

BARCELONA: from the 1992 Olympic Games to the Universal Forum of Cultures 2004

For almost 20 years, the economic and urban development of Barcelona has been based to a large extent on organising major world events. Drawing on its experience from the 1992 Olympic Games, the city has embarked on a new concept event devoted to exchanges between peoples, the *Universal Forum of Cultures*, which will take place in 2004. Will it be another success?



Barcelona

Capital of the autonomous community of Catalonia, Barcelona (1.5 million inhabitants) is the leading industrial city of Spain. In 20 years it has risen to the rank of European metropolis, has been active in the economic and cultural spheres and has opened up to the world. Today it is trying to plan its development in the framework of its metropolitan area, which has 4.3 million inhabitants.

1. The 1992 Olympic Games transformed the city

CHARACTERISTICS

Worldwide multi-sports event, city bid submitted to an international organisation, the International Olympic Committee (IOC).

DATES

Summer 1992 (16 days)

PREPARATION

Initiative: 1983
Selection of the bid: 1986
End of building work: May 1992

INITIATIVE

Mayor of Barcelona, Pasqual Maragall.

MANAGEMENT

Event: National Olympic Committee
Infrastructures: *Barcelona Holding Olímpic SA* (HOLSA), Spanish limited company including the city of Barcelona, the autonomous community of Catalonia and the Spanish central government.

PARTNERS

The city of Barcelona, the autonomous community of Catalonia, the Spanish government, private companies

IMPLEMENTATION

3 construction firms controlled by the city: *Anillo Olímpico de Montjuic SA* (AOMSA), *Vila Olímpica SA* (VOSA) and *Institut Municipal de Promoció Urbanística* (IMPU)

TOTAL COST

Approx. US\$9,376m, of which organisation budget: US\$1,635 m (17%) and infrastructure budget: US\$8,012 m (83%).
City share: 18% of total.

INVESTMENT PROGRAMME

Olympic Stadium (renovation) and Sports Pavilion.
Complete motorway ring road (35 km) and other roads (35 km).
4,500 new housing units (2,500 in Barcelona Olympic Village).
Two telecommunications towers.
Airport extension, yacht harbour.
5,000 new hotel rooms.
110 hectares of parks and 5 km of new beaches.
Cultural facilities (museums, etc.).

CONTEXT

In the early 1980s, in a context of economic crisis (around 20% unemployment), Barcelona's first democratically elected local councils embarked on an ambitious programme of urban development. The city's aim was to catch up with other European metropolises. It was during this period (1986) that Spain entered the European Community.

GOALS AND STRATEGY

From the outset, Barcelona's strategy was to use the Olympic Games as a lever for town planning and economic development in the city in terms of:

- infrastructures: motorway ring road, sports facilities, cultural and tourist facilities,
- town-planning: renovation of run-down districts,



Barcelona Olympic Stadium.

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- employment: direct and induced jobs in building and services, during and after the event,
- image: to make the city known to the world, attracting investors and visitors.

One of the goals was to prove that the Catalan metropolis had the organisational capacity and the dynamism to compete with Madrid and other European metropolises as the capital of southern Europe.

Barcelona did not work on the principle of the Olympics as a money-spinner, but as a way to improve the quality of its infrastructures and encourage the private sector to take over from public investment.

STRONG POINTS

The huge impact of the Games on the development of the metropolis

The money spent on the Games, which totalled almost US\$10,000 m (the second biggest budget in the history of the Olympics after Tokyo 1964), corresponds to 1.8% of the GDP of Catalonia for 6 years. It was a “shot in the arm” for the city and the region from 1987 to 1992: the Games created between 30,000 and 60,000 jobs per year, according to analysts, and made the city economically more attractive. The multiplier effect of the Olympics on the Catalan economy is estimated at 3:1.

Since the Games, the hotel sector has expanded (5,000 new hotel rooms), tourism has increased enormously (2 million visitors in 1992, 3 million in 1997¹), and the city has become the leading Mediterranean port for pleasure cruises. Barcelona is firmly on the map today, with a strong image.

A remarkable urban strategy that has become an international reference

The urban strategy was to use the Olympic Games as an excuse to thoroughly refurbish the city. From 1979, the city council had launched a policy of reclassification of public places as a device for renewing districts. From 1986, it began a strategy of restructuring the city based on 320 projects and 5 new central areas; the Olympics provided the impetus (Barcelona 2000 Strategic Plan). By choosing 4 sites for the Olympics around the city, they were able to obtain funding for the much-needed ring road. By paying particular attention to architectural and town-planning quality, Barcelona has become an international reference.

A leading role played by the city council

Barcelona city council succeeded in keeping a leading role in all aspects of the project, so as to take maximum advantage of the event. The council only contributed 18% of the expenditure (the Catalan government 32%, the central government 41% and other public metropolitan authorities 9%), although 39% of the investments were within its territory (25% in the rest of the metropolitan region, 16% in the rest of Catalonia, 20% scattered). The multiplier effect for investments in the city between 1987 and 1992 is estimated at 14:1, public and private funding taken together.

An innovative public-private partnership

Public funds only financed 47% of investments in infrastructures, but the public sector administered 60% of investments, since a number of operations were carried out by the private sector, but controlled by the public sector: the 4,500 housing units of the Olympic villages (of which 4,100 had already been sold by 1995), hotels, offices and telecommunications network.

1. Number of tourists per year: 1991: 1,727,610; 1993: 2,455,249; 2000: 3,149,002.

The event itself was self-financing through sales of broadcasting rights, tickets and sponsors, primarily.

Mobilisation on a regional scale

Barcelona city council realised early on that it would be in a stronger position if it worked with other Catalan towns and cities. Thus the autonomous community of Catalonia, and especially other councils within the metropolitan area, hosted a number of Olympic events. Events were therefore held in other towns: Badalona, Banyoles, Granollers, L'Hospitalet, La Seu d'Urgell, Terrassa, Vic, etc.

DIFFICULTIES

The city debt

The Olympic Games left the city of Barcelona with a debt estimated at Ptas280 billion (\$2,898 m 1992), shared equally between the council and the central government. The city's investment capacity has been encumbered by about 20 to 23% until 2007. To finance its ambitious projects, it has had to seek funding from the private sector (attracted by the Games) and from other authorities' resources. The maintenance of all the facilities (stadiums, parks, promenades, escalators, etc.) is also a burden on council finances.

"Post-Games depression"

Like the rest of Spain, Barcelona went through a serious economic recession between 1992 and 1994 because of the overheating of the pre-Games period (1987-91). In the period 1993-99 it also suffered from a noticeable lack of investment from the central and autonomous governments: some projects (the airport and port extensions, the high-speed train line between Madrid and France) have been delayed.

Questionable choices, unforeseen effects

Road infrastructures made up 42% of the total investment. That choice was made to the detriment of public transport and encouraged the development of industrial estates on the outskirts of the city. The demand for office space before the Games was also overestimated. Over the last 10 years, the city has experienced high inflation in housing prices because it is so attractive: the departure of the working classes is perhaps one of the reasons why the population density of the city has fallen (Barcelona city has lost approximately 150,000 inhabitants over the last few years).

LESSONS

(Successful) events are very good for the development of big cities, but there is a risk of their becoming "festivalised". The economic attractiveness and marketing of cities can happen without events (cf. Bilbao).

To maximise the positive effects of the events, the following elements are needed:

- a clear urban strategy, formalised in some kind of strategic plan
- consensus between public players (authorities and institutions)
- synergy between the public and private sectors. Investment capacity declines once property operations or other sources of private funding are integrated into the city project, and
- quality metropolitan infrastructures (public transport, airport, environmental infrastructures, etc.) to receive visitors.