 2000* who leads the regeneration process...The strategies of *Metropoli 30* are already developed by the Council” (Interviewee 6, PNV City Councillor, 29 January 1996).

Despite the assertion that the private sector is important for economic regeneration, most of the respondents recognised that the commitment of private sector to the city so far has been limited. Though, Garrido, chairman of *Metropoli 30* underlined that the period from 1994 to 1997 was crucial for assessing the real involvement of private investors in the regeneration process (*Deia*, 22 June 1994 and *El Correo Español*, 15 May 1994), at the moment, all the development projects rely on the public sector. The main barriers to private investment were (and still are) considered by most of respondents to be the political situation in general, and terrorism in particular. In fact, a local Councillor argued that private investors “may be reluctant to participate because of the uncertainty of the future of the Basque Country” (Interview 6, PNV City Councillor, 29 January 1996). In an attempt to attract corporations, the Basque government has agreed to provide huge subsidies and tax breaks to those companies willing to establish their plans in the Basque Country. According to a member of *Ria 2000* “in the long term the fiscal incentives could be more determinant than any other urban planning action, but private investors not only consider fiscal incentives but also the political environment”. This proposal has recently been rejected because of EC regulations. Unfortunately, institutional, financial and political constraints have combined to slow down the process of implementation of most of these projects.

#### **7.4.5. Urban Planning in Bilbao, Bizkaia and the Basque Country**

The complexity of Basque politics also affects urban planning at the three levels of government. The City Urban Plan represents the fifth initiative in the local development process. As noted, the city had developed over the previous decades in a chaotic and unregulated way with substantial socio-cultural and environmental deficits in its neighbourhoods. Indeed, the previous Urban Plan dated from 1964 (Leonardo, 1989). Thus, the city has not been able to reach the minimum standards of green space, service provision and population density that the national *1976 Land Law* established. In the case of green space, this decreed a standard of 5 square metres per inhabitant, compared to 1.18 provided in Bilbao in 1993 (Bilbao *Metropoli 30*, 1993, p. 151).

After the Basque Statute of Autonomy, the Basque government approved its own *Land Law* in 1990 and the following year, it started to develop the *Directives of Territorial*

*Arrangement* (DOT) to guide future partial, territorial and municipal urban plans in the Basque Country. At the same time, in 1992, the Bizkaia County Council adopted the *Partial Territorial Plan of Metropolitan Bilbao* (PTPM) to co-ordinate all 30 municipal Urban Plans. After a long period of inter-governmental disputes and legal problems, the general directives (DOT) were finally approved in 1994.

Bilbao was the last Council within the Metropolitan Area to modify its Urban Plan which “responds to the DOT’s criteria which suggests that there should be no industrial model for the Basque Country” (Interviewee 5, HB City Councillor, 31 January 1996). After lengthy and complex political disputes, the Urban Plan, initially developed in 1990, was finally approved in 1993 with the support of PNV, PSOE and subsequently PP, but was opposed by political parties such as HB, EA and EE. The Neighbourhood Associations also made demonstrations against this Plan and at the time of writing are still against it. The Urban Plan was approved when PNV and PSOE were in coalition at all three different levels of government. Therefore, according to a representative of a Neighbourhood Association, “these political parties did not have any problem getting a consensus to implement the projects” (Interviewee 16; a member of a neighbourhood association, 12 February 1996). Prior to the approval of the Urban Plan, the other two levels of government imposed, through the P.E.R.I system, several initiatives such as the Guggenheim Museum, the Conference and Music centre as well as changes to the road network around Bilbao.

The Urban Plan covers four areas: socio-cultural provision, roads, green spaces and transport, and focused its main strategy on the recovery of the Ria and the urban renewal of its adjacent areas to increase open space and cultural and service land uses (PGOU, 1992). The Urban Plan seeks to reorientate the city’s economy as a centre of consumption. Despite the fact that the transformation of Bilbao should eventually cover the whole city, the Urban Plan considers Abandoibarra as the centre of the socio-cultural and tertiary sector activities. According to a local Councillor, “Bilbao has to locate its major economic transformations in Abandoibarra where the private sector will be interested” (Interviewee 2, PNV City Councillor, 16 January 1996). In the same line of argument, a representative of *Ria 2000* claimed that:

Nobody could expect to solve all the deficits of Bilbao with one project. Abandoibarra will be 170,000 square metres of public space. From this, 130,000 metres will be used for green spaces, including the Ribera and the Casilla Parks and the docks (harbour)...Unfortunately due to the economic

situation, Abandoibarra and Amezola are not going to be used for reducing these large deficits...they will be used to finance the main projects (Interviewee 12, *Ria 2000*, 13 February 1996).

The new Urban Plan seeks to increase the ratio of green spaces to 9.5 square metres per capita. However, Ortega argues that in order to reach this ratio, the Urban Plan includes the urban parks in Bilbao (which represent only 4.68 metres) and the nearby mountain areas such as Kobeta, Arraitz and Artxanda. Moreover, in a city with a huge stock of empty houses, (30 per cent) (Ferrer, 1995) and with a large part of the population (80 per cent) unable to afford houses costing over £60,000 (according to a report by the Basque government, cited by Ortega), the Urban Plan proposes to build 14,000 new houses in a period of 8 years. However, from this entire urban renewal project, the promotion of new private housing (10,000 houses valued between £85,000 and £100,000) has clearly replaced council housing (only 4,000 houses). The Urban Plan expects also to improve the housing conditions of low-income families-described as some of the most deprived in the Basque Country, examples are Bilbao Old Quarter, San Francisco, Urazumutia and Zabala. In 1993, the EC granted 40 percent of the total cost of housing scheme (500 million ptas) with the other levels of Basque government contributing the rest (Ferrer, 1995).

At the moment few new houses for the low-income population in these deprived areas have been already developed. In particular, in the Old Quarter the rehabilitation of housing only covered 408 houses in 1994, while in San Francisco, some areas have been demolished to construct expensive houses (Ortega, 1995). As a local politician claimed “half of the public sector houses will be used to re-locate people whose houses will be demolished” (Interviewee 5, HB City Councillor, 31 January 1996). These urban renewal projects in Bilbao’s neighbourhoods were postponed because the Urban Plan seeks to generate economic surpluses to finance other flagship projects in central areas of the city. According to the Basque-Navarre Architecture Association, the Urban Plan is strongly criticised “for its lack of economic resources to undertake all these projects” (*El Correo Español*, 6 October 1992). This lack of resources is leading “the Council and Bizkaia Council to sell land, including the old derelict areas which are the city’s main asset” (Interviewee 16, representative of the Neighbourhood Association, 12 February 1996).

This Plan reflects clearly a lack of social dimension and increases “the gap between the need of the population and the projects undertaken” (Interviewee 14, IU City Councillor, 30 January 1996) and is biased in favour of “the main companies and the building

constructors” (interviewee 16, representative of the Neighbourhood Association, 12 February 1996). Organisations such as *Metropoli 30* and *Ria 2000* were criticised in the same manner because “neighbourhoods such as San Francisco, the Old Quarter, or Urilbarri perceive all these projects in Abandoibarra and Amezola as being far from relevant to their needs”. In addition, the same representative blamed the Council for its lack of concern about neighbourhoods’ problems though “45 percent of the people have severe poverty problems, 25 percent are unemployed”. Overall, this urban regeneration is leading to a tale of two cities with the revitalisation of the city centre surrounded by areas that experience growing hardship as a local Councillor argued:

This regeneration could accentuate more inequalities in the city. This is the main problem that Bilbao has to face. The whole regeneration process could fail if the regeneration of Bilbao’s neighbourhoods is neglected. In fact, apart from a project in the Old Quarter, which has EC funding, no other projects will be implemented in Bilbao’s neighbourhoods (Interviewee 8; PSOE Councillor, 30 January 1996).

In essence, the Urban Plan does not resolve the historical scarcities of Bilbao and fails to regulate past urban planning shortcomings. The quality of life of local residents is regarded as secondary to the need to generate funding for the high profile projects. Some scepticism about the regeneration is publicly voiced, questioning the wisdom of using substantial public resources to support these projects which are negatively affecting not only the city but also the other levels of government. A Basque Conservative Councillor responsible for urban planning implicitly admitted the high risk of the whole regeneration of Bilbao:

The Urban Plan and the *Strategic Plan* are approved, things are being done, but these are only small transformations. This urban regeneration is slow because huge resources are needed...with these projects some risks are being taken and nobody can predict the future. However, if no action was undertaken, Bilbao would have died. My main duty is to create the best conditions to make Bilbao attractive, but I cannot promise to be successful (Interviewee 2, PNV City Councillor, 16 January 1996).

### **7.5 Sport, leisure and urban regeneration**

With the advent of the first democratic Councils in 1979, the Bilbao Council began to actively intervene in the development of sport in the city. Nevertheless, the city had never excelled at having any strong sporting tradition (neither in terms of sports infrastructure nor as hosting major sports events or supporting elite sport). In terms of sports infrastructure, for example, there was a clear lack of sports facilities in the city



with only two municipal facilities (Artxanda and La Casilla) and another trade union sports facility (San Ignacio). These were run on an informal basis by the independent Club Escolar of Bilbao, with no public involvement.

With the decentralisation process extended also to sport, the promotion of 'Sport for All' became a priority of the Bilbao Council in the 1980s as part of a general trend in the rest of the country. Popular events started to flourish along with various sports campaigns, e.g. for promoting swimming, mini-basketball and cycling, and '24 hours of Sports for All' due to the increasing demands for sport. Complementing this boom in sports activities, from 1983 to 1987 was the Council's involvement in providing sports facilities (also with significant contributions from the Bizkaia County Council and the Basque government) which contributed extensively to the development of the local sports. However, sports facilities were located in the outskirts of Bilbao, neglecting the city centre, which has no municipal sport facilities. Prior to the *Local Government Act* of 1985, which stated that all Councils with over 20,000 inhabitants should create a municipal sports service, Bilbao created its own Sports Institute (IMD) in 1984 with the primary trust of the management of all municipal sports activities. As a local sports officer pointed out that the combination of municipal sport services and the gradual increase of sports facilities contributed to an increase in resources for sport, with many local sports clubs starting to benefit from subsidies.

Bilbao has supported mass participation without having a well-defined sport policy, and with only "ad hoc developments such as the use of the main street of Bilbao (The Gran Via) for multi-sports activities on Sundays during the Gorordo period"(Interviewee 15, member of ASFEDEBI, 12 February 1996). This campaign was regarded as being for Gorordo's political gain according to a Socialist City Councillor, rather than attempting to fulfil the objectives of 'Sport for All'. Furthermore, the construction of sports facilities already initiated in the former period (1983-1987) declined considerably, though attempts have been made to maximise the use of existing facilities with local universities and schools.

After the arrival of Mayor Ortuondo, significant changes have taken place in the organisation of municipal sports. Prior to 1991, responsibility for sport was located in the 'Culture, Sports and Tourism' Department, but after the 1991 elections a new department entitled 'Women, Youth and Sport' was set up. In the current organisation of sport, responsibility for sport is now divided between the IMD and a new Sports Department. Since the establishment of a separate Sports Department, the role of the IMD has gradually been reduced to managing only 5 municipal sports facilities (The

Casilla, Artxanda, Txurdinaga, the Fango and San Inazio) with its own budget. On the other hand, the new Sports Department is responsible for all other sport and leisure activities. In particular, the Sports Department has been involved in two development schemes: “the building of new outdoors sports facilities and youth participation, in particular, through, a ‘school sport’ programme called ‘Fun Sunday, Sports on Sunday’ developed since 1994” (Interviewee 7; sports Council officer, 31 January 1996). However, as the same representative noted, the separation of responsibilities between the two bodies has resulted in a clear “lack of co-operation between them”.

The sport budget increased substantially in the period 1983-1987, but since then, it has remained the same (Interviewee 8; PSOE City Councillor, 30 January 1996). After Mayor Gorordo, the increase in the municipal deficit in 1991-1992 contributed to a significant cut in public services. Ortega (1995) notes that 221 million ptas was directed away from the IMD to fund other areas. The restructuring of the Sports Department has also resulted in a considerable reduction in the level of subsidy of local sports clubs. The new criteria focus on “funding activities such as the school sport programme and ad hoc sporting events rather than directly assisting local sports clubs” (Interviewee 7; sports City Council officer, 31 January 1996). In 1995, an association of Bizkaia Sport Federations (ASFEDEBI) was set up with the support of the Department of Sports of Bizkaia County Council to manage the activities of initially eight and subsequently ten sports Federations at the County level. This Association contributes to the current school programme with qualified staff, in return for which it receives funding (Interviewee 15, representative of ASFEDEBI, 12 February 1996).

The static sports budget has resulted in “ad hoc increases for renovating existing municipal facilities” (Interviewee 8; PSOE City Councillor, 30 January 1996). In particular, in 1993, 770 million ptas (£ 3.8 m) were allocated to San Inazio (300 m ptas); Txurdinaga (150 m ptas); Artxanda (110 m ptas); Rekalde (95 m ptas), Deusto (65 m ptas) and La Casilla (50 m ptas) (Egin, 16 March 1994). In the subsequent period, although the sports budget was said to be focused “on building sports facilities” (Interviewee 3; sports City Council officer, 11 January 1996), only two new facilities have been built, San Inazio and Zorrotza. Another area affected by the decrease of funding relates to concessionary groups. Many of the concessions previously offered to specific groups such as the retired have been revoked.

Though the importance of sport in economic and social policy areas is generally accepted, urban leaders clearly does not consider sport as an important means of re-imagining Bilbao or combating social exclusion as a number of respondents claimed. In

the same line of argument, when, in the mid 1980s, the *Strategic Plan* was formulated, sport was not valued as an important part of the economic regeneration strategies:

Initially, tourism and sport were not part of the *Strategic Plan*. The Plan focused on different areas only to ensure objectives could be met. Later on, tourism and leisure initiatives were included within some areas of the Plan. For example, Urban Renewal Plans include sports facilities, Human Resources consider the relationship between leisure and education; Cultural Plans consider the relationship between hotels and culture (Interviewee 1, representative of *Metropoli 30*, 10 January 1996).

Culture is rather different from sport in the sense that the construction of the Guggenheim Museum was a key element of the regeneration strategy. Culture is significant in the context of Bilbao and the Basque Country, not simply as an attraction of inward investment, it is also significant as (potentially at least) a symbol of Basque nationalism. Though parallel arguments could be made with respect to sport, such links have not been made. Certainly Basque Sports are publicly funded, both by the Basque government and by the Bizkaia County Council as an aspect of cultural policy. However, elite sports and professional sports teams in Bilbao are not supported as a means of city marketing. Bilbao is regarded as unusual in this respect, compared to other Basque major cities such as San Sebastian and Vitoria, which are using international sporting events and professional sports clubs as part of their economic initiatives:

San Sebastian uses sport as part of the marketing of the city with international events (e.g. Tour de France, Marathon World Cup...). At the local level, clubs have the same problems as in Bilbao. Vitoria receives institutional support for ad hoc activities. In particular, the County Council and the Basque government support a premier basketball team, Taugres because they play in Europe (Interviewee 18, member of Bilbao Patronato, 5 February 1996).

A Basque Conservative City Councillor justified the lack of public funding of sporting excellence by saying: "the philosophy of the Council regarding elite sport is that they should have their own operational autonomy. This is illustrated by Athletic de Bilbao's plan to develop a new football stadium which the Council can not economically support when many neighbourhoods do not have their basic needs covered" (Interviewee 6, PNV City Councillor, 29 January 1996). Just as with planning, cultural policy, which includes sports policy, is spread across the Bizkaia County Council, and the Council. The *Basque Physical Education and Sport Law* established the County Council's responsibility for sport. Funding to sport federations and individual sports organisations

is undertaken predominantly by the Bizkaia County Council and provision of sporting facilities and funding of sporting events is primarily the responsibility of the Councils.

### **7.5.1 The Case of the Guggenheim Museum**

The use of culture as part of the economic regeneration strategies of many American cities has subsequently influenced other West European cities such as Frankfurt, Rotterdam, Barcelona or Bilbao which are competing to establish themselves as major centres of cultural consumption (Bianchini and Parkinson, 1993; Harvey, 1990; Williams, 1997). However, Bilbao can obviously be compared to neither New York nor to other European cities. Prior to the Guggenheim Museum, since the mid 1960s, there have been different projects to locate a Basque Museum of Contemporary Art in the Basque Country. As such, in 1982, San Sebastian, considered to be the cultural capital of the Basque Country, was proposed to host this museum which the lehendakari Garaicoetxea supported, but it was finally postponed (Zulaika, 1997). Later on, at the end of the 1980s Mayor Gorordo, as we have noted, also proposed an alternative cultural centrepiece, the Alhondiga which, according to him, “represented the same idea but with more emphasis on mass culture than elite culture”. This project combined consumption and production-oriented cultural activities by including, among other things, a public library, the location of the Basque Museum of Contemporary Art and a Conference and Music Centre (Tellitu *et al.*, 1997; Zulaika, 1997). The Alhondiga project was very controversial with the Basque government refusing to support it as a member of the PNV noted “it lacked any real economic foundation due to the lack of consultation with the other levels of government, whereas the Guggenheim Museum has a *detailed well thought out plan*” (Interviewee 6, PNV Councillor, 29 January 1996).

If franchised professional sport teams are characteristic of the North America culture, the Guggenheim Museum represents the first idea of franchised arts. Under the new direction of Thomas Krens, the expansionist idea of the Guggenheim Foundation was to sell the franchise of the Guggenheim Museum to any city that would cover all expenses for running the museum (building and paintings) while the Guggenheim Foundation would provide the management and knowledge (know-how). Under such conditions, the Guggenheim Foundation would expect to obtain two benefits: first, to get enough money to recover from its own difficult financial situation, and second, to display most of its collections given the limited capacity of its New York’ Museum (Tellitu *et al.*, 1997; *El Mundo*, 14-15-16 February 1992). Prior to Bilbao, different ‘global’ cities such as Boston, Venice, Salzburg, Osaka, Tokyo or Spanish cities such as Madrid, Santander

or Salamanca had refused to accept the conditions set by the Guggenheim Foundation for hosting the museum (Tellitu *et al.*, 1997; Zulaika, 1997).

Though one of the key features of the *Strategic Plan* was to build a cultural icon, in reality, the decision to host this museum in Bilbao had been made possible only after the political direction of the PNV reacted as the opportunity arose (Tellitu *et al.*, 1997; Zulaika, 1997). However, this opportunistic stance to cope with economic restructuring contrasted sharply with the promises of the 1990 political manifesto of the same political party where the need to create a Basque Museum of Contemporary Art was clearly stated. The initial agreement between the Bizkaia County Council and the American Foundation took place on May 1991. As part of this compromise, the Bizkaia County Council would be in charge of building the museum, at an estimated cost of \$100 million, and of paying another \$20 million to the Guggenheim Foundation for its know-how. To these expenses would be added, \$50 million for buying paintings and an expected gross annual budget of \$13.5 million to be covered by the Basque administrations (Guggenheim Museum Bilbao, 1992). On February 1992, the lehendakari, Ardanza and the representatives of the Foundation signed the contract for the definitive location of the museum not in the Alhondiga building as was initially thought, but in Abandoibarra. The Bilbao Council would only provide the land to locate the museum, but without contributing to its running costs. The innovative design of the new museum building, opened in 1997, was thus considered a hallmark building for the city.

As regime theory suggests, urban leaders usually use different mechanisms to justify the public funding of major projects. In the case of the Guggenheim Museum, local urban leaders have cited, among others, the favourable figures of economic impact studies, the Guggenheim Foundation name, and the prestige of Gehry as positive factors. The economic impact study commissioned to Peat Marwick consultants predicted the creation of 500 jobs during the four-year building plan, with an estimated 200 further jobs for operating the museum. It was also envisaged that the museum would attract to the city around 600,000 visitors annually, the same order as the New York Guggenheim Museum in 1990 or the Prado and the Dali Museums in Spain (Guggenheim Museum Bilbao, 1992; *El Correo Español*, 9 February 1992; *El Mundo*, 15 February 1992). Typical of this line of argument was the statement by a local Councillor who defended the huge public investment on this project in terms of the extensive benefits that it would bring to the whole population:

It allows Bilbao to use the Guggenheim Foundation name to attract other commercial ventures. It also sensitises Bilbao to the fact that it

does not only offer a museum...but also those things are done for its neighbourhoods. In essence, if this regeneration process is able to create wealth, employment, these aspects will facilitate resources to develop initiatives in its neighbourhoods...The Guggenheim is not only cultural, but is mainly economic, because through these projects Bilbao's economy will be promoted and this will create jobs for its neighbourhoods (Interviewee 2, PNV City Councillor, 16 January 1996).

The Guggenheim Museum combined with other existing historical cultural assets such as the Bellas Artes and Historico Museums, the Arriaga Theatre, and the Philharmonic Orchestra, is expected to enhance the potential of Bilbao as a 'cultural capital'. However, in a city with a strong tradition of municipal cultural centres where all neighbourhoods obtained subsidies for the promotion of traditional cultural activities, ranging from Basque language classes (*euskera*) to music groups, much of the current Council's cultural budget was spent on "the renovation of local theatres such as the Arriaga, the Campos or the Merced Church", while public subsidies for local cultural activities have been reduced "the Council helps all groups... but with 'ad hoc' funding" (Interviewee 6, PNV Councillor, 29 January 1996). Not surprisingly, a considerable controversy has taken place on the extensive public resources used in these prestige cultural projects concentrated at the city centre, particularly when there is a low level of cultural infrastructure in Bilbao's neighbourhoods "there is a clear lack of cultural sites, theatres and in particular, public libraries (there are only 13)" (HB City Councillor). The same Councillor also criticised the Basque cultural policy after saying, "there has only been a huge investment in just a few major projects". With respect to this, a representative of the Neighbourhood Associations stated "the huge investment in this museum is particularly significant, while, in turn, important Basque artists such as Oteiza, Chillida or Ibarrola do not receive any help" (Interviewee 16, member of a Neighbourhood Association, 12 February 1996).

The Guggenheim Museum has attracted serious criticism around four issues: first, for the conditions of the agreement between the Bizkaia County Council and the Guggenheim Foundation; second, for the validity of the economic impact study and its outcomes; third, for the exclusion of important Basque artists within the cultural products of the Museum; and finally, for having little relation to the Basque distinctive heritage and identity (Tellitu *et al.*, 1997; Zulaika, 1997). Regarding the last point, among others, one well-known Basque artist, Ibarrola argued that "there had not been any consultation with any Basque artist in the design of this project. More important, the Guggenheim Museum is not the outcome of any Basque cultural policy designed to satisfy the needs of Euskadi" (Tellitu *et al.*, 1997, p. 118).

Benefits	Costs
1. Economic rejuvenation	1. Cultural production owned and controlled by the Guggenheim Foundation.
2. Innovative museum building	2. Annual subsidy by the Basque administrations
3. Tourism development	3. Employment opportunities scarce
4. Enhancement of other local cultural assets	3. Closure of local libraries, lack of funding for cultural and sports activities at local and autonomous levels.
5. Development of a thriving cultural quarter at city centre	4. Exclusion of important Basque artists
6. National and international exposure and renewed confidence in Bilbao	5. Perceived as an attack to the distinctive Basque heritage and identity

**Table 7.4. Benefits and Costs of the Guggenheim Museum Bilbao**

*Source: Compilation by the author.*

The accompanying table 7.4 offers a summary of the benefits and costs of the Guggenheim Museum. The funding of the Guggenheim Museum (more than 23.500 million ptas) and associated elite cultural projects appears to have had a considerable negative effect on the city's cultural policy with the reduction of the local spending in cultural centres, the closure of local libraries (e.g. two in the period 1991-94), but also to the revenue funding of the whole cultural budget of the Basque Country in general, and that for sport, in particular. Sport is included within the responsibilities of the Culture Department of both Bizkaia County Council and the Basque government. Sport is funded under two headings of 'sport' and 'youth and community action' and these two combined budgets actually decreased in the period 1989-1993 by one third, while the total cultural budget of the Bizkaia County Council grew by 47 percent. Much of this growth was attributable to the Guggenheim project itself (museum and exhibition funding grew by more than 400 percent in the period 1991-1993) (Bilbao Metropoli 30, 1993, p. 185) (see Table 7.5).

	1989	1990	1991	1992	1993
Culture total (million ptas)	5,038	6,041	6,452	7,674	7,239
General Services	7,7%	7,1%	7,3%	7,1%	6,8%
Youth and Community Activities	21,5%	17,4%	16,4%	12,6%	11,8%
Sports	8,5%	18,0%	17,3%	11,5%	8,3%
Heritage	40,9%	37,1%	37,1%	47,5%	51,1%
Cultural Promotion	21,3%	20,4%	21,9%	21,3%	22,0%

**Table 7.5: Bizkaia County Council expenditure in culture (1989-1993)**

*Source: Bilbao Metropoli 30 (1993, p. 183)*

However, after the completion of the Guggenheim Museum, the sports budget is expected to increase, according to a representative of the Association of Bizkaia Sport Federations:

Despite the fact the number of sports federations has increased, the Bizkaia Sports Federation has received the same budget for the last five years. In the first few years the budget was constrained and then the Bizkaia County Council cut back its own activities to share this money with the federations. But this could not be sustained and funding for sports was reduced further. Recently, in a meeting with the Bizkaia County Council Sports director and the politician responsible for sport, it was agreed that after the investment in these high profile cultural projects, the sports budget would be increased (Interviewee 15, representative of ASFEDEBI, 12 February 1996).

### **7.5.2 Professional sport teams and Basque Sports**

Although it has become increasingly common for city authorities in the developed economies of the European Union and North America to make use of sporting events together with professional teams for economic, social and symbolic purposes (see chapter 2), Bilbao offers a distinctive feature to this trend. The significance of Athletic de Bilbao, (founded in 1898), the most important professional sports team and the sole team of national significance in the city, goes beyond sporting symbolism. This club occupies a profound place in the identity of the city and the Basque Country (MacClancy, 1996). Its proud refusal to select any non-Basque players (a tradition which dates from 1919), however, ties it to a traditional sense of Basque identity rather than a 'modern' identity. As a sports officer related "Athletic de Bilbao is more than a club. It has a special meaning within the Basque Country where it is usually said that there is nothing more than Athletic" (Interviewee 3; sports City Council officer, 11 January 1996). However, despite its manifest importance and as part of the re-imaging of the city, the club does not actually receive any financial support from any of the three levels of government. A Socialist Councillor explained this fact as part of political differences:

Around six or seven years ago and after changing the initial land-use specification, Athletic de Bilbao got some money instead. However with the chairman Letxurdi, this assistance was cut off because of political differences between him and the personnel responsible for sport in the Basque government (Interviewee 8; PSOE Councillor, 30 January 1996).



In this sense, it is worth noticing that all chairmen of the club have been close to the PNV. Nevertheless, the case of Bilbao is regarded as unusual in terms of financial support to professional teams compared with, for example, other autonomous governments (e.g. Galicia) or cities (e.g. Marbella) which support various premier league football teams (Interviewee 5, HB City Councillor, 31 January, 1996). Unlike most Spanish premier league football teams (which are limited companies), Athletic de Bilbao raises its income mainly from its members. Of course, this policy severely limits its financial autonomy.

In 1995, another professional team in the city, Bilbao Patronato Basketball, sponsored by a semi-public regional bank, the BBK, gained the right to be promoted to the first division, however an initial payment of 368 m ptas was required. This issue created a campaign in the city to generate funds and the Council was asked to participate in the project. Mayor Ortuondo confirmed initially the support of the Council for this project, firstly, through the renovation of the Casilla Basketball Arena and secondly, through the encouragement of other institutions such as *Metropoli 30* to collaborate in the project (*El Correo Español*, 15 June 1994; *Deia*, 14 June 1994). In the end, the city's basketball team failed to gain promotion to the first division as a result of a lack of financial support from the three levels of Basque institutions and its sponsor, the BBK. The Council only collaborated in a symbolic way "by giving us moral support rather than funding" (Interviewee 18, member of Bilbao Patronato, 5 February 1996). Although the BBK was willing to maintain its sponsorship of the club, a representative of this bank noted that "we were not able to make the initial payment of 368 million ptas" (Interviewee 20, representative of the BBK, 8 February 1996). This case has negatively affected the further sponsorship of other professional teams by the BBK as a representative of the Bilbao Patronato confirmed:

The BBK is the only institution, which clearly supports sports, in part due to its obligation to spend money on social activities. However, although they support our basketball team and other sports such as handball and football, they do not want to be linked with any other team again after their negative experience with the basketball team because their image could be damaged if it is perceived that they have not given enough money (Interviewee 18, member of Bilbao Patronato, 5 February 1996).

Traditionally, the Council has not fully supported elite sport. Important clubs such as the Nogara club (several times the Spanish ice-hockey champion team), a professional cycling team (KAS) and a first division rugby team (Santutxu) had previously gone out of existence. A Socialist City Councillor explained the case of the Nogara club:

“unfortunately, its sports facility, which at that time was private, closed down. Although high participation was highlighted, the city was unable to build a new ice-hockey arena” (Interviewee 8; PSOE city councillor, 30 January 1996). More recently, the folding of a premier league women’s handball team, problems with volleyball and the financial difficulties of the Bilbao Patronato Basketball Club and the city’s water polo national league team, have all been cited as examples of Bilbao’s parsimony in support for elite sport (Interviewee 15, representative of ASFEDABI, 12 February 1996). Part of these financial difficulties were explained due to the significant influence of the Athletic de Bilbao which “creates problems for any team which wants to develop here such as the Barakaldo Handball Team” (Interviewee 18, member of Bilbao Patronato, 5 February 1996). A sport officer used the same argument to justify the failure of the Bilbao Patronato to get institutional and financial sponsorship. The contribution of the commercial sector and the Basque government, it was claimed, “is diminishing every year” while associations such as *Metropoli 30* and *Ria 2000* do not support sports projects. A representative of Bilbao Patronato reinforced this issue: “*Metropoli 30* does not consider sport as part of its strategy...despite the fact that the funding of a premier league basketball team will be cheaper than the Guggenheim Museum”. In addition, Bilbao lost also an opportunity to host a high-performance facility, which eventually went to the neighbouring city of Getxo. According to representative of the Socialist Party “in Bilbao it has not been understood that ‘Sport for All’ could benefit from using elite sports. This is one of the deficits in terms of sport” (Interviewee 8; PSOE City Councillor, 30 January 1996).

Basque sports, regularly played in northern Spain and the southwest of France, are regarded as a means of reinforcing the distinctive Basque culture. Despite their importance as symbol of national identity, Bilbao does not have any indoor public fronton for pala. The only indoor fronton in the city is owned by a private club, Olympico, which subsequently has given over the management of this facility to a private company ‘Asegarce’ which aims to revitalise this sport in Bilbao. However, according to a representative of a local sporting club “this company does not receive any public funding” (Interviewee 11, representative of Club Olympico, 1 February 1996). Indeed, only Asegarce supports the Basque sport of pelota, despite the assertion made by a representative of a semi-public bank that “it is worth sponsoring this sport due to its influence in areas such as Santander, Navarra, the Basque and the French Basque Country” (Interviewee 20, representative of the BBK, 8 February 1996). In addition to the enhancement of Basque culture generated by Basque sports, the development of Basque sports could contribute to a substantial growth of cultural tourism. However, as a representative of a local sports club noted, “they (Basque

Sports) are sadly disappearing because of the limited contribution of the business sector to sport”.

Though all the city political manifestos refer to sport, a representative of a sports club noted that “political parties do not consider sport as part of the marketing of the city”. In addition to this lack of vision, a representative of ASFEDABI noted that “politicians only occasionally used sport for their political gain” (Interviewee 15, representative of ASFEDABI, 12 February 1996). The city’s priority in terms of sport was said to be ‘Sport for All’ but all parties recognised the city’s lack of facilities both in absolute terms, and in comparison with surrounding municipalities in the Metropolitan area. A report by Bilbao Metropoli 30 (1993, p. 149) highlighted that in 1989, the provision for sports facilities in wider Metropolitan Bilbao was 1.49 square metres per inhabitant, whereas in Bilbao it was only 0.80. This lack of sports facilities in Bilbao with respect to other municipalities was explained by a representative of *Ria 2000* “Bizkaia County Council has invested more than municipalities in the period 1984 to 1990 with the aim of improving the standards of all municipalities” (Interviewee 12, representative of *Ria 2000*, 13 February 1996). However, political moves to secure votes also affect the implementation of policies in Bizkaia, and political rivalry between the Council and Bizkaia County Council has affected some initiatives such as the operation of school swimming.

As a city sports officer admitted, the major weakness in terms of sports facilities in the city is a lack of “football grounds, a major facility to accommodate major international events and a track and field stadium” (Interviewee 3; sports Council officer, 11 January 1996) (see also Bilbao Metropoli 30, 1993). Swimming pools were added to this list by a representative of ASFEDABI because “swimming at certain levels can only be done in private clubs. There is no municipal swimming club”. Furthermore, a representative of the Chamber of Commerce pointed out that “in a meeting [on 23 January 1996], it was concluded that Bilbao’s main deficiencies were: big musical events and sports facilities suitable for major events...in Bizkaia, there are no 50 m swimming pools capable of holding international events” (Interviewee 13; Casco Viejo Chamber of Commerce, 13 February 1996). To tackle this problem, “the Bizkaia County Council Sports Director confirmed that his department planned to build one 50 m swimming pool. This swimming pool should be located in Bilbao due to its high maintenance requirements and the large catchment” (Interviewee 15, representative of ASFEDABI, 12 February 1996). In relation to the track and field stadium, while other nearby Councils such as Basauri, Getxo, or Galdacano have one, Bilbao does not. There was some discussion at a political level of building a sports stadium on Artxanda, on the hills overlooking the

city, though, the most recent proposal located this in a peripheral area of Bilbao, Zorrotza. However, this facility “will not contribute to locate major events in the city” (Interviewee 8, PSOE City Councillor, 30 January 1996). Despite the generally recognised lack of facilities for ‘Sport for All’ as well as for hosting major sporting events, the new Urban Plan was not seen as giving the matter real prominence. No new sport facilities will be built and in particular, the number of football pitches will be considerably reduced. A local Councillor related the limitations of the Urban Plan in terms of sport:

The Urban Plan has left Bilbao without a sports arena because of political conditions and speculation. Furthermore, this plan projects that some football pitches will disappear, despite City Councillors’ assurances that they would remain the same. However, they are going to keep neither the same number nor the same locations...The Etxebarria Park project will reduce the number of pitches from two to one. The Ibarsuri’s football club will also be reduced from two pitches to one. Garellano’s football pitch will disappear and will be moved to Zorrotza. There will not be new facilities (Interviewee 5, HB City Councillor, 31 January 1996).

Though the aim of the Bilbao sports policy is to locate, at least, one municipal sport facility in all neighbourhoods, extensive differences are still apparent in Bilbao’s neighbourhoods. In particular, the centre of Bilbao lacks a municipal sport facility with only two private clubs, Olympico and the Arniche. One of them, the Olympico Sports club, founded 100 years ago and with 3,135 members, has no agreement with the Council to share its facilities (Interviewee 11, representative of club Olympico, 1 February 1996), particularly in this area where there is a large proportion of old people and not everybody can afford to join private clubs. Although the centre of Bilbao does not offer spaces on which to locate sports facilities, a new project aimed at converting the Alhondiga wine store into a Sport Arena was considered (Interviewee 6, PNV City Councillor, 29 January 1996). However, the feasibility of this project remains ambiguous and a Socialist City Councillor expressed “a great lack of information regarding this project”. In addition to the Alhondiga proposal and the sports stadium in Artxanda, covering of the bullfighting arena was considered for major events. However, all plans were predicated upon the urban development in Abandoibarra and Amezola, and so, the development of sporting facilities was unlikely to progress past the ‘wish list’ stage.

Traditionally the city has never had any municipal sport clubs. Hence, according to a city sports officer, “local clubs establish agreements to use its municipal facilities. They

even run these public facilities, for example, all the public football pitches are run by clubs, with the council in charge of any infrastructure maintenance". Although there were said to be concessions for using municipal facilities, ASFEDBI complained that current charges were such that some sports clubs were effectively priced out of facilities, with all clubs required paying for using municipal facilities. Indeed, the same representative described the Bilbao Council as the municipality "with little interest not only in elite sport but also in 'Sport for All'. Bilbao Council is perhaps the worst municipality of the Bizkaia County Council. In other places with swimming clubs such as Barakaldo, Getxo, Sestao or Santurtzi, their Councils lease at a charge their facilities to these clubs. In Bilbao, the swimming federation has been unable to hire a swimming pool to set up a municipal swimming club".

The future of sport in the city remains problematic, according to both the Socialist and HB Councillors. The latter added "unless the politicians change, Bilbao will not have the same sport facilities and events as in other cities". In addition, as a local politician noted some conflicts have arisen not only between the IMD and clubs, but also with sports municipal personnel because of the recent introduction of a managerialist approach in the running of municipal sports services (Interviewee 8, PSOE City Councillor, 30 January 1996). Maybe in the future, elite sport will flourish, but now Bilbao, as it was stated, is concentrating on a 'Sports for All' approach. However, a representative of *Metropoli 30* also suggested that sport in the latter part of the 1990s was beginning to be more valued within the regeneration of the city:

The *Strategic Plan* is a dynamic process. In 1989, the feeling about sport and tourism was different and now they are considered increasingly relevant to regeneration...*Metropoli 30* supports sport projects in the Metropolitan Area, which stimulate the regeneration process. As a result, the Association has good relations with the Council and its Sports Department and also with the Athletic de Bilbao (Interviewee 1, member of *Metropoli 30*, 10 January 1996).

Representatives of the Socialist Group, despite their criticism of the political group of PNV in the Council for failing to acknowledge the relationship between 'Sport for All' and elite sport provision reinforced this issue. Thinking may thus be changing in the post-Guggenheim development period, though evidence of investment had yet to materialise at the time of writing.

## **7.6. Concluding remarks**

In many senses the implications of economic crisis for Bilbao, with the decline of its traditional industries associated with Fordist production by the world recession of the 1970s, and the kind of strategies to replace these with new forms of accumulation, are similar to those for many cities in the developed economies of the European Union and North America (see Harvey, 1990; Rodriguez, 1996; Williams, 1997). Despite the reported influence of global factors and the severe economic and industrial decline in Bilbao and its metropolitan area, the combination of the recent history of institutional competition between the Basque institutions over who should lead the political process in the Basque Country which coincided with the initial stages of the decentralisation process and the political complexity associated with terrorism could help to explain why Basque urban leaders postponed taking policy responses to cope with urban change until the late 1980s.

Subsequently, as was made abundantly clear by a number of respondents, the main urban leaders in Bilbao were greatly influenced by the 'American entrepreneurial model' (perceived as a single, unified approach), with special reference to Pittsburgh and Baltimore as examples of effective urban restructuring. In this way, the case of Bilbao does not essentially differ from what Harvey characterises as a general trend of using prestige urban development projects, in which large-scale emblematic cultural projects were seen as central to the wider process of urban regeneration (see also Cochrane *et al*, 1996; Henry, 1993; Rodriguez, 1996). Nonetheless, Bilbao seeks to promote its comparative advantage by the launching of the spectacular post-modern building of the Guggenheim Museum.

As was explained in the case of Sheffield, in terms of Stoker and Mossberger's typology of urban regimes, the Bilbao political scenario serves to illustrate the transition from an embryonic symbolic regime (e.g. Metropoli 30) to an instrumental regime and in particular, a development urban regime formed around Ria 2000. However, the description of Bilbao's recent politics given, makes it clear that cooperation between coalition members in Bilbao was not achieved without some difficulties.

Despite the fact that the political control of the city, the Diputacion and the Basque Country has rested with the PNV since the first democratic elections in 1979, the PNV has failed to impose its leadership and this has had important political consequences (Juaristi, 1995). One of them was the resignation of the former 'lehendakari' (president) Garaicoetxea of the Basque government after his victory in the 1984 autonomic

elections. The other was the resignation of the former Mayor Gorordo in 1990 after an initial period of ongoing disputes between Bilbao City Council and the other levels of Basque government and central government throughout the 1980s (where powers and local leadership were challenged by a number of Basque governmental initiatives) as well as due to his opposition to the Metropolitan Area economic development strategies, most notably to the Guggenheim Museum. However, the arrival of a new Council leader, Ortuondo, (from the same political party as Gorordo) in 1991, was deemed important to adopt a more collaborative approach between the three levels of Basque institutions and local business interests on economic development. One of the first outcomes of the emergence of new forms of local politics was the setting of the first private-public partnership, Bilbao Metropoli 30, (with the exclusion of national government) the same year as the primary thrust to implement the *Strategic Plan for Metropolitan Bilbao*.

Although many commentators advocate a greater role for cities as the principal agents of economic changes, from the research it was found that both the Basque institutions and Central Government rather than the Bilbao City Council have played a central role in promoting major changes in local politics. Indeed, the executive board of the PNV exercised command power in some of the major political decisions (e.g. establishment of Metropoli 30, the maintenance of political schisms, or the attraction of the Guggenheim Museum) while the pre-emptive power of Central Government contributed to the establishment of Bilbao Ria 2000. Related to the latter, the failure of Bilbao Metropoli 30 to exercise, in Stone's terms, pre-emptive power over city politics, the pragmatic leadership of Mayor Ortuondo and particularly, the influence of the Spanish central government facilitated the establishment of new governing realignments in the form of a new public-led coalition, Bilbao Ria 2000, in 1993. The research revealed that Ria 2000 was deemed as the first real governing coalition with all levels of public institutions willing to cooperate to promote significant urban changes.

Unlike Stone's typology of urban regimes in the US, one of the apparent defining features of the embryonic symbolic urban regime initially formed around Metropoli 30 is that it is public-sector led. Involvement of the private sector was said to be important in the development of Metropoli 30's strategy. However, the initial involvement and further incorporation on to the board of Metropoli 30 has not been complemented in practice by involvement in strategy implementation. As several informants stated, the role of the private sector in Bilbao's regeneration (as in Sheffield) is more symbolic than real. In fact, the major urban projects already developed in Bilbao and its Metropolitan Area to offset the economic and industrial decline, such as the Guggenheim Museum and the Convention Centre, are public-sector dominated in investment terms with contributions

from the Bizkaia County Council, the Central Government, and European funds. The limited contribution of the private sector in the case of Bilbao could be explained by the degree of local politicisation and in particular, terrorism which were (and still are) having a negative effect on the local economy.

Unlike Stone's typology of urban regimes in the US, one of the apparent defining features of the embryonic symbolic urban regime formed around Metropoli 30 is that it is public-sector led. Involvement of the private sector was said to be important in the development of Metropoli 30's strategy, in particular, two important private utilities companies were identified as instrumental in this strategy. However, the initial involvement and further incorporation on to the board of Metropoli 30 has not been complemented by involvement in strategy implementation. As several informants stated, the role of the private sector in Bilbao's regeneration is more symbolic than real. In fact, the major urban projects already developed in Bilbao and its metropolitan area to offset the economic and industrial decline, such as the Guggenheim Museum and the Convention Centre, are public-sector dominated in investment terms, in particular, with contributions from the Bizkaia County Council, the Central Government, and European funds. The limited contribution of the private sector in the case of Bilbao could be explained by the degree of local politicisation and in particular, terrorism which were (and still are) having a negative effect on the local economy.

The hegemony of the embryonic symbolic regime formed around Metropoli 30 has thus been under challenge -for failing as yet to attract significant private investment (though it remains to be seen if this situation may change in the post-Guggenheim development period and with an apparent decrease of terrorism and normalisation of urban politics). In addition, the nature of culture as an apolitical arena of post-modern politics has been contested in Bilbao as being constructed without reference to local people, and as failing to account for local identity. This was evident in the resistance to the Guggenheim Museum. However, the ability of critics of the symbolic regime to mobilise alternative strategies has been barely evident in the city during the development of these strategies.

A further complicating local feature is the significance of issues of culture for the Basque Country. In effect, embracing the globalization tendencies of inter-city competition was planned around a 'post-modern' cultural centrepiece, the Guggenheim Museum that owed its identity to the New York Guggenheim Foundation rather more than to its Basque location. Planners refer to Manhattanization in the Bilbao context (Gonzalez, 1993). The decision to locate the Guggenheim Museum was more an opportunistic stance rather than being part of an integrated cultural policy with the combination of



consumption and production-oriented cultural activities. Not surprisingly, the whole process has been quite controversial with heated debates surrounding the economic, political, cultural and social effects of this project and associated elite cultural projects (see Tellitu *et al.*, 1997; Zulaika, 1997).

While in Sheffield the symbolic use of sport to promote the city on the international stage was recognised, in the case of Bilbao this phenomenon, as was generally acknowledged by all respondents in the city, was less evident. Thus, local political and sporting proponents alike saw the city as standing out in its failure to promote its identity by funding its major professional-elite sporting clubs, in contrast to the other major Basque and Spanish cities. This is particularly relevant in the case of Athletic de Bilbao, the sole major national league team in the city, which occupies a profound place in the identity of the city and the Basque Country. Its proud refusal to select any non-Basque players, however, ties it to a traditional sense of Basque identity rather than to a 'modern' identity. Some sports such as basketball, volleyball, handball, the Basque pala and the like, which have enjoyed increased professionalization and media coverage in recent years are thus absent from the current portfolio of sports associated with Bilbao. Support for Basque Sports and for other sporting federations is provided by the Council and in particular, by the Bizkaia County Council. However, sporting facilities for both 'Sport for All' and for sporting excellence are relatively sparse in the city, even compared with other, smaller neighbouring authorities within the Bilbao Metropolitan area. To make matters worse, the sporting budget of sport of the Bizkaia County Council, at least in principle, is suppressed by virtue of the cost of the Guggenheim project and associated elite cultural projects. The shift in the political culture of the Bizkaia County Council because of these elite cultural projects also was reflected in the politics of sport and culture in the city. As such, in the post-1990 period, under Mayor Ortuondo, there was a squeeze on local government expenditure on sports and culture as well as a shift in the traditional management of sports policy in the city towards a more managerialist approach with the privatisation of some sports activities.

Though it is too soon to evaluate many of the effects of the entrepreneurialism and regimes leading urban change in Bilbao, the instrumental regime formed around Ria 2000 is fairly young and the relative powers and commitments of each of the tiers of government are still subject to considerable debate. In fact, the stability of this instrumental regime remains to be seen as it is formed around the idea of materialising various visible projects, such as initiatives in Bilbao' riverfront, Amezola and lately in the Metropolitan Area of Bilbao. The capacity and independence of this development urban regime in Bilbao is substantially more dependent on resources from higher levels

of government rather than from local private investors, and on the decisions of national and regional political actors to implement most of the urban projects. In turn, it is also clear that the combination of institutional, financial and political constraints have contributed to slow down the process of implementation of most of these projects with some scepticism publicly voiced about the process of local urban regeneration.

As in the case of many American and European cities, the entrepreneurialism adopted in Bilbao and its associated large scale projects has had relatively little success in spreading the proclaimed economic growth to excluded social groups. Indeed, despite the reported growth of service activities, current unemployment rates remain stubbornly high. Finally, there is growing evidence that the relationship between local needs and elite-oriented projects has given risen to contradictions and tensions within Bilbao's neighbourhoods and between the neighbourhoods and the city centre.

## **CHAPTER VIII**

## **CONCLUSIONS**

This thesis applies regime analysis to evaluate the role of sport and leisure as part of the regeneration strategies associated to the promotion of entrepreneurialism and urban regimes as one of the new forms of urban governance in two European cities, Bilbao and Sheffield. This concluding chapter summarises the findings of the empirical research and relates the examples of Bilbao and Sheffield partnerships and urban regimes for economic regeneration from the mid 1980s to 1995 to evaluate the relevance of urban regime theory for cross-national urban political analysis. To begin with, the chapter offers a review of the debates surrounding the decline of the main features of the dominantly Fordist regime of accumulation operating in the post-war period in most Western economies and its apparent transition to a new era. Secondly, these debates, linked to the emerging pattern of changes in the economic, political, social, and cultural areas of Western cities, provide a broad context to analyse and compare the diversity of political responses for urban economic changes, the evolution of the role of local government in policy making, and the role of sports and leisure in the formation of urban regimes in Britain, Spain and the US. Thirdly, it then examines to what extent the empirical findings of urban governance in the two cities selected illustrate some of the key features of the so-called 'new urban politics' with the emergence and operation of urban regimes and their implications for the nature of urban and sports policies in both cities. The final section concludes with a discussion on general themes emerging from the two case studies and discusses the extent to which global forces and strategies are *manifested in, mediated by, or resisted at, the local level.*

### **The debate about Fordism and Post-Fordism**

In the post-war period, most of Western economies were facing severe and compound economic and social problems. As a response to these problems, it was generally recognised that the international production system was best organised along Fordist-Keynesian principles as a dominant economic order under the internationally undisputed hegemony of the US. However, the international expansion of Fordism as capitalism's regime of accumulation was unevenly developed through most Western countries. In the Spanish case, for example, it only came to fruition in the early 1960s, characterised by Peck and Tickell (1994) as a 'delayed Fordism'. Under these principles, most of the Western economies managed to favour, in a time of relative economic growth and political consensus, the expansion of a welfare state that greatly influenced the provision of collective services (in areas such as education, housing, health or sports and leisure). In this way, the benefits of mass production and mass consumption (at least, in theory) were relatively widely spread among the population.

The expansion of national Fordisms was thus facilitated by a set of key institutions, in particular, the nation-state and to lesser extent, local governments (Duncan and Goodwin, 1988; Goodwin *et al.*, 1992; Harvey, 1989). In Britain, for example, during the social democratic period, central government was deemed as the main actor for economic regulation while local government was acting as a decentralised agency of the former in the provision of the majority of welfare services. Under these intergovernmental arrangements, Saunders (1981) described the nature of British post-war urban politics as that of a 'dual state'. However, the Saunders thesis can not be straightforwardly applied to all liberal democracies and in particular, the US and Spain. Within this general framework, the literature on urban politics at this time focused upon the power of the nation-state, the formal relationship between central and local government as well as the study of who exercises control within 'Fordist' cities. Political power politics was characterised as relatively non-conflictual with a stable process of group competition being responded to by elected politicians. Non-local influences on the extent and nature of power exercised by local groups, the lack of local government autonomy from higher levels of government, or the activities of elite groups around growth-related politics, occupied a subordinate position within the political science debate of this time (Dahl, 1961; Fainstein and Hirst, 1995; Harding, 1995; Hunter, 1953; Molotch, 1976; Mollenkopf, 1992; Stoker, 1995).

Despite some shortcomings, the Fordist-Keynesian principles held firm, at least, until the early 1970s in most industrially advanced Western countries. Since then, as has been reflected in the flourishing of competing urban theories under a new urban political-economy paradigm, the main social and economic features underpinning the Fordist model apparently began to crumble with the appearance of political, economic and social changes operating at the international, national and local level. The apparent break up of the Fordist model has opened a wider debate in the political science literature, operating at different levels of analysis, from forms of production and management organisation, to the macroeconomy, culture, and urban governance. Though there are major differences in the interpretations of the main features that appear to characterise the new era, competing theories of transition identify as new features: the flexibilisation of production systems, the fragmentation of the labour market, greater differentiated consumption, an economy largely dominated by multinational corporations and greater autonomy from the nation state control, and the increasingly entrepreneurialist role adopted by contemporary cities (see Amin, 1994; Jessop, 1994; Mayer, 1994; Stone, 1989; Stoker, 1995).

Some of the most recent approaches to theorising these changes speculate whether the emergence of these new identities are part of the so-called transition from a Fordist model or 'Keynesian welfare state' to a new phase of capitalism, variously described as: 'flexible

accumulation' (Amin, 1994; Harvey, 1990), a 'Schumpeterian workfare state' (Jessop, 1990, 1994), or a 'post-welfare society' (Painter, 1995); or whether instead, the changes currently operating are part of a temporary crisis of the Fordist model. These changes have also been accompanied by shifts at the cultural level. The analysis of these changes forms part of an apparent transition from a relatively permanent and stable aesthetic of 'modernism' to 'post-modernism' characterised by diversity, difference, ephemerality, and the commodification of cultural forms (see Harvey, 1990).

One consequence of the globalisation of the economy is the rise of more flexible production systems within a new international division of labour. Another is the loss of political and economic standing of the nation-state. The apparent diminution of the power of the nation-state, though contested by some commentators (see, e.g., Hirst, 1995; Harvey, 1990; Harding and LeGales, 1997; Scott, 1997), has been accompanied by an increased significance in the roles of transnational bodies (e.g. new governing institutions such as the EC or multinational companies), sub-national bodies, and in particular, in the significance of cities in the new global economy (Amin, 1994; Borja and Castells, 1997; Hambleton, 1990; Jessop, 1990, 1994; Moulaert and Demaziere, 1996). At the same time, there is now a broad consensus that the combination of economic and political transformations in the context of globalisation has shaped the nature of traditional urban politics, for example, with the transformation of the economic bases of many European industrial cities from manufacturing to services. Alongside this, there has been an increase in the demands for conceding more capacity to the local governments, in some ways analogous to that enjoyed by European cities in the pre-nation state period. However, according to regime theory, the traditional formal authority of local governments alone is simply unable to promote economic growth and change at the local level (see Stone, 1989, 1993).

As a response to new challenges such as the globalisation of the economy, growing urban competitiveness or limited powers and resources available to contemporary local governments, some of the dominant neo-liberal political responses mostly adopted by Western cities can be summarised by the combination of local entrepreneurialism, the redefinition of the traditional scope of local government, the emergence of private-public partnerships, privatisation of traditional public services, and the promotion of high profile projects in consumer areas including sports, culture and leisure. These neo-liberal policy responses have led some commentators to point out that most Western cities are now being managed and governed in different ways as part of the so-called 'new urban politics'.

Much of the literature on urban governance indicates that one of the distinctive policy responses to cope with processes of change, is the expansion of entrepreneurialism among

many Western city governments, as with their US counterparts, seeking to create favourable conditions conducive to promote economic development (Hall and Hubbard, 1998; Harvey, 1990; Logan and Molotch, 1987; Stone, 1989). In this way, it is also argued that the increased involvement of Western cities in policies explicitly aimed at economic development as a legitimate aim has meant a decline of their traditional involvement in service distribution. The traditional role of local government in most Western countries has thus progressively shifted to that of 'enabler', close to the American model of urban development (Borja and Castells, 1997; Cochrane, 1991; Goldsmith, 1992; Harding, 1995; Osborne and Gaebler, 1992; Rhodes, 1994; Stoker, 1995). Moreover, the redefinition of the role of local government has occurred alongside a growing emphasis on the promotion of public-private partnerships and coalitions in urban contexts to overcome the limited capacity of contemporary local governments (Amin, 1994; DiGaetano, 1997; Harvey, 1990; Harding and LeGales, 1997; Harding, 1994; Stone, 1989; Stoker, 1995; Stoker and Mossberger, 1994). Another significant response has been the decentralisation of management of public services with an apparent replacement of the existing bureaucratic management of the Fordist period by a new 'managerialist' approach with a greater involvement of private interests (Henry, 1993; Farnham and Horton, 1993; Leach *et al.*, 1994).

The proclaimed ascendancy of entrepreneurialism on Western cities brought about, as one of the ways to induce new economic growth, the growing emphasis on the development of a series of highly visible flagship projects in sports, culture and leisure. With a close resemblance to previous US initiatives, sports related projects are integrated in the economic regeneration strategies of some British and Spanish cities as a means of promoting economic growth after the decline of traditional industries, a catalyst for urban renewal and re-imaging with emphasis placed upon immediate and visible results (in relation to Britain, Spain and the US, see, for example, Baade and Dye, 1988; Bianchini and Parkinson, 1993; Brunet, 1994; Chapin, 1996a; Crompton, 1995; Cochrane *et al.*, 1996; Loftman and Nevin, 1996; Sack and Johnson, 1996). In this way, enhancing the attractiveness of a city forms an important part of the symbolism of post-modern urban politics.

There have, however, been considerable criticisms of the prevalence of entrepreneurialism, partnerships and urban regimes or high-profile sports-related projects that growth machine or regime theories encourage, leading urban regeneration in post-modern urban politics. One of the major arguments relates to the contradictory effects of these neo-liberal policy responses, in particular to the relative lack of success (e.g. of job creation or of attraction of mobile service-sector capital) in spreading the claimed economic benefits of urban regeneration to all city residents (Keating, 1991; Hambleton, 1990; Harding, 1994; Kasarda, 1993; Harvey, 1990; Mayer, 1994; Squires, 1991). In the same line of argument, many of the reported

economic successes of American and Western European cities have often been accompanied by an increase of social and spatial polarisation. In fact, there is growing evidence that entrepreneurialism itself is a cause of increasing, rather than decreasing, social and spatial conflicts within a 'two-tier' city. In contrast to previous British urban policies, one of the most extreme examples of this trend can be found in Thatcherite urban policies as much as in the US (DoE, 1994; Hambleton, 1990; Lawless, 1988b; Parkinson, 1989; Stoker and Young, 1993; Joseph Rowntree Foundation, 1995). A number of authors also regard the growing use of prestige urban projects as an ephemeral and a high-risk strategy to lead the regeneration of contemporary cities (Bianchini and Parkinson, 1993; Daniels, 1993; Harvey, 1990; Squires, 1991). In the same vein, the redirection of urban policy over the last two decades provides more incentives to affluent and mobile consumers and private business at the expense of local welfare services and low-income citizens (Harvey, 1990; Hambleton, 1990; Mayer, 1994; Scott, 1997).

All these features have led to a general recognition within the contemporary political science literature of the need to analyse and compare the variety and the significance of local government's responses for urban economic regeneration in the political economy of cities across Britain, Spain and the US. It is also important to address the role of sport and leisure in urban regime or coalition formation and the role of urban regimes in the development of sports strategies. The cases of two European cities, Sheffield and Bilbao were investigated to evaluate the key transformations of the nature of urban governance in the current global economic restructuring. Specifically, it seeks to evaluate whether the concept of urban regime theory developed by Stone is only limited to the US context or in turn, it provides potential for understanding the politics of comparative urban development, or on a more limited basis, to support or reject the Stoker and Mossberger's typology of urban regimes to analyse cross-national processes of urban governance (see also Stoker and Mossberger, 1994; DiGaetano and Klemanski, 1993; DiGaetano, 1997; Harding, 1994; Stone, 1989).

### **The nature of urban regimes in Britain, Spain and the US**

As mentioned before, the expansion and consolidation of Fordism was uneven in Britain and Spain compared to the US. National and local governments facilitated this process, however, the forms and scope of national and local governments' intervention substantially differed across these nations (Page and Goldsmith, 1987; Keating, 1991). This section seeks to provide an overview of some fundamental similarities and differences in politics, party system, business-city governing relations and urban planning powers between Britain, Spain and the US that together can influence or constrain the development of urban regimes in these nations. In Britain, in the postwar period, an economic growth and relative political



consensus between the major political parties and corporatist arrangements favoured the expansion of Fordism. During this period, Britain had also been regarded as a centralised state, but a strong tradition of local government. Central government has almost no service distribution functions that are part of local government responsibilities. To some extent, at this time, despite the increasing financial dependency of local authorities on central government, British local authorities enjoyed more capacity than their US and Spanish counterparts.

In turn, the fragmented US political system has traditionally been more decentralised than in both Britain (particularly, in the period of Mrs. Thatcher) and Spain (at least, during the Franco period). Despite the fragmented and decentralised US political system, city governments are constitutionally more limited in authority and resources than the federal and to a lesser extent, state governments (Keating, 1991; Harding, 1994; Molotch, 1976; Stone, 1989). Although local government functions vary among American cities, local governments have traditionally been more involved in policies of economic development than their Western European counterparts. As such, the distribution of intergovernmental arrangements of the US does not clearly respond to the dual state model of Saunders applied to describe the post-war British politics.

Spain offers an important contrast to Britain and to the US because of its recent political, economic and social history. The Franco regime was a highly centralised political system relying on an autarchic economic system. Under this centralised political system, local governments had a limited governing capacity to affect any policy change. With a complete political subordination of local authorities to central government, Spanish local governance was thus not dominated by managerial politics as in Britain or by concerns with policies of economic growth as in the US. As a result of the weak autonomy and authority of local governments, major urban areas were affected by extensive problems (Borja *et al.*, 1977; Capel, 1977, Gavira, 1994).

In the postwar period, British central government assumed that the expansion of the welfare state, urban renewal dominated by state planning and the fostering of regional planning were sufficient to address urban problems. However, Britain was the first European country that was subject to large-scale deindustrialisation, which brought with it problems of deprivation in its major inner cities. From 1968 onwards, central government intervened more specifically in declining inner areas by launching an urban programme similar to that previously launched in American cities (Atkinson and Moon, 1994; Parkinson, 1989; Lawless, 1988a; Rydin, 1993). These inner city initiatives focused mainly on social problems of the inner city. As one of the policy solutions to growing urban problems, new

intergovernmental relations were created with the establishment of partnerships of central government and local authorities with the support of substantial central government funds, which partly contributed to attenuate the limited financial contribution from the private sector in inner cities. Until the arrival in power of the Conservatives in 1979, local authorities rather than the private sector were thus considered the natural agency to tackle inner city problems. As we shall see in the discussion which follows, the nature and scope of these public-led partnerships differed from the kind of partnerships promoted at the US level.

In Spain, after the decline of the autarchic economic system, the adoption of Fordist principles, among others, contributed to a late development of Fordism in the 1960s (see Peck and Tickell, 1994; Coverdale, 1979; Harrison, 1993; Mateos and Soto, 1997). The accelerated economic growth contributed to rapid industrialisation and urbanisation. However, policy areas such as housing continued under central government planning control and a co-ordinated urban policy was lacking. The beginning of the 1970s saw the rise of highly organised social movements in the large urban areas, initially mobilised around demands for public services and later on around pressures for political change. Despite rising demands for essential public services, the late development of a welfare state provision was minimal compared to Britain and even to the US (Alonso Teixidor and Hebbert, 1982; Merigó, 1982). The scope of local politics did not substantially differ at this time from the early period of the Franco regime. In this context, neither the heavily fragmented and weak local councils nor the uncoordinated efforts of central government were able to provide essential welfare services (Borja, 1977; Capell, 1977; Castells, 1978; Wynn, 1984).

In the US there is a strong tradition of private culture in all areas, including urban policy, while in Spain and in Britain, with a strong tradition of public culture, the private sector has traditionally had a minor involvement in city politics. Although some form of public-private co-operation has always existed in most Western countries, the kind of relationships between local government and the business interests differs in the US context. Initiated in the post-war period and continued in the late 1950s and 1960s, the urban renewal programmes launched in American cities brought together partnerships of business interests and local government with federal government funding, in response to urban economic decline, federal government policies, and inherent limited capacity and financial weaknesses of local governments. While adapting earlier than their European counterparts to global and national forces, American cities have traditionally been exposed to an intense urban competitiveness for attracting inward investment and development (Molotch, 1976; Keating, 1991; Orr and Stoker, 1994; Savage and Warde, 1993). Considering the intense urban competitiveness and the limited capacity of American local governments, they have systematically been forced to develop informal arrangements, mainly with business interests. Under those circumstances,

in many of the resulting 'growth coalitions' or 'regimes' reported in US cities, business groups have taken the key co-ordinating role with local authorities facilitating private accumulation. In this way, the idea of local government in the US lends itself to the growth machine and regime models identified by Logan and Molotch and Stone.

The nature of business-city government relations in the US, however, means that the concept of an urban regime certainly is unlikely to be straightforwardly applied to European cities (DiGaetano and Klemanski, 1993; Harding, 1994; Keating, 1991). Despite their different socio-economic, cultural and political contexts, it is argued that British and Spanish city governments share the characteristic of not being deeply involved in politics of economic development, and the centralisation of politics in both countries contributed to reduce the dependence of urban governments on private sources of investment as in the US context. Therefore, unlike American cities, Spanish and British cities did not need to forge the variety of public-private partnerships or 'urban regimes', as regime theory advocates, to govern their respective cities during the Fordist period. However, since the 1970s, the combination of global economic changes and national policies suggests that some British and Spanish cities seem to be following an American model of urban governance. In Britain, many of the direct pressures for change have predominantly come from central government. Since 1979, the Thatcher and Major Conservative governments, partly driven by the American entrepreneurialist approach to urban regeneration, sought to alter the traditional collaborative pattern of central-local government relations (Atkinson and Moon, 1994; Bailey *et al.*, 1995; Barnekov *et al.*, 1989; Cochrane, 1991; Edwards and Deakin, 1992; Hambleton, 1990; Parkinson, 1989). The Conservative governments initiated a continuous attack over local governments, many of which were controlled by the Labour party, reducing considerably the two traditional sources of local financial capacity (the amount of central government grants and their ability to determine local tax levels). Financial control on local government was coupled with an increasing centralisation of decision-making and a growing urban competitiveness for attracting central government funding. The attack on the traditional values represented by the local authorities was also extended to the privatisation of urban planning where local government powers were more extensive than in the US and Spain. In addition, some local authority planning functions in certain urban areas have been transferred to non-elected central government agencies, which has allowed central government to maintain constraints on local government spending while diverting substantial government funds to these agencies.

As already noted, under the Conservative governments, private sector-led entrepreneurialism was deemed an essential policy response to promote local economic regeneration in inner cities and metropolitan areas. As a reaction to national urban policies, for a brief period at the

beginning of the 1980s, many Labour controlled cities (including Sheffield) challenged central government entrepreneurialism by adopting alternative political and economic approaches to stimulate local economic development (Blunkett and Jackson, 1987; Gyford, 1985; Parkinson, 1989). However, after the limited impact of these alternative approaches on local economies and in line with central government policies, partnerships of local authorities and the private sector began to crystallise with many British cities during the 1980s and 1990s seeking to attract inward commercial investment and limited central government funds for urban regeneration strategies. These kinds of governing arrangements differ from the previous model of arrangements of central and local governments.

In the early-post Franco era, there was a gradual shift of important legislative and executive powers to the autonomous communities and to lesser extent, to the local authorities with the country moving closer to a federal system. Despite institutional transformations, local government in Spain still had a relatively small role in comparison with Britain and the US. Indeed, the decentralisation process has clearly favoured the autonomous communities more extensively than local governments. The reforms to strengthen the capacity of the weaker local governments have thus been given a low priority from both the centrist UCD and the Socialist governments of Suárez and González (Gavira, 1994; Page and Goldsmith, 1987; Tamames, 1995). Regional governments still control many functions and resources of local government. With the Socialist government, the 1992 major prestige events (The Olympic Games, Expo and the European city of Culture) provided a new context where intergovernmental co-operation between the different levels of government was developed to respond to economic restructuring. After these events, the central government encouraged the development of local partnerships bringing together different levels of government and the private sector to carry out development projects in some Spanish cities (Fernández Durán, 1996; Harding, 1994). Although legislative measures have recently been passed giving local authorities more policy capacity, it is over the last decade that many local authorities have started to increase their intervention in policies of economic development (Busquets, 1990; Castells, 1990; Fernández Durán, 1996). However, Spanish local councils are highly dependent on higher levels of government funding, which contribute to attenuate the limited participation of business interests in city politics.

After the decentralisation process initiated by the Reagan and Bush Conservative governments, the federal government sought to decrease its involvement in local politics and dismantled the national urban policy that had been developed over the last two decades. As with the Conservative governments in Britain, the federal government also moved to reduce the amount of funds granted to local authorities, which contributed to enhance their dependency on local taxes and private sources (Peterson, 1981; Orr and Stoker, 1994).

Similarly to the UK, the effect of these changes in the US central-local government relationships has largely been to put greater pressure on local governments to be more responsive to the increasing urban competitiveness for economic growth as well as to social issues. Despite these changes, American local authorities continued to be more concerned with policies of economic development than with policies of distribution. As was the case in Spain, British city governments, however, are still financially more dependent on central government resources (distributed through a highly competitive bidding processes) or recently on European funds, but with more limited sources of local taxes and private income than their American counterparts (see Harding, 1994). Nevertheless, the fiscal system varies in these three countries. In Britain, since the reform of business property taxation in the early 1990s, where a uniform national business rate is set nationally, it is argued that the presence or absence of a large business sector makes little difference to local authorities' budgets. To compensate for the reduction of central government grants and limited business rates, British cities, instead, have been forced to increase local taxes. Spain is close to the US model where there is not an equalisation of national business rates and American and Spanish cities can significantly boost local business rates to increase local authority resources.

Unlike the instrumental participation of business interests in the US context, the lack of commitment of the private sector to the British local politics continued, to a lesser extent, under successive Conservative governments. However, as Peck (1995) argues, the diversity of central government agencies established by the Conservatives has played an important role in articulating the interests of local business. In contrast to Spain, the UK lacks strong regional or state banks to compensate for the limited participation of the business sector in urban politics. Whereas British banks as well as building societies have a national orientation and as such have little direct interest in any given locality, Spanish state banks are constitutionally forced to contribute from their profits to a variety of social projects at local or autonomous community levels. In the US, state banks have, until recently, been forbidden to lend outside state boundaries which gave them a sense of belonging to the cities and regions in which they operate and thus have tended to be more involved in local economic initiatives and local coalitions. Moreover, there are fewer small-scale private business initiatives in the property market in the UK and in Spain than is the case in the US. At the political level, unlike American cities, there is no significant private sponsorship of local electoral candidates in the Western European context. US political parties at the local level are less programmatic, which increases the importance of non-political organisations (in particular, business interests) over local political strategies while in Britain and Spain, highly politicised parties rather than pressure groups, dominate urban policy making.

We have briefly reviewed the global processes, the influence of central government policies on local politics and the diversity of local responses to urban regeneration in the UK, Spain and the US. One thing that is clear, is that if one can refer to urban regimes at all in the European context, they are not going to be urban regimes of the same type described in Stone's typology in the US since the private sector simply does not play the same kind of role in the UK and Spain or in other Western countries (DiGaetano and Klemanski, 1993; DiGaetano, 1997; Harding, 1994; Keating, 1991; Peck, 1995). As such, DiGaetano and Klemanski argue that the definition of urban regimes provided by Stone does not apply for a cross-national study of urban governance. Thus what we are seeing in the UK and Spain is what might be described as 'public-sector-led urban regimes'. Unlike the private-led urban regimes of the US context, the empirical evidence shows that the command power often attributed to the private sector in most European countries is frequently more apparent than real. In this sense, the ideological hegemony of privatism inherent in the US seems to be very much less evident in Britain and Spain or in other European countries. In Britain, the post-1979 Conservative governments sought to expose cities to market forces after reducing local governments funds. However, with the weakness of the local business sector and with the equalisation of business rates, local governments have been forced to increase local taxes as well as to compete for mainly central government funds and inward commercial investment. The evolution of the nature of British urban politics in the last two decades –from welfare to economic boosterism- has contributed to the emergence of new types of local governing arrangements (DiGaetano and Klemanski, 1993; DiGaetano, 1997; Harding, 1994).

Unlike the centralised British political system, the decentralisation of Spanish politics during the democratic period has meant an increase in the powers and resources of regional governments rather than local authorities. Under the new intergovernmental system in Spain, the strong role played by regional governments in the area of economic development seems to be critical for any local economic development process (Page and Goldsmith, 1987). With the increasing fragmentation of current local politics, contributions from different regional and national governments as well as European Union funding (e.g. the Community's Structural Funds) rather than private sources, exert a significant influence in local economic development and urban regeneration as well as in the urban regime formation and capacity of Spanish and British cities. Indeed, different levels of government as well as local urban regimes in European cities are increasingly lobbying the European Community (compared to the US federal government) for financial support of local economic regeneration policies. As a result of the extensive financial dependence on higher levels of government in both Spain and Britain, there is little evidence of private sector dominated growth coalitions or urban regimes of the kind, which have traditionally developed in many American cities (Bailey *et al.*, 1995; Cochrane, 1991; DiGaetano, 1989, 1997; Keating, 1991; Harding, 1994; Lawless,

1994). Similar to American local government, Spanish and more recently British local governments have gained a limited governing capacity. Another distinctive element of the apparent emergence of urban regimes in Western European cities is that either local authorities themselves or regional and national governments, rather than business elites, exercise pre-emptive power in many of the resulting urban regimes.

In terms of the role of sport and leisure in urban regeneration strategies, there has been a common tendency in Spain and Britain over the last two decades (as had previously been the case in the US) to reduce the emphasis on social spending and to increase expenditure on aspects of sport and leisure associated with economic development. Much of the social concern of the British Sports Council was to be removed after its restructuring under Conservative proposals, and the establishment of the UK Sports Council, which was to put greater emphasis on the achievement of sporting excellence rather than on 'Sport for All' (Henry, 1993; Houlihan, 1991; Gratton and Taylor, 1991). However when Labour came to power the rhetoric of 'Sport for All' and of social inclusion, in theory, reversed this tendency. Whether Labour action is as different from Conservative action as its rhetoric was different from that of its predecessor, remains to be seen. The Spanish Sports Council has moved in the same direction as its British counterpart (CSD, 1992).

At the city level, the role of sport and leisure as a regeneration strategy and in urban governance has grown in significance in particular in deindustrialising contexts as Western European cities. Many American cities have pioneered this trend through the use of sports facilities, professional teams and sports events which urban regimes and growth coalitions support (Baade and Dye, 1988; Chapin, 1996a; Robinson-Barnes and Wright, 1996; Sack and Johnson, 1996; Shropshire, 1995). This phenomenon has subsequently expanded, following what Harvey called 'serial reproduction', to economic regeneration strategies in other cities worldwide. In particular, some British and Spanish cities are examples of this 'post-modern' trend of using sports and leisure prestige projects as economic tools to replace those traditional urban activities in decline, a catalyst for urban renewal and re-imagining (Brunet, 1994; Cochrane *et al.*, 1996; Roche, 1992; Henry, 1993; Hill, 1992, Loftman and Nevin, 1996; Williams, 1997). Associated with this current worldwide trend of city 're-imagining' through sport and other symbolic means, the symbolic regime reflects to some extent the purpose of this tendency. However, sport could also be implicated in any of the other types of regimes and their related strategies. Despite the plethora of studies on the post-modern urban politics, and the role of culture in post-modern processes, relatively few theorists have focused specifically on the role of sport in urban regeneration (see, for example, Harvey, 1987; Chapin, 1996a, 1996b; Cochrane *et al.*, 1996; Harvey, 1987; Henry and Paramio-Salcines, 1998, 1999; Sack and Johnson, 1996).

The accompanying Table 8.1 sets out some of the main political, economic and institutional factors inherent in the US, Spanish and British contexts which can contribute to formation of partnerships and/or regimes in a cross-national context. It is not exhaustive and merely attempts to isolate the key features of each variant, and to highlight differences and similarities between the notion of urban regimes, which may be attributed in the three contexts. As such, the table provides a context against which the discussion of the two case study cities of Sheffield and Bilbao can be located.



	US	Spain	Britain
Local Government	Constitutionally limited autonomy and authority	<u>Franco period</u> Weak autonomy and authority	<u>Before 1979</u> Great autonomy and authority Provider of public services
	Facilitator of economic growth to private interests	<u>Democracy period</u> Greater autonomy Enabler role	<u>After 1979</u> Reduction of local government functions (enabler role)
Local Financial Resources	Taxation, private sources, and federal funds	<u>Franco period</u> Highly dependent on central government funds	<u>Before 1979</u> Taxation and central government funds
	<u>Conservative governments</u> Reduction in federal funds	<u>Democracy period</u> Highly dependent on higher levels of government funds	<u>After 1979</u> Reduction in government funds, but dependent on European funding Nationalisation of business rates
Private Sector	Large financial contribution	<u>Franco period</u> Little involvement in city politics	<u>Before 1979</u> Nationally rather than locally significant
	Strong influence in city politics	<u>Democracy period</u> Little involvement in city politics	<u>After 1979</u> Active role in city politics fostered by central government with limited success
Levels of Government	Fragmented and decentralised system with federal state, state and local governments	<u>Franco period</u> Centralised system	<u>Before 1979</u> Centralised system
		<u>Democracy period</u> Decentralised system	<u>After 1979</u> Increased centralisation
Urban Planning	High control over land-use	<u>Franco period</u> Central government control	<u>Before 1979</u> Extensive powers at local level
	<u>Conservative period</u> Decentralisation to the states and cities	<u>Democracy period</u> Decentralised to regional and local governments	<u>After 1979</u> Privatisation of some responsibilities to central government agencies
Political culture	Privatism tradition Private sponsorship of local candidates Depoliticised local bureaucracy Absence of programmatic parties	Public ideology  Delayed Fordism (Franco period)  High influence of political parties (After 1975)	Public ideology  Strong welfare tradition before 1979  High influence of political parties
	Proactive role of media Involvement of utilities and state banks in city politics	Involvement of regional and state banks in city politics	Absence of regional banks or state banks
Sport	Early instrumentalisation of sports prestige projects	Current instrumentalisation of sports prestige projects	
Outcomes	Development of public-private partnership to enhance the scope of local governments	<u>Franco period (Spain) and Before 1979 (Britain)</u> No need to develop public-private partnership	
		<u>Democracy period</u> Some features of this trend	<u>After 1979</u> Encouragement from central government to involve private sector, but with limited impact

### The cases of Bilbao and Sheffield

As already mentioned, the combination of local and non-local political-economic factors may determine the conditions that can lead to the formation of different types of urban regimes in the European context as one of the proclaimed policy solutions to cope with economic restructuring and the weakness of local government in setting the local development agendas. In terms of political control, for much of the post-war period the Fordist coalition consisting of Labour local government and labour unions enabled Sheffield Council to dominate local politics. In contrast to Sheffield, the centralisation of politics during the Spanish post-war meant that the role of the Bilbao Council was less important in shaping local politics. In terms of economic development, the Sheffield and Bilbao economies, renowned for their steel-related industries, have been remarkably similar in the post-war period. Both economies were also heavily dependent on central government investment and nationalised industries and on private investors. However, since the 1970s the combination of external factors such as the global economic restructuring and particularly, the influence of the Conservative national government urban policies in the late 1970s and 1980s (Sheffield) and the entry of Spain to the European Community in 1986 along with local factors such as the complex political environment and terrorism (Bilbao), have undermined their *local economies* with profound effects on the socio-economic structure of both cities. Similar to other major European and American industrial cities, for instance, unemployment rates rose dramatically in both cities, exceeding their national average.

Prior to the development of local public-private partnerships and the promotion of sports and leisure-related projects, local politics in both cities had promoted, though different in nature, alternative political responses. For a time in the early 1980s, the 'new urban left' group on the Sheffield Council under the leadership of David Blunkett adopted a municipal socialist approach to regenerate the local economy as well as a response to the Conservative government urban policies (Blunkett and Jackson, 1987; Darke, 1992; Seyd, 1993; Strange, 1993, 1995). At a time that local business interests were not directly involved in city politics, the Council itself assumed the responsibility of local economic development. As part of this interventionist approach, the Department of Employment and Economic Development (DEED) was established in 1981 with the emphasis placed on the maximisation of public-sector led initiatives. In contrast to Sheffield's political control, with the decentralisation of politics in the democratic period, local and regional politics in Bilbao have been controlled by centre-right, principally the Basque Conservative Party (PNV), albeit in coalition. The institutional restructuring of political power has had significant implications for governing decisions in Bilbao. Initially, until the Basque institutions achieved a certain level of governing autonomy in the late 1980, they postponed any intervention to assist the economy

of Bilbao and its Metropolitan Area (González, 1993; Rodríguez, 1996). Meanwhile, the Socialist national government launched a national Re-industrialisation process including Bilbao and the Basque Country, however, this substantially faltered in the Basque Country because of the degree of politicisation between central government and the Basque institutions. The Basque institutions subsequently launched a Strategic Plan for Metropolitan Bilbao in 1989 as part of the urban regeneration strategies to ameliorate the negative effect of economic decline at city and regional level. Parallel to these local development initiatives, Mayor Gorordo battled over who should set the city's governing agenda and promoted different strategies to the ones promoted by the other levels of Basque institutions and in particular, to their post-modern centrepiece, the Guggenheim Museum (Ortega, 1995; Rodríguez, 1996).

The nature of alternative political solutions adopted in Sheffield and Bilbao was clearly affected by wider global economic factors and local particularities. In Sheffield, local factors included a major confrontation with central government and local business interests, as well as changes in the national urban policy of Conservative governments with severe constraints on local government spending, planning (with the imposition of central government agencies) and economic development policy. In Bilbao, there were clashes within the different tiers of Basque institutions themselves over economic development policies (with the resignation of the former lehendakari Garaicoetxea in 1984 and Mayor Gorordo in 1990) (Juaristi, 1996) or with the Socialist central government affected the capacity of the Bilbao Council to develop its own economic development agenda. Although the PNV has never been hostile to the interests of local business, the complex local political environment (Basque separatism and violence) also represents a significant constraint in any attempt to achieve a good business climate.

Whether or not these different political responses (from the left in Sheffield and from the right in Bilbao) to economic restructuring and national and regional politics represented a sea-change in the nature of traditional urban politics, there are some signs of certain convergence in the manner in which Sheffield and Bilbao have been dealing with urban regeneration. That is, as regime theory advocates, the combination of the structural factors mentioned above, along with the limited capacity of both City Councils to affect themselves significant policy changes, have stimulated the formation of different urban coalition arrangements in both cities (DiGaetano and Klemanski, 1993; DiGaetano, 1997; Harding, 1994; Stone, 1989; Stoker and Mossberger, 1994).

Drawing on the explanatory value of Stoker and Mossberger's typology for cross-national urban political analysis, five elements of this model were adopted to analyse the context and

behaviour of an emerging symbolic regime in Sheffield (initiated in the mid 1980s under the leadership of Clive Betts and continued in the 1990s under a new leader of the Council, Mike Bower) as well as the formation of an embryonic symbolic regime and its subsequent transition to an instrumental regime in Bilbao (during the period of Mayor Ortuondo). In addition, also explored are the implications of sport and leisure as part of the strategies employed by these urban regimes.

### Purpose

The significance of symbolic politics in Sheffield since the mid-1980s seems undeniable. The first public-private partnership, the Sheffield Economic Regeneration Committee (SERC) emerged in December 1986 after it was recognised that mutual dependency existed between local elected politicians and local business groups in the promotion of significant local economic development. Although the local authority maintained a strong role in local politics, the shift in the political culture of Sheffield was said to facilitate the formation of the SERC, which coincided with the third consecutive Conservative election victory in 1987, and came at a time when central government was taking powers (as in the case of the Sheffield Development Corporation or the Training and Enterprise Councils) and taking resources, out of local government control. Under the strong influence of the Conservative governments over local governments, the emerging symbolic regime in Sheffield, as Stoker and Mossberger outline, was about communicating intentions and symbolic rewards such as the commitment to local economic development and the fostering of an entrepreneurial climate (SCC, 1988; Strange, 1993, 1997). The formation of the SERC and subsequent new governing arrangements were also seen as part of the local strategies to change the previous image of confrontation of the Sheffield Council with central government and local business, as well as to reduce opposition, both internally and externally, to the Council political agenda of the early 1980s. Nevertheless, the description of Sheffield politics given makes it clear that positive relationships between key members of the 'regime' -locally elected politicians and business groups in the city- do not have a long history of cooperation.

Despite challenge at the local level by those opposed to the World Student Games strategy, the 'regime' has survived, albeit operating through a new form, the Sheffield Liaison Group, emerging in 1992. In this way, with the formation of the SERC and the Sheffield Liaison Group in different phases, the Sheffield political scenario fits more clearly with what Stoker and Mossberger describe as a symbolic regime and particularly, an urban revitalization regime, in terms of mode of functioning and purpose. This description of the type of urban regime operating in Sheffield also coincided with the previous analysis undertaken by Strange (1993).

In the case of Bilbao, after a period of conflictual relations under the leadership of Mayor Gorordo between the Bilbao Council and the Basque institutions, proponents of the first public-private partnership (Bilbao Metropoli 30) set up in 1991, sought to institutionalise public-private co-ordination in policies of economic development after the resignation of Mayor Gorordo. Local politics were then united around the idea of changing the city's image (as with Sheffield) of previous antagonisms between the Basque institutions themselves and central government as well as the negative image associated with violence. As regime theory argues, given the limited capacity of the Bilbao Council under the new leadership of Mayor Ortuondo, this public-private partnership was also inevitably seen as a way to attract revenue funding for carrying out major urban development projects in Bilbao and its Metropolitan area. Associated with these goals, the co-operative arrangements between local politicians and local business leaders formed around Metropoli 30 originally resembled features of an embryonic symbolic regime and particularly, an urban revitalisation regime (as did SERC), but also some features of an instrumental regime (Orr and Stoker, 1994; Strange, 1993).

However, after questioning the capacity of the embryonic symbolic regime formed around Metropoli 30 to exercise, in Stone's terms, 'pre-emptive power' over the city's governing agenda because of its failure to mobilise substantial private sector and institutional investment, the political partnership between the Socialist parties at the Basque and national levels was said to facilitate the incorporation of the Spanish central government into a new public-led coalition, Bilbao Ria 2000 in 1993. This governing coalition, regarded as the first real partnership with all the public institutions involved, clearly undermined the symbolic role of Metropoli 30. In a similar vein to Sheffield, the process of the formation of Ria 2000 has not been without problems and conflicts. As such, it is clear that positive relationships between key members of Ria 2000 -the three levels of the Basque institutions and central government- do not traditionally have a long history of cooperation and exchange.

In broad terms, drawing on Stoker and Mossberger's typology, the formation and purpose of this new public-led coalition resembles features of an instrumental urban regime and particularly, a development urban regime. The purpose of the emerging instrumental regime formed around Ria 2000 was primarily concerned with changing public land use owned by the central government to generate funding to implement most of the ambitious urban projects in Bilbao's riverfront and lately, in the Metropolitan Area of Bilbao. Institutional coalition partners shared its commitment around the availability of selective incentives to finance urban development projects. To this end, the Bilbao Council was driven to cooperate with those who hold significant resources, the Basque institutions and the central government.

Main Motivation of Participants

There are five broad categories of participants identified in any governing coalition on a cross-national basis in the urban regime literature: business leaders, locally elected politicians, trade unions, local technocrats, and members of community organizations (Stoker, 1995). In the case of Sheffield, with the formation of the SERC and the Liaison Group in both major phases of the development of the symbolic regime, it is clear that local government initially led the regime and its core symbolic strategy. Indeed, the leadership of the Labour Group as well as local government officials, particularly from the Department of Employment and Economic Development exercised coalition power in the formation of SERC, which also mobilised people in the Chamber of Commerce, but with a small representation of local business groups. The coalition formed around SERC brought together 24 members, including representatives of the Council, the city's business community, trade unions, higher education institutions, central government agencies, and community organisations (Lawless, 1989; Seyd, 1993; Strange, 1993, 1997).

As a representative of the Chamber of Commerce noted, local business decided to be integrated within the diversity of local partnerships expecting that cooperation would contribute to have some influence in the process of urban regeneration which it did not have in the early 1980s and in particular, as a way of attracting external funding and changing the image of the city. In addition to gaining influence and financial support from being within local partnerships, the development of a symbolic prestige sport-related project such as the 1991 World Student Games also helped to mobilise the interest and support of local business in changing the city's image. Although the current governing coalition, Sheffield Liaison Group, is also certainly led by the Council, it has been influenced by local community organisations more specifically, representatives of the two universities who were set to benefit considerably from the proposal to build on the original initiative to develop a bid for the attraction of the proposed British Academy of Sport. Perhaps one source of local commercial involvement one might have anticipated was the city's two premier professional football clubs, Sheffield Wednesday and Sheffield United. However, in contrast to the major interaction between local governments and professional teams in the United States, local government in the UK tends not to own the stadiums in which clubs play. Thus, despite efforts to interest and involve the clubs by offering a proposal that they make use of the new Don Valley Stadium, little response was forthcoming.

In the case of Bilbao, the Basque government and the Bizkaia County Council and to a lesser extent, two private electric utility companies (with headquarters in Bilbao) were initially identified as the main groups that exercised coalition power in the creation of Metropoli 30.

Since its development, the president of Iberdrola, Garrido (one of the local electric utility companies) chaired the executive committee of Metropoli 30. Participation in this public-private partnership has widely expanded from 19 organisations in 1991 to 126 by 1996 (including public sector bodies, higher education institutions, business groups and local community organisations) (Martínez Cearra, 1993; Rodriguez, 1996). In line with the inclusive orientation of symbolic regimes, the incorporation of 30 municipalities of the Metropolitan area in Metropoli 30 was justified due to the political coalition between the PNV and the Socialist Party operating at the Basque and national level for the last decade with all these municipalities being run either by the PNV or the Socialist Party. On the other hand, those local Councils, which were not controlled by these political parties, tended to take little part. Unlike SERC and the Sheffield Liaison Group, Metropoli 30 did not include any representative from the Spanish central government.

Despite the enlargement of Metropoli 30, the Bizkaia County Council and the Basque government, rather than the Bilbao Council itself or the private sector, have been leading this public-private coalition. However, the political leadership in Bilbao Metropoli 30 should not obscure the underlying political differences within the PNV political party itself about which level of government should lead the Basque Country. In this competitive political process, the political direction of the PNV, deeply attached to the historical traditions and rights of the County Councils, has tended to increase the power and responsibilities of the County Councils even at the expense of the new Basque government and the Basque local authorities (including Bilbao City Council). Although the development of Bilbao as cultural city was a key area within the Metropoli 30's development strategies, this public-private coalition has not played any significant role in the decision to locate the Guggenheim Museum in the city, which came from the political direction of the PNV though without the participation of the Council (Zulaika, 1997; Tellitu *et al*, 1997). As the examples above noted, the degree of politicisation of the Basque politics has played an important factor in shaping urban politics.

In Bilbao major private sector interests tend to be large employers, mainly local banks (e.g. the BBK and the BBV) and industries with many of these business groups involved in Metropoli 30. Unlike most American cities, local business groups have only been involved in the development of *Metropoli 30's* strategy, but without a real commitment in the implementation of most urban development projects in Bilbao and its Metropolitan area. A local politician justified the symbolic commitment of coalition members within Metropoli 30 because initially it was deemed important to be seen as a member. Nevertheless, the symbolic commitment of some regime partners in Metropoli 30 has substantially shifted to pragmatism after the new public-led coalition, Ria 2000, started developing some urban

projects. As a result, another local politician explained “nowadays there is a clear desire to make a positive contribution to the regeneration process”.

The motivation to participate on this public-led coalition was based on, as a representative of the coalition suggested, the need to co-ordinate institutional efforts in order to promote tangible results. That is, this public-led coalition was seen as the only viable way to implement most of the urban projects in Bilbao and its Metropolitan area. Unlike the US context where important resources are controlled by business organisations, the capacity to implement most of the projects in Bilbao so far relies on the Basque institutions and mainly on the Spanish central government.

#### *Developing a common sense of purpose*

For Stone, urban regimes in the US may be particularly unified under the use of selective material incentives. Unlike the US context, Stoker and Mossberger consider that the combination of material and non-material opportunities are likely to play an important part in a cross-national context. The governing coalition around SERC was ephemeral in nature. The ensuing financial problems associated to the 1991 World Student Games aggravated by the limited contribution (not to say antagonism) of the Conservative government to the project contributed to reduce confidence in the capacity of the governing coalition. However, despite opposition at the local level by those opposed to the World Student Games strategy (particularly some Labour party councillors) and at national level by the central government, the core of the symbolic ‘regime’ (12 members) has survived, albeit operating through the Sheffield Liaison Group. The new coalition emerged in 1992 under the leadership of Mike Bower to overcome previous differences between the main coalition partners. The Liaison Group, as with Bilbao’s Metropoli 30, was described as a forum in which some individuals and representatives of groups at a senior level in the city that previously had been involved in partnerships continued to be united around non-material opportunities as in SERC.

In the case of Bilbao, if initially the strategic use of symbols served to unite public and private leaders in Metropoli 30, the presence of significant material incentives in the form of the availability of central government resources rather than non-material incentives was deemed as an essential mechanism for establishing a common sense of purpose between the main Basque and national public actors in Ria 2000. As Stone (1993) argues, the availability of central government funding has greatly contributed to unite a limited number of politicians (traditionally unwilling to co-operate) from the three Basque levels of government and from the Spanish central government around the formation of a development urban regime formed in Ria 2000.



*Quality of coalitions: Congruence of Interests*

According to Stoker and Mossberger's typology, the relationship between the partners in symbolic regimes is likely to be one of 'competitive agreement', while the relationship between the partners in instrumental regimes is likely to be one of 'political partnership'. Although it is certainly the case that the relationship between local government and business interests in the city had been competitive, this was only marginally the case in the Sheffield context of the late 1980s and early 1990. Much of the sting may have been taken out of business criticism of the local authority's spending by the introduction, in the early 1990s, of centrally determined, uniform taxation rates for business across the country, which disassociated the local tax bill for businesses from the spending of the local authority. Given the introduction of a uniform nonlocal business rate and an acceptance of mutual benefits by regime partners, there was a fairly strong congruence of interests that helped the symbolic regime to survive the period of difficulty around the World Student Games. Nevertheless, some other conflicts had taken place before. In particular, after an initial period of antagonism with a low congruence of interests around urban planning between the SERC and the non-elected central government agency, Sheffield Urban Development Corporation, a final 'competitive agreement' was finally reached contingent on mutual concessions.

In the case of Bilbao, although internal and external political differences are still apparent among the coalition partners, a 'political partnership' between the central government and the three Basque institutions seems to bring together these regime partners in Ria 2000. As regime theory stands, this public-led coalition originally was exclusively reduced to representatives of all levels of government at senior level and representatives of certain political parties. In this instrumental regime, the degree of commitments is actively maintained through substantial subsidies provided mainly from central government to finance most of the urban projects of Bilbao and more recently in its metropolitan area. Not surprisingly, the Barakaldo City Council was recently incorporated into the coalition after benefiting from substantial European Union Structural Funds. As Keating (1991) suggests, the capacity of this public-led coalition in Bilbao is greatly determined by the formal political agreement at national level between the PNV and the Socialist government and continued with the Conservative Party (PP) since 1996 which has positively contributed to lobbying for substantial central government funds (see *El Mundo*, 17 December 1998).

*Relationship with the wider political environment*

In terms of cross-national research, the regime formation and operation in a European context needs to be understood as product of both its relationship within the locality and its relationships beyond its boundaries.

*The Local Environment*

In terms of the local environment, symbolic regimes seek to incorporate as many groups as possible, influencing them to subscribe to the image of the city the regime is propagating. This is in stark contrast to the exclusive orientation of instrumental regimes, which seek to limit access to fruits of urban development. It is clear even from the brief history of the symbolic project exemplified by the World Student Games that all has not been plain sailing. Before the Games, some Labour members rebelled, and one resigned on the grounds of the opportunity cost for social expenditure. Locally and (implicitly) nationally, many Conservatives opposed the initiative on the grounds of controlling public expenditure. Locally, social democrats complained about the lack of consultation and openness about the decision to commit local taxpayers to such investment. These various political camps found voice during the Games in the 'Stuff the Games' group, which made public but fairly muted protests. In addition, some business interests opposed those plans. However, the regime proved hard enough to withstand such opposition. These groups had been marginalised, whether within the Labour party or the local political system, within the local business community, or within the wider community.

In the case of Bilbao, there has been a significant transition from the symbolic character and the inclusive orientation of Metropoli 30 to the exclusive 'political' orientation associated with Ria 2000. In line with the exclusiveness of instrumental regimes, it was said that opposition political parties, neighbourhoods' organisations, trade unions, small and medium sized firms, professional sports teams and local citizens are systematically excluded from the decision-making process. This governing coalition has been criticised because of its lack of political accountability and social concern (Rodriguez, 1996, Ortega, 1995).

In terms of the influence of the business interests in both urban regeneration processes, as Strange (1997) argues, the representation of the business groups in Sheffield has been driven by a small and rather parochial business representation. Nevertheless, the private sector in Sheffield was considered essential as part of the aim of attracting external central government and European funding and changing the previous reputation of political division. In Bilbao, the private sector was involved in the early stages of the regeneration process in

developing strategy; however, the implementation of most of the urban projects has been dependent on non-local sources. So far, implementation of most of the urban developments in Bilbao is publicly funded. Despite the range of fiscal incentives provided to the private sector to increase their participation on a significant scale in the Basque Country, the complex political environment associated with terrorism can help to explain the symbolic commitment of the local private sector to local regeneration. Paradigmatic is the example of the locally headquartered Basque national bank (BBV) whose interest in the city as a site for investment is merely symbolic.

### *Non-local environment*

Apart from the involvement of national government as well as the Basque authorities in Bilbao, there were few nonlocal participants in both cities. However, the capacity of the development regime formed around Ria 2000 in Bilbao and the urban revitalising regime described in Sheffield have both substantially been dependent on non-local resources and decisions. Common to most of the interviewees in Sheffield was the belief that the financial contribution from higher levels of government has helped to 'kick start things', while in Bilbao the instrumental regime is clearly dependent on the resources of the Spanish government and the two levels of the Basque government. So far, the financing and implementation of the main prestige urban developments in Bilbao is still largely dependent on the Basque institutions and the Spanish government resources and to a lesser extent, European Union funds. In contrast to the decentralised political system of Bilbao, most urban-related British government resources in the 1980s and 1990 as well as European funds, have been distributed through a highly competitive bidding process. That is, despite the failure of two bids for City Challenge Grant funding, Sheffield was finally awarded £74.4 million from the government's Single Regeneration Budget over 7 years period and from the European URBAN initiative for 4 years. Prior to obtaining these governmental funds, Sheffield was also awarded £350 million from the Sheffield UDC. Unlike US counterparts, the Bilbao and Sheffield cases confirm that regimes in both cities have mainly been mobilised and united by the financial contribution of different levels of government and the availability of European funds rather than the resources of the private sector. In the case of Bilbao, for example, its appeal to transnational companies is limited because of the political environment as most of respondents confirmed.

The development of the World Student Games had taken place against the backdrop of increased centralisation of powers around central government. The government's refusal to assist in substantive terms with the costs of staging the World Student Games and the tightness of the financial screws on local government spending in general (and Sheffield in

particular) might have completely neutralised the efforts of the symbolic regime altogether if the difficult circumstances of staging the World Student Games had not been overcome. Thus, although dependent to some degree on non-local resources, Sheffield was able to proceed with, at best, lukewarm support from some arms of the central government (e.g. Sports Council assistance was not suppressed by the government) but with no direct financial help.

Apart from the involvement of national government agencies in the urban revitalization regime in Sheffield and the involvement of national government industries in the development regime in Bilbao, there are few non-local actors involved in the two cities governing arrangements. The kind of coalitions developed in both cities thus shared their parochialism. Following the typology of Stoker and Mossberger, table 8.2 summarises the findings of the analysis of Sheffield and Bilbao regime formation and capacity.

Regime elements	Sheffield	Bilbao
	Urban Revitalization Regime	From a Symbolic (Metropoli 30) to a Development Regime (Ria 2000)
Purpose	Redirection of image	Redirection of image (Metropoli 30) Project realisation (Ria 2000)
Main Motivation of Participants	Expressive politics	Expressive politics (Metropoli 30) Tangible results (Ria 2000)
Developing a common sense of purpose	Strategic use of symbols	Strategic use of symbols (Metropoli 30) Selective incentives (Ria 2000)
Quality of coalitions	Competitive agreement	Political partnership
Relations with the political environment		
-The local environment	From inclusive (SERC) to exclusive organisation (SCLG)	From exclusive (Metropoli 30) to inclusive organisation (Ria 2000)
-The non-local environment	Dependent	Dependent

Sport and Leisure in the regeneration process of Sheffield and Bilbao

With a close resemblance to other American and Western European economic regeneration processes, governing coalitions in Bilbao and Sheffield have encouraged the use of sport and

other symbolic means as one of the primary vehicles to promote economic growth. Prior to the emergence of the governing coalitions in both cities, the City Council in the early 1980s (Sheffield) and Mayor Gorordo in the late 1980s (Bilbao) had also pursued high-profile development in leisure policy (with different success), but more centred on culture than on sport. In Sheffield, the strategy was reflected in the establishment of a cultural industry quarter while in Bilbao, the strategy to build a culture centrepiece, the Alhondiga, finally failed. Afterwards, the significance of sport and leisure in the process of regeneration of both cities seems to have also affected the traditional model of urban politics.

As the case of Sheffield illustrates, the strategy of public-private co-operation around SERC mainly relied on an event-led planning approach, and flagship projects, in particular the hosting of the 1991 World Student Games. Although it is not the unique economic regeneration strategy, the sport-led strategy of Sheffield may represent the major symbolic strategy to drive local regeneration as well as to boost its national and international image as a 'city of sport'. Associated with the World Student Games and its National City of Sport status, since 1991 the city has benefited from the staging of a large number of major sports events, the emergence of new professional teams and the attraction of one of the regional branches of the United Kingdom Sports Institute. Regardless of the tangible and intangible benefits that sports related projects can bring to Sheffield, the symbolic regime in Sheffield has been unsuccessful in sharing the financial costs and risks associated with its prestige projects amongst its public and private sector partners. In contrast to the case of Manchester, the financial situation was aggravated when the Conservative government refused to provide financial support for the World Student Games. In this way, the World Student Games brought with it some considerable costs, partly exemplified by financial mismanagement, reductions in public services in order to support the major sports facilities, and higher prices in leisure services. In the same vein, the adoption of a sport-related strategy has involved the debureaucratization of local leisure services, with the formation of private companies and trusts to operate some of the facilities opened for the World Student Games in particular as well as some of the old local leisure facilities.

In contrast to the American context, the capital provided by the commercial sector to the Sheffield's prestige sport-related projects, for example, was small (£34 million by SMGI for the Sheffield Indoor Arena) and the capital itself was not local in origin. Most of the total capital costs of the Sheffield's prestige projects were to be financed by Sheffield Council. Perhaps one source of local commercial sector involvement one might have anticipated was the city's two premier professional football clubs, Sheffield Wednesday and Sheffield United. However, despite efforts to interest and involve the clubs by offering a proposal that they make use of the new Don Valley Stadium, little response was forthcoming. What is

more, professional sport in Sheffield has been enhanced by the building of facilities. The newly formed Sheffield Steelers ice hockey team (owned by SMGI) and the rejuvenated Sheffield Sharks basketball team (owned by Montgomery Leisure) both won their respective national championships and qualified for European competition in 1995. Ironically, shortly after Sheffield United Football Club was relegated from the English Premier League.

The location of the Guggenheim Museum in Bilbao represented a clear expression of what marked out Bilbao from other cities to revitalise its local economy as well as to promote the city externally in order to attract new business and cultural tourism. In this way, the Guggenheim Museum seems to be more related to power politics than culture itself. Moreover, it seems to be seen that the Guggenheim Museum could further encourage co-operation of private sector. However, as with sport in Sheffield, the nature of culture as an apolitical arena of the post-modern politics of urban governance has nevertheless been contested in Bilbao, as being constructed without reference to local people and as failing to account for local identity. In relation to the former, with the concentration of cultural symbolic projects in the city centre, little importance has been attached to meeting traditional local demands, which has created a tension between centre and periphery. In relation to the latter, there has been significant resistance to the homogenisation of culture in the face of globalisation tendencies as well as the consumption-oriented strategy, which the Guggenheim Museum clearly exemplifies.

The ability of critics (e.g. exemplified by Mayor Gorordo's cultural integrationist approach) to mobilise alternative strategies was finally overcome during the development of these strategies. Culture is significant in the context of Bilbao and the Basque Country, not simply as part of an attraction of inward investment and affluent visitors, it is also significant as (potentially at least) a symbol of the preservation and projection of Basque nationalism. Although parallel arguments could be made with respect to sport, such links have not been made. Bilbao's case was seen, by political and sporting proponents alike, as standing out in its failure to subsidise professional elite teams (unlike the other Basque major cities) or to stage major sport-related projects. The case of Bilbao shows that cultural policy has had an impact on sports policy. More significant is the case of the most important professional sports team and the sole team of national significance in the city, Athletic of Bilbao, which occupies a profound place in the identity of the city and the Basque Country. Despite its manifest importance, which could be associated with the Guggenheim Museum to boost city's image, the club does not receive any funding from any of the three Basque levels of government. In addition, support for Basque sports and for sporting federations, at least, has been suppressed by virtue of the cost of providing for the Guggenheim Museum. Finally, as some commentators argue, Bilbao needs to adopt a more holistic approach to urban

regeneration that embraces the role of sports, culture and leisure to improve the conditions of certain disadvantaged neighbourhoods.

### Summary

The alternative development of politics in Sheffield in the early 1980s and in Bilbao in the late 1980s were characterised by disputes between central and local government and local government and local business interests (Sheffield) and between the three levels of Basque governments and central government (Bilbao) over local economic development. At the same time, the political and ideological climate of national urban policy engendered by the Conservative governments attempted to diminish the scope and redefine the role of British local authorities, while the decentralisation process initiated in the post-Franco period has brought back more powers to the autonomous communities rather than local authorities. In the Basque Country, the PNV political party has tended to increase the powers of the County Councils, even at the expense of the new Basque government and local authorities. Under these circumstances, each level of the Basque government attempted to exercise command power over the other to achieve its goals. Under these intergovernmental disputes, initially there was no chance of building any stable regime in either Sheffield or Bilbao.

The structural economic decline linked to the globalisation of the economy, the conflictual intergovernmental relations in both cities and finally, as regime theory stands, the limited capacity of both City Councils to influence local politics were considered key factors in the development of new local governing arrangements. In the face of a changing global economic environment and within the context of increased centralisation of powers in Britain and of decentralisation of powers in Spain, the local governing arrangements involved in Sheffield and Bilbao have contributed to the promotion of urban change. In terms of the range of actors involved, the emergence of a symbolic regime in Sheffield was based on the co-operation between the Sheffield Council, central government agencies and the local business interests, through a network of different formal and informal public-private partnerships.

In turn, in Bilbao Metropoli 30, coalition politics has prevailed with coalition members working together on specific projects, but failing to exercise pre-emptive power over the city's governing agenda. However, a fragmented coalition of interests incorporating the three levels of Basque institutions and the Spanish central government, rather than the local business interests, co-operated with the formation of Ria 2000 to drive the regeneration of Bilbao. Under the influence of both global and local forces, it can be claimed that the Sheffield scenario fits very closely with what Stoker and Mossberger described as a

symbolic regime and particularly, an urban revitalization regime, while the Bilbao case shows symptoms of dynamics and seems to move from the failure to establish a symbolic regime around Metropoli 30 to the transition to a new instrumental regime and particularly, urban development regime in Ria 2000.

The symbolic regime in Sheffield incorporated as many local groups as possible to influence them to subscribe to the new image of the city while the regime transition in Bilbao moved from the inclusive orientation of Metropoli 30 to the exclusive orientation of Ria 2000. Thus, there is a significant degree of congruence within the symbolic regime of Sheffield. Unlike Bilbao, if we consider the 'motivation to participate', it is clear that non-material factors were more important in establishing cooperation between the Sheffield's public and private sectors. The coalition is diffuse in Sheffield with a large number of governing coalition members working 'independently' through the co-ordinating mechanism of initially SERC and later on, of the Liaison Group. In Bilbao, the coalition arrangements were initially focused on the activities of Metropoli 30 until the emergence of Ria 2000 which is currently acting as the dominant umbrella coalition in the city rather than the Bilbao Council itself.

In turn, despite the expected dominant role of business interests in setting local development agendas as in US cities, the example of Sheffield demonstrates that the Sheffield Council still exhibits a larger capacity in the mediation of local interests. It is also clear that local government (both elected Labour politicians and local government officials) has initially led the regime and its core symbolic strategy, but it has subsequently been influenced by local community organisations, more specifically, representatives of the two Universities who were set to benefit considerably from the proposal to build on the original initiative to develop a bid for the attraction of the proposed British Academy of Sport. Nevertheless, Sheffield Council is clearly the most important actor in urban politics, because of its democratic legitimacy, for being the largest employer in the city and for its superior financial position to US counterparts.

In a decentralised political system, Bilbao Council's leadership was (and still is) clearly undermined by its economic dependence upon Central Government and the other levels of Basque institutions. Unlike the case of Sheffield, Bilbao Council has a limited influence in local politics. As evidenced in the research, the formation of Metropoli 30 and some symbolic projects, such as the Guggenheim Museum, initially had been led by the Basque institutions and subsequently had been influenced by central government, specifically, Ria 2000 which is expected to promote changes in urban politics. In particular, the formal political arrangements between the PNV and the political party in power at national level



(either with the Socialist Party or with the Conservative Party) have facilitated the regime formation and stability around Ria 2000.

As regime theory stands, the formal authority of local democratic institutions standing alone is inadequate for carrying out governing decisions in contemporary urban politics. Local governments have been required to be more involved in local economic politics as well as to develop informal arrangements with private interests to enhance their governing capacity. To explain the nature of contemporary political power, regime theory departs from the community power 'social control' model of the post-war period to the new notion on power, namely the 'social production' model, which Stone refers to as "power to, not power over" (Stone, 1989, 1993; Stoker, 1995; Judge, 1995). The social production model of urban politics is more concerned with how a broad range of institutional and non-institutional actors cooperate to provide a capacity to act which is currently exemplified through the concept of urban regimes. According to Stone and Stoker, the comparison of economic politics in Sheffield and Bilbao offers the opportunity to address which forms of political power structure have been used throughout the 1980s and 1990s. In the case of Sheffield, a mixture of systemic power (the lack of access to resources of influence on the parts of the opponents), command power (through the use of the party disciplinary machinery), and coalition and pre-emptive power (used in the formation of different partnership arrangements) was employed in the formation, stability and adaptability of a symbolic regime in Sheffield. In the case of Bilbao, a mixture of systemic power, command power (exemplified by the influence of PNV political party to force the resignations of the former lehendakari of the Basque Country as well as of Mayor Gorordo), coalition power (used in the formation of Metropoli 30) and finally, pre-emptive power (used in the formation of Ria 2000) was employed in the formation of an embryonic symbolic regime and its further transition to an instrumental regime.

The regimes presented in Bilbao and Sheffield have adopted particular models of the city strategy which have ignored the interests of certain sections of the population and reinforced the notion of a two tier city, with benefits for non-local or professional locals. In particular, the small number of jobs created in both cities was not correlated to the high level of public investment. In Sheffield by 1991, just 22.7 percent of employees worked in manufacturing while consumer services as a whole employed 71.3 percent (the four largest employers are Sheffield Council, Royal Hallamshire Hospital, Sheffield University, and Northern General Hospital). In Bilbao, despite the fact of the growth of service activities, total current employment remained below 1975 levels and unemployment rates. Going further, the use of substantial public resources to induce new economic activity has been substantially criticised because of the negative distributive effects in Bilbao and Sheffield for local residents. In this way, the subsidising of the Guggenheim Museum in Bilbao, like the World Student Games in

Sheffield, has resulted in the postponement or decrease of investment in other local services such as housing, employment, local arts groups and sport clubs. Similar criticism can be directed at how the Guggenheim Museum has negatively affected the economic budget of the other levels of Basque government.

Even though some improvements have been made in the local economy; the whole strategy of Bilbao is highly risky due to the fact that the funding of local social, cultural, and physical development is dependent upon the revenues generated from high profile projects. In particular, one emblematic project, the Guggenheim Museum, cannot itself change the image of Bilbao particularly when *the negative impact of terrorism can undermine any resulting improvement in terms of image*. As regime theory recognises, there is a growing significance of 'place' in business investment decisions, and Bilbao's appeal to transnational companies is limited because of its political environment. The main reaction in Bilbao seems to be scepticism about the regeneration process, with respondents feeling that the city and regional governments have taken a gamble, especially since they are footing the bill without any substantial central government funding or private investment.

After examining the political-economic context provided by the Bilbao and Sheffield cases, it could be said that the nature and scope of urban regimes described in both cities do not follow exactly all the salient conditions identified in the Stoker and Mossberger's typology. Although one of the original purposes of this model was to provide a framework for comparative urban political analysis, this approach permits a focus on two of the principal criticisms of regime analysis –namely ethnocentrism and voluntarism. In terms of ethnocentrism, the account of the kind of regimes found in Sheffield and Bilbao is found less readily in American cities. In particular, the account of the regimes presented in both cities is intended to illustrate how particular configurations of local political and economic organisation in both contexts, though significantly different from those that may be anticipated in North American cities, can be accommodated within the regime analysis. Thus the charge of ethnocentrism is only sustained if the notion of partnership implied in regime analysis is not sufficiently flexible to accommodate public-sector community organisation-led groupings because the business participation in both cities has predominantly served to legitimate and to lend ideological support rather than contributing economically towards regeneration strategies.

In relation to voluntarism, this was addressed by taking account of the contextual limitations of local action in both cities. Some of the major factors affecting changes in both city-governing realignments were affected by a wider context. In fact, one cannot explain the emergence of a symbolic regime in Sheffield and a development regime in Bilbao without understanding wider structural contexts. Nevertheless, local actors' behaviour is more

constrained in Bilbao than in Sheffield. As such, Sheffield opted for developing a new identity through sport, and this was the product of local interests and local coalition building. In turn, in Bilbao the decision to develop a new identity through culture was the product of the Bizkaia County Council rather than local actors or local coalition building. After all, the major shortcoming of regime approach may therefore be said to be its failure to conceptualise, and to provide advocacy for, those on whom power over is being exercised.

This cross-national research suggests that the Stoker and Mossberger's typology rather than Stone's approach represents a more valuable instrument for conceptualising, explaining and characterising policy changes found in Western European cities. In particular, Stone's urban regime theory, according to DiGaetano (1997), fails to explain changes in the local governing arrangements. Unlike the stability and adaptability of the regime portrayed in Atlanta, Stone's approach can not be applied to explain the kind of changes in urban power structure produced in Sheffield (with the reconfiguration of the symbolic regime) and in Bilbao (with the transition from a symbolic to an instrumental regime).

Finally, despite research interest in sports development projects has tended to be dominated by economic impact studies, this thesis attempts to go beyond a narrow economic approach to expand the relatively scarce number of studies which has specifically identified the role of sport and leisure in regime or coalition construction and the role of regimes and/or coalitions in the development of sports strategies. In this way, sport and sports policy, because of its symbolic potential, seem set to play a significant role in post-modern construction of political consensus and support, and therefore seems likely to play an increasingly significant part in the activities of urban regimes in deindustrialising contexts.

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**APPENDIX I**

**SAMPLES OF INTERVIEWS ARRANGEMENTS IN THE  
TWO CASE STUDY CITIES**



## Loughborough University

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13 de Diciembre, 1995

Estimado/a Sr/Sra:

El Departamento de Physical Education, Sports Science y Recreation Management de la Universidad de Loughborough (Reino Unido) esta actualmente realizando un proyecto de investigacion centrado en el analisis del proceso de Regeneracion Urbana y sus implicaciones para el deporte.

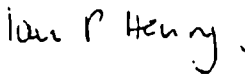
Para llevar a cabo este proyecto, dos ciudades han sido elegidas: Bilbao en España y Sheffield en el Reino Unido. Ambas ciudades se caracterizan por haber sufrido similares procesos de des-industrializacion y por el hecho de diseñar diferentes iniciativas para paliar dichos efectos. A lo anterior y como aspecto innovador, se añade que este proyecto es pionero en el estudio comparativo entre dos ciudades representativas del Reino Unido y de España. Debido a esto, es por lo que como diseñador y responsable del proyecto junto con el Dr. Ian P. Henry, hemos considerado que seria de gran utilidad conocer su opinion sobre los aspectos anteriormente mencionados concernientes a su ciudad. Los resultados obtenidos del proyecto le seran facilitados posteriormente.

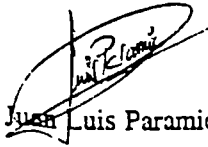
Mi intencion es desplazarme a Bilbao el día 18 de Diciembre y prolongar la estancia hasta el día 17 de Febrero. Durante este periodo, desearia ponerme en contacto con usted personalmente para conocer su disponibilidad y fijar una fecha para una entrevista.

Mi direccion en España durante este periodo sera:

Juan Luis Paramio Salcines  
C/ Egido de la Fuente, 1 4.A  
28320 Pinto (Madrid)  
Telefono: 691-11-52

Dandole las gracias por anticipado se despiden atentamente

  
Dr. Ian P. Henry

  
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13th May 1996

Dear

I am a member of the Recreation Management Research Group under the supervision of Dr. Ian Henry.

The Research Group is currently undertaking a comparative study between Great Britain and Spain. More specifically, the area of interest is an analysis of the process of urban regeneration within the two cities of Sheffield (U.K.) and Bilbao (Spain), and the implications of sports policy within the strategies adopted. We are keen to elicit your views on the practical programmes implemented, so that we can place these within the theoretical framework developed for this research.

I am conscious of imposing on your time, and I anticipate the the interview will not take more than forty-five minutes. I will be more than happy to provide you with a precis of the analysis and summary of the final report.

I will telephone you ascertain whether you are interested in helping further with this research and if necessary to organise convenient time and place to meet.

I look forward to speaking with you soon.

Yours sincerely

Juan L. Paramio

Dr. Ian Henry