

THE 'GUGGENHEIM EFFECT'

PRIDE AND PREJUDICES

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In 1997, a declining industrial city in northern Spain, submerged in a deep economic, environmental, and social crisis, opened an innovative branch of the Guggenheim museum. Today, Bilbao boasts an urban landscape that is both considerate of its citizens and attractive to visitors. As a result, the 'Guggenheim effect' became a worldwide phenomenon, showing that a large-scale architectural project could transform a city. Or could it?

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EL EFECTO GUGGENHEIM: ORGULLO Y PREJUDICIOS

La inauguración del Museo Guggenheim en Bilbao marcó un hito en el campo de la planificación urbana. Veinte años después, la cuestión sigue vigente: ¿Puede la apuesta por un edificio singular transformar la filosofía de toda una ciudad?

On the south bank of the estuary of Bilbao stretches an esplanade where hundreds of tourists take selfies on their smartphones. Pedestrians swarm around the titanium construction that rises up beside it, futuristic and proud. Twenty years earlier, this land was the site of a dilapidated factory, and the only cameras coming into the city captured the required piece of industrial machinery before their owners hurried back to the aeroplane for their return flight.

The 'Guggenheim effect' gained the recognition of architects, managers, and town planners alike and is studied at universities throughout the world as an example of urban regeneration. This unique building created by a star architect Frank Gehry, imbued with a cultural purpose and dominating the urban landscape, changed building sites into parks, factories into museums and, ultimately, revitalised a marginal city in decline, heralding its transformation into a clean and harmonious global meeting point. However, for various reasons, repeating this success has not been simple and similar projects in other post-industrial cities have not had the expected impact.

DID A BUILDING TRANSFORM A WHOLE CITY?

In 1991, Bilbao's administrators had a big problem to solve. The metal sector and naval industry, which had been the engines of development for the city's economy, were showing signs of exhaustion, and the city was facing the risk of ending up as a grey ruin of grime and dirt. While the simplest solution appeared to be re-launching the production model that had brought it so much wealth, they decided to shift the city towards a new level of culture and services, with the idea of investing a good proportion of the money it was still enjoying.

Around the same time, the Guggenheim Foundation was seeking to expand beyond its New York headquarters. After several fruitless attempts in America and Europe, Thomas Krens, Director of the Guggenheim Foundation, set his sights on Spain, a country at the beginning of a cultural revolution. He flirted with Barcelona, Seville, and Santander, but Bilbao offered an ideal mix of ingredients: a rich city, in need of a change of direction, and an unmatched political consensus. These were times of agreement in the Basque Country: the Ajuria Enea Pact in 1988 had reunited all political forces against the terrorism of Basque separatist group ETA, and civil society was more in sync with its representatives than in

other regions. Agreements were reached and three years later, the pact was signed that would result in the inauguration of the building on the 18th of October 1997.

The regeneration plan, however, went much further than this and included many projects beyond the museum's inauguration. As well as other signature pieces of infrastructure, such as Santiago Calatrava's airport or Norman Foster's metro, Bilbao put into effect an integrated and consistent urban strategy under the umbrella of the publicly-owned company Bilbao Ría 2000, still in operation.¹ Focus was on the citizens of Bilbao as the main priority, so that they would receive the greatest benefits from renovating the old industrial spaces. The improvement in sustainable mobility through a network of trams, the expansion and creation of green areas, collaboration with private investment, and the empowerment of local people for developing their own initiatives were some of the elements of the package of measures that accompanied the Guggenheim.

In addition to creating a city that is an efficient, clean, and enjoyable place to live, the intangible capital that it brought meant that the urban regeneration also translated into hard figures. According to calculations by the museum, its presence contributes

¹ <http://bilbaoria2000.org>

424.6 million euros per year to Bilbao's GDP and provides over nine thousand jobs.² The number of cultural events organised in the city, which was scarcely eighty per year before its inauguration, is now over a thousand. The 'Guggenheim effect' in Bilbao has been a success story.

STUMBLING BLOCKS: THE CHALLENGE OF REPLICATION

Bilbao's impressive results encouraged local authorities all over the world to back a unique, cultural building in a bid to revitalise their economies. In Spain, the most obvious example of this 'Guggenheim fever' was the extravagant complex created in Valencia under the name of the City of Arts and Sciences, designed by Calatrava. Santander, meanwhile, is trying to make up for lost time with the inauguration in June 2017 of the Centro Botín, by architect Renzo Piano, following several years of delay. Other post-industrial European cities such as Glasgow, Warsaw, and Gothenburg have undertaken similar projects. Over the last two decades, more than 130 cities have contacted the Guggenheim Foundation to explore the possibility of founding a new branch. The city of Łódź, Poland, even got in touch with Frank Gehry to ask for an exact replica of the Guggenheim building to host a concert hall.

Nevertheless, the results have been modest at best, while most have been disastrous. One of the few positively evaluated examples is the case of the Baltic Centre for Contemporary Art in the city of Newcastle, although the city on the Tyne had already embarked upon an embryonic phase of urban regeneration. For the rest, the majority of these multi-million investments have not resulted in improving the city in social, cultural, environmental, or economic terms. What are the reasons for this generalised failure?

If we look into these projects' common factors, we see that they share a series of misconceptions that hinder their success. Firstly, as mentioned earlier, Bilbao benefitted from a political consensus on the desired model for the city which made it possible to plan for the long term independently of the electoral results, something not easily found in the majority of local governments. Large projects are often intended as a short-term political shortcut to replace consistent urban planning, which would require a long-term strategy. The local administration feels trapped by the pressure of 'eligibility checks' and opts to implement a revitalisation plan based solely on a visible cultural infrastructure which carries an unmistakable signature, for which reason urban politics appears affected by a short-term bias in search of

² Source: Guggenheim Museum Bilbao

approval and quick money. This leads to funding the *visible* part of the change, leaving aside the *invisible* part. The symbol is constructed but the rest is missing.

The other big misunderstanding is found in the purpose for which the infrastructure is built. In a context in which cities see themselves as businesses competing in an international market³ in which they have to fight for resources and develop a global brand, administrators identify these projects as an opportunity to improve the city's external image and give it global recognition. Another reason for these failures is the evaluation of the return on advertising that the project will generate above the sustained urban improvement. For example, in Valencia, the model was seeking to attract global attention at the stroke of a pen, placing the construction of the cultural infrastructure on the same level as the promotion of a visit from the Pope in 2009, the organisation of the America's Cup sailing competition, or the creation of a Formula 1 street circuit.

In the case of Bilbao, the 'branding' appeared as a positive side-effect, as the aim was always to improve the quality of life of its residents. The key fact that is usually forgotten in analysis of the Bilbao case is that this improvement was based above all on the range of complementary actions mentioned above, and not on the building itself. For the project to have its catalysing effect, it must be accompanied by a solid urban plan with the utmost priority on its inhabitants. Therefore, the 'Guggenheim effect' provided a pretext for other administrators to promote overambitious revitalisation strategies based only on the projection of a signature cultural infrastructure. The philosophy of "putting a *starchitect* in your life" is usually hidden behind a huge bid for culture, but it is rare that top-down promotion of this has taken root in the social fabric. It is not even possible to say that the

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³ On 'city branding', see Hall T. & Hubbard, *The entrepreneurial city: new urban politics, new urban geographies?*, 1996 P. Anholt, S. *Competitive Identity*, 2007, Dinnie, K. *City Branding: theories and cases*, 2011, among others.

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Guggenheim itself has brought significant added value to Bilbao's own culture: out of over a million annual visitors, people living in the province make up just 10 per cent.

THE DANGERS OF ILL-CONCEIVED MEGA-PROJECTS

The problem with the misinterpretation of the 'Guggenheim effect' is not limited to its eventual ineffectiveness. It has at times also brought drawbacks that have caused damage to the inhabitants of the affected city.

Firstly, the limitations on the decision to use public funds to carry out a financial injection of this type are very lax, due to being a policy option. A great number of the decisions of local government (licences, rates, authorisations, etc.) are regulated, but the margins for discretion are considerably widened in these unique contracts, making it difficult for the relevant bodies, and ultimately, the taxpayer, to control them. The construction of large-scale signature projects has too often been linked to corruption scandals, resulting in offences being committed involving extremely large sums of money, by elected officials as well as the companies involved. In other, more trivial, cases, the additional costs beyond the original budget have multiplied the expected cost to the public treasury by up to seven times. Unorganised investment left devastating figures in the previously-mentioned project of the City of Arts and Sciences in Valencia, in terms of duration and additional costs (the estimated cost at the beginning of the project was 175 million euros, which became over 1,200 million euros by its completion). An additional problem that has been observed in other Spanish cities such as Zaragoza (Zaha Hadid Bridge Pavilion) or Santiago de Compostela (City of Culture) is that of maintenance. When it is not integrated into the fabric of the city, the infrastructure itself cannot cope with the successive costs that are required and it ends up being abandoned.

In the case of countries such as Spain or Italy, the economic motivations of local government must be considered. The system of local financing leaves city councils with little margin for manoeuvre. They tend to see urbanism as one of the few sources of income belonging to them, for example through the granting of licences. This scarcity viewpoint has led them to endorse new methods of funding infrastructure, as is the case with PPPs (public-private partnerships), which although in theory can be a very useful tool for integrating private capital into projects with a public interest, in practice have often led to a certain confusion among public and private interests and, as has been mentioned, to corrupt behaviours. Both aspects (the scarcity of resources and the corruption) come together in urban planning, which is reduced to its nature as a money factory, fertile land for ruinous large-scale projects. In this respect, not all city councils provide Bilbao's list of services, which occupies the number one spot in the rankings drawn up by Transparency International España⁴, which analyses 80 indicators related to citizen information and participation, as well as economic-financial aspects, information on contracting and subsidies, urbanism, public works, and the environment.

Another problematic dimension of this false idea can be found in the gentrification of the

neighbourhoods affected by the project. In short, the creation of a new main area results in the increase of the price of housing in its vicinity, meaning that the residents living there may be displaced by holiday lets or investors. This situation produces a feeling of dispossession among local residents. In this way, the new space does not penetrate the urban dynamic and remains isolated from the residents' awareness. As a side-effect, this trend can be accentuated if the new space becomes inaccessible in economic and artistic terms: instead of the desired closeness, it causes the elitism of culture, which in the worst case scenario results in an institutional disregard of home-grown culture.

Lastly, an issue highlighted by many analysts is the loss of control over the project's scale. Administrators can become so absorbed by the new infrastructure that they end up adapting the urban planning to the building, and not the other way around. As we have noted, this focus usually leads to a lack of urban consistency which results in a variety of problems, from a misguided location of the construction to conflicts of power between government bodies or with regional and state administrations, leading to the abandonment of multi-million projects due to not having produced the expected result.

4 http://transparencia.org.es/wp-content/uploads/2017/07/aspectos_destacados_ita_2017.pdf [in Spanish]

A LESSON TO BE LEARNED

The original 'Guggenheim effect', the pride of Bilbao's administrators, was born from a rare confluence of factors. The huge building had a relative impact on the local residents, being above all the perfect chance to implement a package of measures which, unlike the figurehead, were aimed at the citizens of Bilbao. The museum became a magnificent symbol that helped to visualise the effort carried out to regenerate the city. However, the successive interpretations by other cities have been largely misguided, due to focusing on the architectural project instead of a complete urban plan. This does not mean that the 'Guggenheim effect' is a false legend, but that, as with a good book, it requires a reader that knows how to draw the appropriate conclusions.

The traditional view of urban administration is limited to the good management of economic, social, and cultural resources themselves. But in a global setting, where the levels of local, national, and worldwide government are ever more interconnected, alliances can be formed with public and private entities from all over the world for a better urban policy. The current legal-political framework of the EU favours these alliances, but leaves local government to their own devices. Despite its potential for creating projects and living spaces that are as exciting as they are disastrous, the city itself is absent from

the EU debate. There is talk of institutions, Member States, and regions, but European governance begins in the cities, which are the immediate providers of public transport, education, police, and other essential services. European cities, old and experienced, have difficulty competing with their thriving rivals from other continents, and as a result of their anxiety, they engage in risky projects that at times can be damaging. In this context of regulatory gaps and competitiveness for alliances, the EU's role in encouraging cities to undertake projects in a responsible and considered manner, without losing sight of the general interest, becomes fundamental.



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