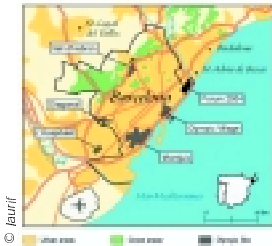


BARCELONA: from the 1992 Olympic Games to the Universal Forum of Cultures 2004

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 Olimpica 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 Olimpico de Montjuic SA (AOMSA)*, *Vila Olimpica 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.



Montjuïc esplanade prepared for the 1992 Olympic Games.

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2 The Universal Forum of Cultures 2004: a new concept event

CHARACTERISTICS

A new concept, local initiative cultural event, backed by an international organisation (UNESCO).

DATES

23 April to 24 September 2004 (5 months).

PREPARATION

First idea: October 1996.

Constitution of the Forum Council: 1998.

Approval of the definitive project: December 2000.

INITIATIVE

Mayor of Barcelona.

MANAGEMENT

Forum Universal de las Culturas – Barcelona 2004 public consortium, including the state (the Spanish government), the Generalitat de Catalunya (the Catalan government) and Barcelona city council (the municipal government) [copied from the 1992 Olympic Games].

PARTNERS

The United Nations Educational, Scientific and Cultural Organization (UNESCO) is the main non-funding partner; private sponsors.

ORGANISATION

The Universal Forum of Cultures Organising Committee (30 people have been working since 1997).

IMPLEMENTATION

Private limited company, *Forum Universal de las Culturas – Barcelona 2004, SA*.

TOTAL COST

Cost of organising the event estimated at € 306.52 m (Pts51,500 m), of which the cost of outfitting and building the Forum site is estimated at € 195.32 m (Pts32,500 m), and contribution from the institutions at € 114.01 m (Pts195,000 m).

Investment in infrastructures connected with the Forum funded by public and private promoters estimated at € 1171.95 m.

CONTEXT

The initiative for the event was taken in very favourable economic (development of the new economy) and political (stability) conditions. Barcelona city council has undertaken to implement some very ambitious projects, so as to be even more competitive, in the South Llobregat area (airport extension, intermodal centre built around the future high-speed train, enlargement of the port) and the North Besòs area (extension of Diagonal Avenue to the seafront, new congress buildings, cleaning the river, etc.).

STRATEGY

Barcelona is pursuing a multiple strategy through the organisation of an event of this kind: a better international image, a competitive position vis-à-vis the capital, Madrid, and other European cities (Milan, Berlin, etc.), town-planning and economic strategy.

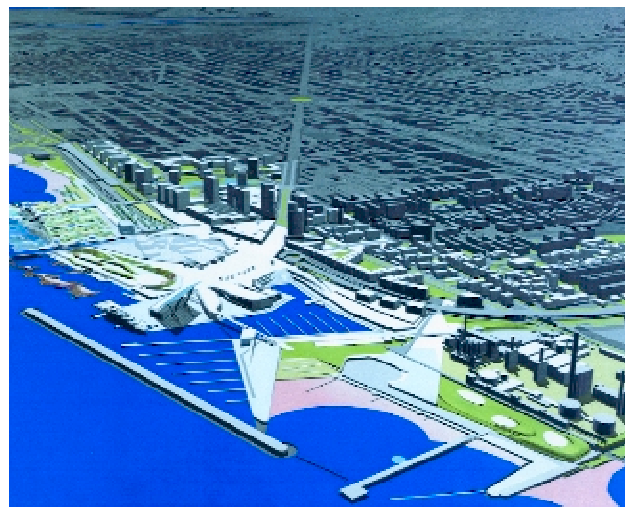
An international image strategy

With this event, Barcelona is breaking with the tradition of other major international events such as the Universal Exhibitions or the Olympic Games, which are based on sporting, economic or technical competition between nations. Barcelona intends to invent a new kind of international cultural event based on peace, solidarity between peoples, exchange and the cultural diversity of the world (UNESCO's support lends the project a certain credibility).

A national position strategy

Barcelona needs to strengthen its position in relation to other cities and to attract more investment (state and private).

Le projet urban Forum 2004.



A town-planning strategy

Organising this event gives Barcelona the opportunity to continue its ambitious project to open the city up to the sea, which began with the Olympic Games. The major works in progress will then be justified. The main aim is to renovate and plan a very rundown district at the mouth of the Besòs river, between Barcelona and Sant Adrià de Besòs, and to rehabilitate the neighbouring areas of La Mina and La Catalana. This is the area where most of the Forum activities are to be held.

An economic strategy

This event, and the urban developments linked with it, should encourage economic development, particularly by launching a new business area designed for new economy activities. The Distrito22@ project will transform about 110 hectares designed for "traditional industries" in a new production zone which can also accommodate economic activities linked to the new forms of production. It will also enable the development of economic activities linked to the new information technologies.

Forum 2004 should also encourage the development of the tourist sector.

STRONG POINTS

A new concept event

In the wake of the success of the 1992 Olympic Games, Barcelona can claim to be a dynamic, modern, supportive city. By being in on the start of a new type of event based on debates, conferences, summit meetings of inter-governmental organisations, exhibitions and festivals, it is taking up the various current debates and criticisms of globalisation, and reaping the benefits of events such as Seattle, the Davos Forum or Porto Alegre.

With this in mind, three themes have been selected: cultural diversity, sustainable development and the conditions for peace. Positioned like this, Barcelona can hope that in the future it will be at the centre of a network of metropolises and associations working for culture, peace and exchange between peoples.

An ambitious urban project

One of the main features of this event is the number of venues and facilities that will be built or modernised, mainly in the Besòs district, where a new centre will be created when the Forum is built: the Barcelona International Congress Centre (conferences and exhibitions).

The plan includes the building of hotels, a shopping centre, offices, a new university campus (university and installations linked to the new technologies), between 900 and 1,200 new housing units, major leisure facilities (zoo, sea zoo, a "water world" with beaches, pools and solariums, a marina and water sports centre, etc.) The sewage plants, waste incinerators and the whole of the energy sector will be transformed and modernised, and the public transport network will be extended.

All of that requires major investments from the public sector (the improvements to be carried out on the Besòs coastal sector on an area of 234 hectares requires a public and private investment of more than Pts195.000 m).

The recognised experience of the 1992 Olympic Games

One of Barcelona's undeniable assets is its success in organising the Olympic Games. On that occasion, it showed the whole world that it could organise a major international event, and now has a big vote of confidence. The city wants

to use that experience to organise and manage the Forum (creation of the same kinds of organisations and structures), but also to implement its urban development plan, which is a continuation of the Olympic Games one.

RISKS AND QUESTIONS

Uncertainties

Since this is an event of a new kind, many questions remain, notably its capacity to engage the interest of the international media and hence the potential visitors.

The building of a new centre is a challenge, even if major efforts are to be made in terms of transport services.

The support of all the local residents

Moreover, part of the city population may well feel excluded from the choice of investments, which will be concentrated in this particular district, quite possibly at the expense of their more everyday needs. The risk for the project, therefore, is that it will fail to obtain the support of residents and associations as a whole.

The association of other authorities

Moreover, the dossier submitted to the Commission gives no indication of the role played by authorities which are not members of the Consortium, such as the city community, the other local councils, etc., so there is a real question as to their support and the way in which they will mobilise.