

AVILÉS, FROM DECLINE TO RESURGENCE: THE STARTING POINT FOR A NEW DEVELOPMENT MODEL?¹

Simón Sánchez Moral

Departamento de Análisis Geográfico Regional y Geografía Física, Universidad Complutense de Madrid
simon.sanchez@ghis.ucm.es

Ricardo Méndez

Consejo Superior de Investigaciones Científicas
ricardo.mendez@cchs.csic.es

José Prada Trigo

Consejo Superior de Investigaciones Científicas
pradatrig@gmail.com

Within the different urban development trajectories in recent years known generically as cities in decline (with ongoing population loss as just an initial indicator of the phenomenon), those in Spain correspond mainly to mining and industrial cities specializing in natural resources and labour-intensive sectors on the Atlantic Arc, which went through the Fordist crisis over thirty years ago. The impact in economic and employment terms and the social and environmental implications led to a decline from which only some cities seem to have recovered, while others are still suffering from apathy and low expectations.

In this context, the city of Avilés in Asturias is selected here as a case study within the project «*Cities Re-growing Smaller – Fostering Knowledge on Regeneration Strategies in Shrinking Cities across Europe*», funded by the European Commission through the 2009-2013 COST Program (TU0803). Avilés is a medium-sized city (population 84,242 rising to 124,100 in the urban catchment area), on the coast of Asturias, the region of Spain which has been most affected by this process of decline. The crisis of its iron and steel cluster, set up in the mid-20th century and dominated by the large public company Ensidesa, and its later restructuring, generated significant job losses, a declining demographic trend and important social tensions. The traditional dependence on external decisions, the lack of enterprise initiatives and an exhausted growth model imposed for decades, also reduced future perspectives and produced a notable pessimism in the local society, as intangible

1 Simón Sánchez Moral is researcher of the National programme «Ramón y Cajal». Spanish Ministry of Science and Innovation.

but significant features of the urban decline process. A new city project was not defined until the 1990s, promoted by central and regional government policies and the European Commission and, above all, by a series of innovative initiatives proposed by public and private local stakeholders, devising new forms of governance intended to strengthen strategic local development capacities.

The aim of this article is to describe the transition of Avilés from decline to what could be considered as resurgence. To do this, first some arguments included in the concept of the *shrinking city* are reconsidered, such as the Fordist production crisis in recent decades, the information and communication technology revolution and a whole set of political, organizational, social and labour-related changes linked to globalization, which question the future of some older industrialized European regions and cities. Beyond the structural processes triggering the decline, nowadays special attention is often paid to the endogenous constraints in the form of specific inherited structures which may be economic, institutional or social and labour-related, which limit the capacity to adapt. Among the cities which in recent years have faced abrupt decline processes some have nevertheless been able to reverse this trend. This resurgence is an increasingly common topic of current research into urban development, at least from three complementary viewpoints focusing on relationships, innovative environments and urban resilience. These share the idea that existing local factors can be used to explain the most successful resurgence processes: the decisive efforts of different urban stakeholders to take full advantage of their specific resources built up over time; the capacity of companies to set up formal or informal cooperation networks; an existing institutional framework and social networks for multi-scale cooperation; and finally the external integration and projection of the city through networks of different types.

To carry out this research an extensive statistical database was compiled using different sources, with many planning documents, recently published studies and news sourced from local and regional press. But the main information source, allowing an interpretation of the key processes analysed, was the work carried out in-situ in Avilés and semi-structured interviews with 17 local stakeholders, representing different social sectors and local institutions.

The decline and (selective) recovery of Avilés can be described and analysed through socio-demographic indicators. When the Spanish government decided to install an integrated iron and steel works in the city in the early 1950s, the population was just over 21,000. In the five years previous to the inauguration of the Ensidesa plant it had already risen to 34,251. The city became one of the most important centres for mass immigration in Spain until the early 1970s, when the influx seems to have finally stopped, and by 1975 the population had soared to 85,299. As already mentioned, this explosive population growth led to an enormous demographic, social and cultural upheaval.

Then the industrial crisis occurred, leading to urban decline which gradually spread beyond the purely industrial environment, with a complex combination of factors with feedback effects on economic, social, territorial and environmental areas. The loss of competitiveness, divestment, company repositioning and closures led to job losses (6,714 industrial jobs in the 1990s) and increased unemployment (with an unemployment rate around 18% at the time), which increased the trend towards the decline and progressive aging of the population. In spatial terms, the dismantling of the industrial-port complex in the

Avilés estuary was evident, with its obsolescent productive infrastructure and proliferation of abandoned and dilapidated industrial buildings. All of this, added to the effects of unplanned industrial and urban growth in the past, produced a marked environmental deterioration.

After twenty years of slight population losses of around 4% or 3,400 inhabitants in the period 1981-2001, in recent years the city has recovered to some extent, reflecting a migratory balance which amply compensates for negative natural growth, with an 1.3% increase over the period 2001-2009. Although this growth rate is lower than that recorded in Oviedo and Gijón, with their greater functional diversity, it means a reversal of the recent trend and indicates other more substantial transformations which have taken place over the last ten years.

First, after a sharp fall in the volume of activity and employment resulting from the restructuring of the iron and steel cluster, the number of firms and employment figures also show positive net growth from the beginning of the decade until the start of the economic crisis in 2007. In spite of this, and although again showing less growth than the two major cities of the region, Avilés significantly increased its volume of employment in 2000-2006, although the losses incurred over the three following years cancelled out this improvement, resulting in a weaker trend than Gijón and Oviedo. The unemployment figures follow this same trend.

On a more positive note, the former Fordist industrial city has diversified its economy, but without turning its back on an industry which still continues to generate almost a quarter of local employment. However, Avilés continues to suffer from some inherited comparative disadvantages which limit its capacity to turn itself into a city with a knowledge-based economy, which still only employs one in eight workers, a much lower ratio than in Gijón and Oviedo. Similar conclusions can be drawn about stock of human capital or the presence of the 'creative classes'.

Nevertheless, the existence of an industrial base which, at least in part, has undergone an intense process of innovation has also produced positive results, in many cases greater than in other cities; an example here is its success in obtaining grants for industrial and technological development from the *Centro para el Desarrollo Tecnológico Industrial* (CDTI) or the number of patents registered per thousand. A final factor of the revitalization process is shown in the trend in average house prices over the last ten years. Although Avilés still showed lower land prices in 2010, the increase recorded since 2000 is much higher than in Gijón and Oviedo, with a slowdown in falling prices observed recently, which seems to confirm its improved rating as a place to live.

As suggested in the theoretical framework outlined above, the process of economic resurgence and urban regeneration is affected by many different processes. The focus here is on the building of a new institutional *milieu* and the leading roles played by some agents and stakeholders with widely varying characteristics and interests, who have become involved in local development in different ways.

External agents continue to play an important role in the city's development. Avilés has benefited significantly from approx. 400 million euros of European funding (FEDER), and from its participation in various Actions or Programmes including *Urban*, *Equal*, *Interreg* and *IFOP*. The different industrial policies applied by Spain's central government since the 1981 restructuring plan have had a direct impact on strategic sectors of the city, while public

companies including the Port Authority, SEPI-Infainvest or RENFE have been important in the port extension, the promotion of the new Asturias Business Park (PEPA) on the site of the former steel works, or the current projects for changing rail access, of particular importance for the urban transformation already underway. The regional government of Asturias forms part of networks funding some of the recent flagship projects including the Niemeyer International Cultural Centre and the *Isla de la Innovación*. Finally, the decision taken by the large multinationals (*Arcelor Mittal*, *Asturiana de Zinc-Xstrata*, *Saint-Gobain*, *Alcoa* and *Du Pont*) to maintain and modernize their factories, without carrying out further relocation for the moment, continues to be essential for the future of the city, both because of the direct employment generated and also its spillover effect on the supply industry; these companies also have a significant impact by anchoring people to the city which justifies the development of specific urban facilities and services.

However, the most important change during this time has been the reinforcement of a group of political, economic, social and knowledge or culture-related stakeholders whose decisions respond primarily to key local issues. Although some of these agents, such as local government, the Chamber of Commerce or trade unions were already well established, their functions were only extended to include development projects in the last ten years. They now coincide with more recently created stakeholders who have appeared on the scene in response to the decline, such as business associations, business centres, tourism association, the technological centre and Foundations. The Avilés City Council has acquired considerable prominence in these processes, both generating numerous innovative initiatives and acting as a catalyst for development. From now on, development will lead to more participative governance, based on mobilization and investment in social capital, embodied in multiple local formal and informal networks, complementing those which link the city externally.

Recent revitalization actions can be grouped depending on whether their aim is to: promote the economy and employment, for a competitive city; promote innovation and culture, for an intelligent city; improve living and environmental quality, for a more liveable city; or strengthen local systems, for a city with a project.

In the first case, great efforts have been made to improve the competitiveness of the city which was seriously damaged in the decline phase. One of the flagship initiatives was the promotion of the Asturias Business Park (PEPA) in 1992, planned on a 2 million m² site, reclaimed after the dismantling of the Ensidesa steelworks. The overall improvement of internal and external access and communication and the port extension are also important aspects to note.

Within the dimension of the intelligent city, work is underway to encourage a 'culture of enterprise', particularly by facilitating new business start-ups with a first point of contact for advice on the process for Asturias as a whole, a business incubator in *La Curtidora* and micro-credits. In a cultural context, the most outstanding project of all is the flagship Oscar Niemeyer International Cultural Centre, located on the *Isla de la Innovación*, and the promotion of specific cultural infrastructure and facilities. The current city-marketing strategy for Avilés emphasizes this cultural dimension of the city.

Decisive work to restore the Avilés estuary began in 2003 as one of the actions designed to improve the quality of life and urban sustainability. The rehabilitation policy for the historic city centre, a significant feature of the activity of the Avilés City Council

since the 1990s, has been reinforced by more recent initiatives, such as pedestrian areas and improved management systems for access and parking. Alongside this, important efforts have been made to improve facilities, through a 'neighbourhood policy' responsible for remedying deficiencies, converting Avilés into a city with excellent public service provision.

The article concludes with a review of policies aimed at strengthening local systems to create a 'city with a project'. It should be emphasized here that although Avilés does not have a formal body to liaise between the local government and social agents, this is what inspires the '*Avilés Avanza*' agreement to promote progress, within a framework agreement for competitiveness, employment and welfare (*Acuerdo para la Competitividad, el Empleo y el Bienestar en Asturias* (2008-2011)). On the other hand, this new institutional architecture is the basis of the main actions taken to boost the resurgence of the city. Some problems which have appeared are identified at the end of this article.

The approval of the new urban planning proposals, the *Plan General de Ordenación Urbana de Avilés (PGOU)*, is the best example of the planning efforts made. The new plan is evidence of how the thesis of reindustrialization as the only route to development seems to be definitively outdated. In fact, the lack of a shared vision of the future of Avilés, interpreted as the search for an alternative city-based development model rather than one based on the steel industry which had dominated the recent past of the city and its catchment area, affected the previous Plan which had been in place since 1986. The new PGOU, finally approved in August 2007, is evidence of the change of focus and new discourse of the local authorities, with the new socio-economic development base including or at least reinforcing dimensions such as business, tourism, innovation and culture within the 'Avilés model'.

The new projects which will have the greatest impact on the city are the *Área de Planeamiento Remitido* or 'new centrality'. This has three different areas; the railway station (62,200 m²), the site of the former Ensidesa, between the PEPA and the estuary, where the *Isla de la innovación* (200.370 m²) will be developed and the *Divina Pastora* district (309.478 m²), with a total area of over 57 hectares where development requires the participation of different authorities. The projects include: eliminating the existing barriers which separate the estuary from the city, especially the railway lines; transferring the parking area for heavy goods vehicles from the *Divina Pastora* area to a new Transport Centre near the PEPA; reorganizing the railway corridors and building new residential facilities in this run-down area, which is one of the most visible from the main city access routes. Accessibility on the right bank will also be enhanced, particularly the immediate surroundings of the Niemeyer Cultural Centre, the real hub of the whole area plan, as well as developing a large area for business and personal tertiary services on the right bank.

In the conclusions, it should be noted that although the development process is now underway with tangible results already visible in different areas, recovery from decline is a lengthy process and weak points have emerged, with challenges leading to some uncertainty with regard to the immediate future.

Within the economic diversification and the new urban image, there is some controversy over the continuing existence of installations such as the Arcelor Mittal coking batteries. Although these continue to be profitable, their visual and environmental impact, including

pollution and heavy traffic, seems incompatible with their proximity to the new city flagship projects of the Niemeyer International Cultural Centre or the future *Isla de la Innovación*. The old debate between those who opt for a post-industrial city centred on tourism, culture and services, and other groups and industries who consider industry as both part of the past and an essential support for the future, is also reflected in the projects related to the port.

Another challenge is how to integrate Avilés more fully into the knowledge society. The efforts already made to support technological innovation, improve training levels and to place culture at the centre of the current dynamic structure are indisputable. But the legacy from the recent past is taking time to disappear.

The existing inter-city rivalry is another aspect to consider. The nearby cities of Oviedo and Gijón are larger and more dynamic, and this could be a factor reinforcing Avilés as part of a multi-nucleus urban conglomeration with a growing role specialization. But the other two cities clearly compete with Avilés because of their greater capacity to attract services, quality facilities or business headquarters, to dominate the residential market for the more highly qualified professionals or to offer a wider variety of hotel accommodation.

In this context, the two important challenges facing Avilés to ensure that it can cope with the new 2008 crisis are: to consolidate collaborative local and external stakeholder networks to ensure that most of the projects mentioned here go ahead and to achieve a better articulation of the city with its catchment area, for both land and developmental planning. However, recent news on the future of the Niemeyer International Cultural Centre shows that the urban renewal process is dynamic by definition, so that its capacity to adapt to change implies an ongoing challenge.