

Culture & Economic Performance



What strategies for  
sustainable employment and urban  
development planning ?

**Case study : Bilbao**

## Analysis of the development initiatives based on the culture of the city of Bilbao

Summary of the project for the urban regeneration of Bilbao	
Origin of the project	<ul style="list-style-type: none"> <li>▶ The city is no longer influential as far as its industry is concerned so the objective is to <b>build a new showcase</b> to share in Bilbao's power of attraction. To this end purpose has relied on architecture and, more broadly, on the synergies achieved between town planning and culture.</li> </ul>
Population	<ul style="list-style-type: none"> <li>▶ <b>950,000 inhabitants</b> in the Bilbao conglomeration (78% in the province of Biscay and 43% in the Basque Autonomous Community), 370,000 inhabitants excluding the outskirts</li> </ul>
Area	<ul style="list-style-type: none"> <li>▶ <b>41 km<sup>2</sup> excluding the outskirts</b></li> </ul>
Area covered by the city	<ul style="list-style-type: none"> <li>▶ Bilbao is the capital of a metropolitan area extending along the River Nervion. The urban expansion of the city is limited by mountains on each side of the bank: Pagasarri (to the south) and Artxanda (to the north).</li> </ul>
Context and history	<ul style="list-style-type: none"> <li>▶ <b>Financial, commercial, port and industrial area</b>, and land of immigration within the national area up to the 1980s</li> <li>▶ 1980s: <b>crisis of traditional heavy industries</b> which had a severe effect on the city, yet this occurred later than it did in France or Great Britain. The weak diversity in industrial activities (ship building, metallurgy, iron and steel industry) deepened the crisis.</li> <li>▶ <b>Double impact</b> of the closure of the heavy and manufacturing industries: <ul style="list-style-type: none"> <li>▪ <b>socio-economic</b> impact with unemployment rates of up to 25% of the working population (40-45% for young people)</li> <li>▪ <b>urban</b> impact with extensive industrial wasteland, particularly along the Ria</li> </ul> </li> </ul>
Development stakes based on culture	<ul style="list-style-type: none"> <li>▶ <b>Aim:</b> to transform industrial Bilbao into a city of culture and services, by calling upon prestigious architects worldwide.</li> <li>▶ Unlike other cities, Bilbao wants to achieve this aim without organising any major event but by <b>transforming its territory</b> no longer used for industrial purposes.</li> <li>▶ <b>Two major levers:</b> <ul style="list-style-type: none"> <li>▪ Economic redeployment</li> <li>▪ Improvement in the surroundings, greatly affected by pollution and industrial activities present everywhere</li> </ul> </li> </ul>
Summary of the strategy	<ul style="list-style-type: none"> <li>▶ <b>Vast programme based on three aspects</b> consolidating numerous initiatives (<b>total cost \$1500 million</b>): <ol style="list-style-type: none"> <li>1) Modernisation of the <b>infrastructures</b></li> <li>2) <b>Development</b> of pilot sectors</li> <li>3) Proliferation of the number of <b>architectural projects</b></li> </ol> </li> <li>▶ <b>Planning in several stages over time:</b> <ul style="list-style-type: none"> <li>▪ 1987: first initiative of the city of Bilbao: "<i>General urban organisation plan</i>"</li> <li>▪ 1989: strategic plan (conglomeration)</li> <li>▪ 1991: creation of Bilbao Metropoli 30 (consolidation of the 30 municipalities in the metropolis)</li> <li>▪ 1992: creation de Bilbao Ria 2000 (urban contracting authority appointed) to draw up a "strategic revitalisation plan", the urban regeneration project</li> <li>▪ 1994: territory plan for the metropolitan area of Bilbao, resulting from the cooperation between the Basque government and the Province of Biscay (Diputacion)</li> <li>▪ 2002: new document entitled "General Development Plan 2010"</li> </ul> </li> </ul>

	<p>▶ <b>Institutional process to unify the contracting authority</b> established by the public authorities since 1989. This was required due to the importance of the project and the many diverse projects undertaken and the players involved.</p>
Major players	<p>▶ <b>A very specific plan with an urban public contracting authority composed of:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Public authorities:</b> European Union, Spanish Government, Basque Government, Provincial Authorities and the Municipality of Bilbao</li> <li>▪ <b>Specific players</b> in the town planning project: Bilbao Metropoli 30 and Bilbao Ria 2000</li> <li>▪ <b>Private players:</b> firms, foundations and associations</li> </ul>

Conditions of implementation: a huge programme launched in 1980 with a specified timetable, characterised by three major strategic pillars:

- ▶ The urban project for Bilbao extends to the entire city, with **coordinated measures in different fields and functions** such as economic, cultural and leisure, residential, communications, environment and landscape and public spaces.
- ▶ This urban project will be executed according to **different procedures**: demolition, rehabilitation or redevelopment, a display of the history of the city (e.g. a shipyard crane is presented as a work of art), treatment of a specific public space (in particular cultural works placed in numerous places in the city).



- ▶ **Two basic main actions** formed the origin of all subsequent operations: in the 1980s, **measures taken to clean up the river** (to reduce urban pollution and the risk to health) and, in the 1990s, a major programme for the **elimination of industrial wasteland**.
- ▶ These initiatives had an impetus on the rest of the operations: the urban revival of Bilbao was based on a **complete regeneration of all the**

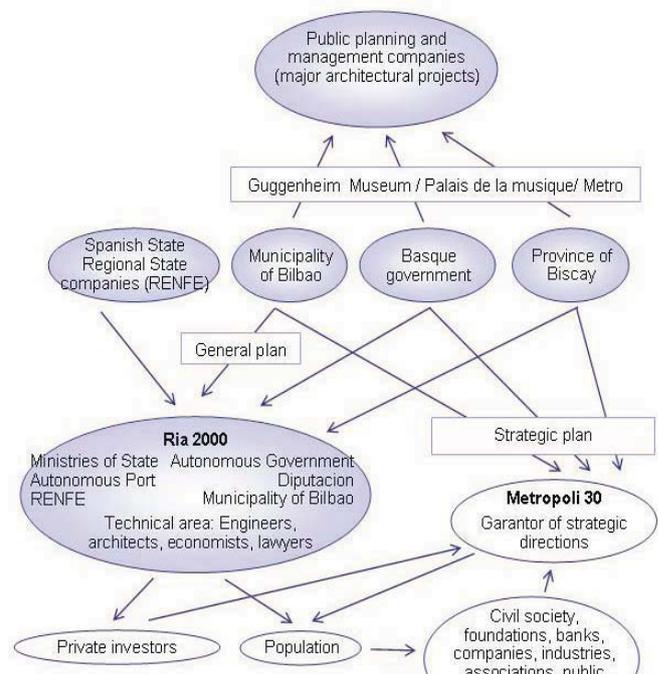
**infrastructures**, which has extended since 1990.

- ▶ The various plans presented in the planning of the project **define the guidelines of the urban project** and its initial execution. The strategic plan presents the central district of *Abandoibarra* as an area for regeneration (viability of the land, accessibility, quality of the environment). The territorial plan defines the level of infrastructures required, the classification of the public spaces and the principles of development in the urban continuity of the metropolis. Finally, the general plan indicates that a defined sector must have two amenities and a mixed area with offices and accommodation.
- ▶ This planning is organised carefully around the contracting authorities of the urban public works projects and provides a **single and efficient means of control**.
- ▶ **Three major points of feedback** provide an illustration of the strategic pillars of the project:
  - 1) A **global modernisation plan** for the city: cleaning of façades, renovation of the port, drainage projects to convert the Nervion into a pleasure craft area, and clean-up of the Ria
  - 2) The “Abandoibarra”: the development of a “**contemporary art water front**” with all **major amenities**, including the Guggenheim Museum, a flagship operation
  - 3) A major site for the **development of transportation and communications**: airport, metro, tramway, bridges, 18-year motorway construction project

## A wide variety of players and a specific initiative: implementation of an urban public contracting authority governed by the public authority

The Bilbao project is characterised by the **complexity and sophistication of the decision-making body**. **Five levels of participation by public authorities** are involved - from Europe to the municipal council. In the case of Bilbao, the State offers some of the financial but particularly the land resources necessary, as well as its legitimacy as arbiter. It negotiates with the strong, structured local authorities with well-established cultural identity.

- ▶ An urban project of the extent of the Bilbao one could not be introduced without the **very strong motivation of the public authorities**, but also **cross-sectional investments**. This motivation has a specific configuration: the central State has played a secondary role (managing the real estate without any financial contribution, which requires a profitable regeneration measure), whilst the local authorities have generated a collective dynamic, with heavy financial investment, assisted by measures taken by private participants.
- ▶ Two **original structures** depict the players involved in this urban project:
  - **Bilbao Metropoli 30**: an association comprising the 30 municipalities of the metropolis, responsible for executing the planning projects, studies and promotion of the project. Communication is extremely important to the success of the project.
  - **Ria 2000**: the body responsible for linking the projects together and for coordination between the various players. Ria 2000 restores areas that have deteriorated and industrial wasteland and, based on the strategic plan, organises regeneration measures by motivating private investors to conduct operations. Ria 2000 is composed of all the administrations involved in the strategic plan, namely the municipalities of Bilbao and Barakaldo, the Biscay Deputation and the Basque Autonomous Community, plus representatives of the State and their public administrations or establishments (the railways and independent port).
- ▶ The complexity described for contracting authority is also reflected in the expertise used during the course of the urban project: firstly, the **socio-economic and strategic experts** draw up the methods of development, then **urban planning** is carried out by multidisciplinary teams. Further expertise is required to **put the urban project together** (symbolic architectural projects, changes in public spaces, adaptation of regulations, socio-economic and spatial objectives) and for the **functions involved** (to organise and structure, plan, implement, communicate and evaluate). The specialists, who sometimes work in several fields, are grouped into **small units**, set up especially around the projects with a small working group, simplified hierarchical management lines and a **strong project culture**.



<b>Strategic plan</b>	Basque Government; Province of Biscay; Métropoli 30
<b>Regional plan</b>	Basque Government; Province of Biscay
<b>General plan</b>	Bilbao Council. Final approval by the Province of Biscay and the Basque Government.
<b>Guggenheim Museum</b>	Province of Biscay. Basque Government (50%); Province of Biscay (50%); Bilbao Council (supplies and prepares the land initially belonging to the State)
<b>Palais de la musique</b>	Province of Biscay; Basque Government; Bilbao Council (supplies and prepares the land initially belonging to the State)
<b>Business centre</b>	Bilbao Council (organises a competition to define the development of the area of Abandoibarra); Ria 2000.
<b>Metro</b>	Basque Government (50%); Province of Biscay (50%); Council (shares in the operating deficit whilst initially it had to finance 25% of the cost)
<b>Relocation of the port</b>	State / Port; Ria 2000. Recovery of land by the city for the projects
<b>Restructuring of the railways</b>	State / RENFE; Ria 2000
<b>New bridge</b>	Province of Biscay
<b>Airport extension</b>	State

*Details of project financing and initiatives*

**Very substantial financial investment, a desire for fast profitability: a major project/event, the Guggenheim Museum**

This project is characterised by a **very substantial financial investment**. One of its main characteristics is also its **longevity**, punctuated by **more or less connected planning** processes (general plan and partial plans, strategic plan and regional plan) and **events**, provided for in any of the plans or responsible for providing substance for the urban project.

- ▶ **Cross-investment schemes** are introduced to achieve this objective: an operation generating profits (such as operating the shopping centre) should allow very expensive operations to be carried out (such as the restoration of housing).
- ▶ **Very substantial investment in the Guggenheim Museum**: cost of €132 million in 1997, divided into three sections: the construction on the land provided by the council (€84m), purchases of works of art (€36m) and the contribution to the foundation to become a member (€2m paid by the Basque government and the provincial government).
- ▶ Culture is becoming a **future economic investment** and not an expense, a principle that is difficult for public opinion to accept.

**Description of this initiative's effects:** During the first month, 100,000 people visited the Guggenheim Museum, and **1.36 million in the first year**. After eight months, 700,000 admissions had been recorded (whilst the most optimistic forecasts had estimated 400,000 admissions in the first 12 months), one-quarter of whom were foreigners.

The direct expenses generated by these visitors over the first two years amounted to **€433m, corresponding to an increase of €337m in GDP**. This increase in wealth has generated additional revenues for the Basque treasury of €63m in VAT, in corporation tax and in individual income tax.

The increase in GDP for the first year (€144m) proves that the Basque society has recovered the **entire investment made in one year**.

## A global modernisation plan: a major impact on the employment and city profile

This global modernisation project has two aims: **to reduce the footprint left by industry**, for the benefit of the surrounding area, and **to reposition Ria as a major city route**. All these operations essentially concern the rehabilitation of accommodation, development of the quays and, more generally, numerous actions in public spaces.

- ▶ The industrial footprint has been reduced through different coordinated initiatives: burying the railway lines, increasing space for pedestrians and the redeployment or even elimination of the industrial wastelands.
- ▶ The major intervention concerning the clean-up of the Ria (which suffered from industrial processes and waste from heavy industry for decades) and the development of its banks have made this area, which had previously divided the city, into a place of cohesion. Numerous bridges accentuate this idea.
- ▶ Very marked intervention has taken place in **Bilbao la Vieja**, a district which until then had been left to deteriorate and was cut off from the rest of the city by many railway lines.
- ▶ Finally, the last type of major and less visible intervention concerns operations which are solely economic, in particular the **Zamudio technological park**, with its careful architectural design which houses 130 businesses and almost 6,000 jobs.

### Description of this initiative's effects:

- The employment profile in Bilbao has clearly improved in 20 years. The unemployment rate **now fluctuates around 10%**. Jobs are developing in **new sectors**, particularly in mechanical engineering, but above all in higher added value sectors (biotechnology, aeronautical engineering, telecommunications, etc.).

- With regard to the **national position** of the city based on wealth per inhabitant, Bilbao was ranked 1st in the 1970s, then 16<sup>th</sup> at the end of the 1980s; and has now returned to 3<sup>rd</sup> place since 2008.

- This new attraction and the promotion of the city are reflected directly in the **costs of new housing**, with Bilbao gradually catching up in relation to the administrative capital (Vitoria) and the tourist city of San Sebastian. Between 2000 and 2004, the price per m<sup>2</sup> rose by 62% (largest variation in the Basque country).

## The development of a “contemporary art water front” with a series of major amenities: the Guggenheim Museum as the new city symbol

As part of this project scope a **series of major amenities** which are located along the Ria and which are generally the work of well-known architects include the Guggenheim Museum, the Congress centre, the Sheraton luxury hotel, a Robert Stern shopping centre and a future high-prestige housing complex also accommodating the offices of the Deputacion (Pelli Tower). These flagship structures symbolise the **revival and international stature** of the city. This initiative is consolidated under the term “*Waterfront*” of contemporary art, whose unity is based on the scale of the buildings and a promenade reserved for pedestrians.

- ▶ On the *Abandoibarra* site, the pilot site of the Waterfront, a **business centre and prestigious cultural space** of 30 hectares have been built in the heart of the city centre, at an estimated cost of around €400k (60% borne by the public).
- ▶ This urban operation, the **showcase of the metropolis**, must also attract capital; by restoring the image of the site with **prestigious amenities** (the Guggenheim Museum), leisure and shopping areas (Ria 21) and a Congress and Music Centres, this objective has been achieved.
- ▶ A park of 12 hectares on the edge of the river and public spaces along the banks will follow. The overall urban project has reserved for private usage 80,000 m<sup>2</sup> of offices, a shopping centre of 27,000 m<sup>2</sup> for cultural products, housing and hotels.

▶ **Description of this initiative's effects:** the museum welcomes on average around **1 million visitors per year, 60% of whom are foreigners**. It has become the city symbol and a real showcase to the international world. Its characteristic silhouette has served as a backdrop for advertising spots, a scene for promoting new albums and its interior décor for video clips, whilst its atrium has been transformed into an apron for presenting the collections of major fashion designers.

## The development of transportation and communication lines: a global urban project

Requirements in terms of mobility are very high: more than two-thirds of trips made in the region start and end in Bilbao itself. Major works on transportation and on communication routes have been carried out as part of the regeneration project. These measures were taken to cope with the growth in mobility, a factor of the urban spread and the decentralisation of the activities of Bilbao over all the municipalities in the conglomeration.

- ▶ The **port** has been moved to the mouth, freeing up a central area. The highly stylised **airport** is the work of a great architect (Santiago Calatrava). The **metro** has been constructed in the form of many architectural places in the city: the access points designed by Norman Foster are known by the population as “fosteritos”. The **tramways** have provided an opportunity for “replanting” and organising the city. Several **bridges** over the Ria, including several pedestrian bridges, are also fine examples of architecture and symbolise the links between the two banks, and therefore the unity of the project. Finally, conversely, the **railway lines** have been re-routed underground or often diverted.

- ▶ When the metro came into operation, one of the Bilbao's main transport problems was the **saturation of the roads** causing high energy consumption and high rates of pollution (around 1,150,000 motor journeys in the metropolitan area per day, 43% of which involved public transport). The first metro line, inaugurated at the end of 1995, was financed by the Basque Government and by the Province of Biscay.
- ▶ In 2002, a **tramway** called the Euskotran came into operation (the whole line came into operation in 2003). Its aim was to carry 10,000 people per day since the line was first opened. This initiative is in itself an **urban project, with a budget of €20.5m**. Euskotran aims to regenerate those parts of the city left as wasteland at the time of the industrial crisis. For example, land on the banks of the Ría has been recovered by the company Bilbao Ría 2000 in order to transform it by integrating the tramway into a new vision of the city. This **role of the tramway associated with urban revival** is accentuated by the fact that the places it serves correspond to the major cultural amenities of the urban project of Bilbao. The tramway acts as a **showcase** and may be considered to be a **tourist "attraction" in itself**.
- ▶ An **unusual method of governance** has been introduced for the development of these projects, involving three major players: the Basque Government, the company Bilbao Ría 2000 and the Council of Bilbao. The aim of this operation is to **finance the less profitable projects with the added value gains made on the large profitable projects**.

**Description of this initiative's effects:** At the end of 1997, the number of tourists to the Basque country had increased by **32%**. Portuguese, Belgian and German airlines now benefit from the renovation of the airport and are increasing their flights to Bilbao. The 38-km **metro** network is used by around **78 million passengers per year**, and is the **third largest metro network in the country**, after Madrid and Barcelona. The **tramway** recorded an increase in the number of travellers of **4%** between 2005 and 2006.

### A change of image entrusted to the great names in architecture: an increase in the city's power of attraction

The amenities built in Bilbao to transform the city after the crisis are all based on the idea of the **"urban marketing"**: some great names in architecture are attached to it. The desire for the physical and functional transformation of Bilbao is thus accompanied by a change of image of the city. For that reason, Bilbao has had recourse to **great names in architecture** allowing the city to be associated with **great quality in urban design**.

- ▶ Among the provisions laid down in the planning documents, these **architectural projects have played a strategic role** in the urban revival of Bilbao. Reviving the city also meant reviving the image of the city both for the inhabitants of Bilbao and abroad. This challenge means that the urban design and architecture form one of the strong points of the urban revival project. The district of Abandoibarra, also known as the "Bilbao of the 21<sup>st</sup> century", is in this sense one of the key areas of the regeneration process. Its central location and the fact that much of its land belongs to the public authorities explain the importance of this project. The Guggenheim Museum, the Music and Congress Hall and the tramway are evidence of essential transformations.

**Description of this initiative's effects:** **City migration** has become positive again, after a long period of marked decline; Bilbao has become **attractive** again (in the 1980s, the total population fell by almost 100,000 inhabitants).

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## Sources

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