
Reflective Images: The Case of Urban Regeneration in Glasgow and Bilbao*

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Introduction

Glasgow, as the most important city in Scotland, and Bilbao, as its equivalent in the Basque Country, share a common past and a very similar approach to improving their current position as declining industrial centres on the European periphery. Their role in contexts of very strong nationalist aspirations is also akin. While there are many similarities between both cities, many are also common to most old industrial regions. Both have a navigable river as a main physical component of their territory and their former economy. Both are built over old mines, illustrating how minerals played a key role in their original prosperity. The speculative financial activities characteristic of the Tobacco Lords in Glasgow during the eighteenth century seem quite similar to the operations developed by steel and mine owners in Bilbao one hundred years later. Both cities have been dominant centres of manufacturing and production from 1850 until the first half of this century, and also in both cases, housing deprivation runs parallel with industrial growth. In fact, in both cities, as is common to most old manufacturing centres, social conditions are explained mainly in terms of overcrowding and housing deprivation. Later, both cities experienced processes of deindustrialization and a subsequent huge loss of full-time male employment in manufacturing.

Thus, Glasgow and Bilbao show a significant number of similarities, even if the former belongs to the North and the latter to the South of Europe. Both are located on the periphery of the continent, far from the most successful cities which constitute what is presently the European 'core'. But, as can be seen later, dating from the time when deindustrialization took place, Glasgow has been at least ten years ahead of Bilbao. Although the population of both urban areas is decreasing as a consequence of deindustrialization, at present Glasgow's number of inhabitants is bigger than Bilbao's. According to the last Census in 1991, the population of the Glasgow Metropolitan area was over 1.5 million inhabitants, whereas Bilbao's was less than 1 million. The population figures for the cities within the administrative boundaries were 680,000 in Glasgow and under 400,000 in Bilbao in the same year.

The downfall of their crucial role as industrial centres, and the subsequent attempt to create a service-based economy through the reconstruction of their image, provide the main focus of this paper. The first part analyses the impacts of the collapse of industry on

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both cities. The second section explores Glasgow's more recent efforts to overcome the legacy of deindustrialization and the ways in which, slightly later, Bilbao is following the same route. The usefulness of adopting such a strategy in both cities, Glasgow and Bilbao, is questioned in the last section.

Effects of deindustrialization

Urban areas have been shaped by the restructuring of the international economy. The new spatial organization of production has been taking place outwith the context of the older industrial regions, whose wealth was created during previous rounds of capitalist accumulation. The physical requirements of the sectors currently expanding have been changed by the 'restructuring' and 'rationalization' of industry. These new requirements bear little resemblance to what was demanded by the industries of the last century, or even by the industry of only a few decades ago. According to Massey (1988) the decline of inner cities and conurbations and the relative growth of outer metropolitan areas and smaller towns have been the most important shift in the geography of manufacturing since the mid-1960s. Also, Lash and Urry (1987: 307) use the term 'spatial fix' to refer to the set of interconnected spatial structures in the process of dissolution between the dominant manufacturing/extractive industries, major industrial cities, particular regions dominated by such industries, and labour and capital organized in a given structural pattern.

Both Glasgow and Bilbao accurately illustrate this process. While Glasgow provides a severe example of deindustrialization in terms of both scope and speed, given the dominance of heavy industry, Bilbao followed a similar pattern some years later.

The decline of Glasgow

The radical shift experienced by Glasgow's economy has been extensively explored within the UK. If at the beginning of the first world war, Glasgow was still considered the 'Second City of the Empire', fundamental problems linked within the Scottish economy made change inevitable. In Robertson's (1995: 4) words:

[T]he country's industrial base had always been narrow, focused almost exclusively upon textiles, coal, iron, steel and heavy engineering. Such specialisation could be sustained by the trading privileges which accrued from the British Empire. Once the Empire collapsed, following the end of the Second World War, many Scottish industries found themselves unable to compete in world markets and went into terminal decline.

The second world war, with its huge demand for the products of heavy industry, restored full employment, thus hiding the underlying structural problems. However, according to Lever and Mather (1986), the economy of Glasgow and the character of the city has changed radically in the period since 1950, as the old manufacturing bases of iron and steel, heavy engineering and shipbuilding rapidly declined, and new industries were established at different locations within the conurbation from those occupied by the old industries. Employment in service industries, as a consequence, grew substantially.

In spite of the service sector growth, since the second world war, Glasgow's industry has not been replaced by new and growing sources of employment. Manufacturing jobs within the conurbation moved away from the older locations, such as the centre, east end and riverside districts, to greenfield sites and industrial estates sited on the periphery of the city and beyond its boundaries, and to the smaller towns and the new towns located around the conurbation (MacInnes, 1995).

Taking into consideration the whole metropolitan area of Glasgow, the Clydeside conurbation, employment numbers first grew until the early 1970s and then declined. As partly illustrated in Table 1, between 1961 and 1981 employment in manufacturing fell from 387,000 at the beginning of the period to 188,000 20 years later.

Table 1 *Employment change in the Glasgow conurbation*

	1971	1978	1981	1991
Manufacturing	306,531	259,081	188,534	121,000
Services	405,029	429,695	430,032	452,000
All	789,514	761,673	687,219	627,000

Sources: MacGregor and Mather (1986); MacInnes (1995).

The decline in employment was greatest in the male, semi-skilled manual groups, while the increases were in the clerical and professional non-manual groups, which favoured a much higher proportion of female workers. McGregor and Mather (1986) underline the differences between the city and the outer conurbation in terms of employment change. According to them, although industry has declined outwith Glasgow since the mid-1970s, service employment held up much better after 1978. In the outer area, the rapid decline of one sector went side by side with the growth of another, whereas in the city itself, although manufacturing experienced a sharper decline than services, both sectors declined.

McArthur and McGregor (1986) summarize the changes during the period as a continuing decline of the manufacturing and traditional service sectors, accompanied by modest growth in 'modern' services, with an associated notable rise in female participation in the labour market. According to them, the predominant symptom of decline was the growth of unemployment, and particularly long-duration unemployment. This became particularly marked over the period 1979–85.

Bilbao's ascent and fall

Bilbao is the capital of Vizcaya, one of the three provinces which constitute the Basque Country or Basque Region. What was named 'the first industrialization' of the city was based on mining, metallurgy and shipbuilding and was closely related to the British demand for iron ore during the second half of the nineteenth century. In fact, the special richness of Bilbao ores and the ease of their extraction, added to their proximity to the river, induced a great accumulation and investment of capital which opened the door of prosperity for the Vizcayan industry (Flinn, 1955; González Portilla, 1975; Cipolla, 1973). Hence, at the turn of the century, Vizcaya became the most dynamic province in Spain. It had the greatest population growth, the largest railway system and the largest number of ships registered; and all this was induced by the investment of capital fostered by the vast export trade in iron ore (González Portilla, 1975).

Over the first half of this century, the history of Bilbao was marked by many significant events, including the Spanish civil war. Yet, in economic terms, it was mainly dominated by protectionist and stagnant policies, the latest of them stemming from the first period of Franco's dictatorship (up to the 1950s).

The situation changed after the mid-1950s. Figures have not been available for metropolitan Bilbao until very recently, but the scope of the industrial trajectory can be seen by looking either at provincial (Vizcayan) or regional (Basque) data. From 1950 until the mid-1970s, there was a permanent increase in the number of industrial jobs in Vizcaya, together with a very low unemployment rate: 3.2% in 1975 (COCINB, 1977). However, by the mid-1970s, the economic expansion was reaching its zenith. In 1975, the final year of the Franco regime, very low increases both in the Basque and Spanish Gross National Product were recorded, and the so-called Spanish economic miracle was gone forever. By that time, when most western countries had started adopting adjustment measures in response to the impending economic crisis, the Spanish government's economic analysis considered that the whole production of indigenous steel was

Table 2 *Employment change in the Basque Country*

	1979	1981	1983	1985
Industry and construction	392,313	339,530	315,649	297,547
Services	307,744	300,806	308,990	307,852
Total	756,129	691,509	665,927	644,041

Source: Banco de Bilbao, Renta Nacional de España y su distribución provincial, quoted by CC.OO. (1989).

insufficient to fulfil the total Spanish demand. As a result, when the crisis arrived in Spain, which occurred slightly later than in the rest of Europe (in the late 1970s and early 1980s), the resultant industrial dismantling had a much higher cost than it needed to, had the situation been more accurately predicted.

Even if Spain as a whole suffered as a consequence of this neglect, its effects were worse in the Basque Country because of the region's industrial base. Both provinces, Guipúzcoa and Vizcaya, but mainly the latter, had an economy exclusively based on metallurgy and, within that, basic manufacture, furnace and steel production, metallic transformation, mechanical engineering and shipbuilding. The whole Vizcayan economy gravitated to the heavy engineering industry, up to the point that all economic activity in the province was dependent on it: auxiliary industry, the services network — all of them formed a very well-integrated structure (García Merino, 1975). That was the reason why the most severe economic devastation was found within this province (Uribarri, 1995). When the main element was destroyed, the whole provincial economic structure collapsed.

This process took place over a very short period of time (see Table 2). Between 1979 and 1985, 94,766 industrial jobs (24%) were lost in the Basque Country (CC.OO., 1989). Within industry, the loss of jobs was 42.1% in shipbuilding, 24.4% in mechanical engineering, 23.2% in the iron and steel industry, 20.81% in other electrical material, 16.1% in foundry, and 13.9% in metal manufacture between 1982 and 1986. As mentioned before, given that Vizcaya was the province where most of these sectors were located within the Basque Country, the crisis there was bigger.

Later, after the second half of the 1980s, positive rates of economic growth were recorded in the Basque Country. In fact, the Basque economy grew strongly during the years between 1986 and 1989, although this did not mean that the industrial decline was over. In the event, the period of sustained growth halted in 1991, and the same kind of problems re-emerged, underlining the deceptive character of the previous recovery (Uribarri, 1993). In terms of actual employment, the industrial sector experienced a 34% decrease between 1975 and 1992, whereas the tertiary sector achieved a 40% increase, its GDP share being 51.4% in 1992 (Uribarri, 1993). Nevertheless, this did not mean that there was a solid tertiary sector. As Velasco (1994) pointed out, the modest process of tertiarization during the 1980s could also be seen as the other side of the industrial decline. The services sector had not produced enough jobs to make an impact on the unemployment caused by the closure of industrial plants.

The response to decline

Allen (1988) points out how the recent changes in the economy have brought into question the notion of manufacturing as the 'motor' of economic growth and created an ascent of interest around the role of services in the economy. Deindustrialization has been interpreted by many authors as an inevitable trend in the transition towards tertiary-

dominant societies, even if this explanation has been the subject of widespread controversy (e.g. *The Economist*, 1994; Massey, 1988). In any case, the share of the service sector within western economies is increasing. 'Services now account for more than half the output — and well over half the jobs — in the OECD countries. The rich industrial economies might therefore be better dubbed the "service economies"' (*The Economist*, 1994: 81).

At the same time, the growth of multinational enterprises which have wide-ranging geographical perspectives when considering the location of new branches, has led to rivalry among different areas to get this new mobile investment. Interurban competition has adopted different forms in practice. All of them have attempted to reverse the economic problems that urban areas have had to face, when challenged by the new economic trends (see for instance, Jessop, 1996; Fainstein and Gladstone, 1995; Harvey, 1989). Unique events, cultural policies, promotion of tourism or image improvement are all different versions of the same approach: the attempt to regenerate or to further develop the economic basis of the urban area.

Accordingly, the idea of 'selling places' entails the various ways in which public and private agencies attempt to 'sell' the image of a particular geographically-defined 'place', usually a town or city, in order to make it attractive to economic enterprises, to tourists and even to its inhabitants (Philo and Kearns, 1993). Short *et al.* (1993) underline the double challenge that old industrial areas face in this context. Given the intense competition, these old industrial areas are considering ways to change their image, to move away from the negative connotations of 'industrial' and to tap the positive imagery of 'post-industrial'. In fact, what is now being witnessed in many of these cities is the rise of a new distinctive landscape based on the service sector rather than manufacturing. These areas 'with a past' try to present their freshest face to potential investors, seeking tactical advantage over their opponents (Gold and Ward, 1994). In the same sense, the old industrial cities are, according to Holcomb (1993), the category of places which perhaps best exemplifies both the construction of new images to replace the old, and the efforts to recreate a new landscape to be consonant with current preferences.

Glasgow: from manufacturing to services via image-reconstruction

According to widespread opinion (see, for instance, Robertson, 1996; 1995; MacInnes, 1995; Webster, 1994), since the late 1940s economic planning in Scotland has been a key function of the Scottish Office, which, together with its economic development agency Scottish Enterprise (formerly Scottish Development Agency) and its network of local enterprise companies, have been the main actors within the field of economic development, given their access to public resources. Correspondingly, it has been these agencies set up under the instruction of central government and not the local authority itself which have decided the economic destiny of Glasgow (Boyle and Hughes, 1994). According to Robertson (1995), local government was never envisaged to be a motor of economic recovery, it was the state which assumed that role. In Lever and Moore's (1986) words, the new institutions of economic change had a marked impact on the role of established agencies such as the local authorities, which to some extent have become more marginal actors in the process of economic policy.

It is not clear whether the development of the service sector in Glasgow was a specific decision taken at any institutional level, but according to Robertson (1996), the strategy received central and local government support. Even if the council always was a marginal actor, its involvement in this new version of local economic development dates from the early 1980s when Glasgow District Council established the Economic Development and Employment Committee (Boyle, 1993).

In 1985 a management consultancy report was published by a private group, McKinsey and Company, and commissioned by the Scottish Development Agency. The report attempted to diagnose the source of Glasgow's economic problems and provide

ideas for improvement. Its central conclusion was that Glasgow ought to plan for a post-industrial future and to use place marketing projects as the central policy tool through which post-industrial investment could be lured (Boyle, 1993). It should not be forgotten that Glasgow at that moment had the reputation of being locked into a downward spiral of decline, in which the city's negative image was a major disincentive to potential investors (Paddison, 1993). Poverty, violence and alcoholism were terms continuously associated with the city. The report ended by suggesting that an independent group, consisting of a number of prominent figures in the city and led by local business elites, should be formed. A new body, Glasgow Action, was instituted in 1985, and existed until 1991, when it was replaced by the Glasgow Development Agency.

With a board dominated by the most distinguished local business figures, chaired by Sir Norman MacFarlane from the United Distilleries, Glasgow Action's main focus was the city centre. According to Lord MacFarlane (Young, 1992: 213) its aim was 'to make the city more attractive to work in, to live in and to play in; to recreate Glasgow's entrepreneurial spirit; to communicate the new reality of Glasgow to its citizens and to the world'. Its blueprint was ambitious, involving an environmental plan for the city centre, drawn up by the distinguished urban design consultant Gordon Cullen. On top of the agenda, Glasgow Action was to lead the drive to attract corporate headquarters to the city, help to develop a local software industry and encourage more local service industries to export their wares (Young, 1992).

Apart from the new experiences in the housing field taking place at the same time, Glasgow witnessed hectic urban activity during the 1980s, which has been extensively analysed (see, for instance, Sabot, 1996; Boyle and Hughes, 1994; Boyle, 1993; Paddison, 1993). The first approach to city marketing, in the context of Glasgow's adaptation to a post-industrial world, began in 1983 with the Glasgow District Council's campaign 'Glasgow's Miles Better', the slogan which became the purported symbol of the new city. According to Booth and Boyle (1993) it proclaimed that Glasgow had found itself a new role in business services, in advanced education, in publishing and in the arts.

In fact, art, culture and image were the central features in the promotion of a post-industrial Glasgow during the 1980s. Mayfest, the annual arts festival was launched in 1982. One year later, the internationally famous Burrell Art Collection was opened. Over the decade, many buildings in the city centre were stone cleaned and floodlit, while three new shopping centres, St Enoch, Princes Square and the Italian Centre, together with office developments, were erected. Old warehouses, abandoned factory buildings and riverside docklands were used for luxury housing in 'Merchant City'. In 1985 the Scottish Exhibition and Conference Centre was inaugurated and in 1988 Glasgow housed the national Garden Festival. The year 1990 was particularly significant for the city, as Glasgow became the European City of Culture and the New International Concert Hall was opened. All these events and cultural resources, including the Scottish Opera, the Royal Scottish National Orchestra and the famous Citizens' Theatre 90, became part of the marketing literature promoting the city for tourism, inward investors and business (Booth and Boyle, 1993). At the beginning of the 1990s, Glasgow was promoted under the slogan 'There is a lot of Glasgowing on', then 'Glasgow's Alive' and afterwards, a new version of 'Glasgow's Miles Better'. Later on, Glasgow succeeded in achieving the title of British City of Architecture and Design for 1999, while the National Gallery of Scottish Art is also on its way to the city.

Some of these developments took place as a consequence of the implementation of the McInsey report in 1985. As mentioned above, Gordon Cullen was asked to design a plan that would improve the environmental quality of the centre. A central pedestrian street, Buchanan, became the focal point of the city. Two main proposals were put forward for this purpose: a shopping precinct at the bottom and a 'civic square' at the top, which was to be the location of the headquarters of the major cultural organizations in the

city. The waterfront area in the city centre was also to be developed into a 'Riverside Chain' comprising rehabilitated housing and office blocks. The M8 motorway running around the city centre would be developed as a visual metaphor of the 'walled city' (Boyle, 1993).

Bilbao imitating Glasgow

Deindustrialization left in Bilbao, as in Glasgow, a picture of very high unemployment rates, huge swaths of derelict industrial areas, negative threatening images and generalized demoralization. Yet, while the recent past of Glasgow provides an example of the growing centralizing tendency of the British government, Bilbao would illustrate the opposite tendency, even if this point is still the subject of intense political controversy within the Basque Country. In any case, while the future existence of the Scottish Parliament is still being discussed, its Basque homology has been already active for nearly 20 years.

While the positive impact that self-government has granted the whole Basque Country cannot be denied, the effectiveness of the numerous initiatives accruing from the different government tiers is not so clear with regard to Bilbao's revitalization. Stemming from the democratic era, the public sector in Bilbao consists of a complex set of institutions: the Basque government, the provincial government and the municipality. All of them have perpetuated the traditional and visible Spanish divorce between policies which emphasize territorial approaches and those which target sector problems without paying attention to their physical dimension.

Sector-oriented Basque governmental initiatives have attempted to revitalize the industrial tissue within Metropolitan Bilbao. However, as Uribarri (1993) points out, while these policies have been effective in terms of relieving the condition of workers affected by manufacture closures, efforts to generate industrial activity and create new employment have been an entire failure. The last example in this respect has been the recent construction of a small steelworks plant (*acería compacta*) in Sestao, which ironically has been presented as a complete success. While only 310 new jobs have been created, the new factory will not even fulfil the whole Basque demand for steel, but less than half, without giving rise to any other ancillary industry.

Starting in 1992, with the aim of counteracting the traditional policies divide, there has been an attempt to incorporate strategic planning as a major tool to drive the process of economic regeneration in Bilbao. The strategic plan arose from the development of the Harvard SWOT model (strengths, weaknesses, opportunities and threats/competition), which places the stress on the need to develop business plans and flagship projects (Cochrane, 1991). However, its lack of statutory powers and capacity have prevented it from being taken as a real instrument for the recovery of the city, even if some of its recommendations are already in the pipeline.

Within the field of territorial initiatives, in December 1992 central government and the Basque administrations agreed to create Bilbao Ría 2000, the Basque version of a British urban development corporation. This agency acts as a private firm but uses public resources, its purpose being to put into practice a series of urban renewal operations within the metropolitan area of Bilbao. Bilbao Ría 2000 has raised questions concerning the privatization of planning, its lack of political accountability and an exclusive focus on economic feasibility as its main principle for intervention (Rodríguez, 1996).

A much more traditional territorial planning tool, the new General Plan of Bilbao, attempts to accomplish both targets, to raise the population's income level and to improve the quality of the urban environment. The supply of sites for the location of expanding economic activities, together with the physical upgrading of derelict land, are the principal means to achieve these aims. Furthermore, the Plan intends to provide a coherent framework for a number of pre-existing proposals, some of which are already being implemented by Bilbao Ría 2000.

According to Rodríguez (1996), the lack of an adequate territorial planning framework, together with a complex institutional structure that is rarely coordinated, has caused tremendous dispersal, competition, duplicity and waste in the use of regional resources. The overlapping coexistence of the General Urban Plan of Bilbao, the Metropolitan Guidelines, the Strategic Plan for the Regeneration of Metropolitan Bilbao and the emergence of Bilbao Ría 2000 provides an example in this respect, forming at the same time the backdrop of the new approach to urban regeneration in Bilbao.

Projects being completed at the moment show, as in Glasgow, the overriding presence of large emblematic schemes with a strong marketing dimension and an intense regard for aesthetics and design (Rodríguez, 1996). Construction work is currently in progress at a large site on the waterfront area of Abandoibarra. The Bilbao waterfront 'wishes to set up a new cultural area within the scope of metropolitan financial revitalisation programmes' (BM30, n.d.: 4). Two major landmarks are at present under construction on this site: the Guggenheim Museum and the Euskalduna Conference and Performing Arts Palace, together with a shopping centre. As in Glasgow, the emphasis on high design is illustrated by the fact that two internationally acclaimed leading architects have taken part in the proposal for this area. Whereas the big guidelines for the zone have been created by Cesar Pelli, the Guggenheim Museum is the magnum opus of Frank Gehry. Likewise, the stations of the recently (1995) inaugurated Bilbao Metro were the product of Norman Foster. Together with these projects, a new cultural centre was designed for the old municipal market, as well as a new transport station (Estación Intermodal). Special attention is paid to the future role of the river as the area in which the most representative elements of the new economy will be located. In Rodríguez' (1996) words, these projects serve to advertise the commitment of the city to provide a new, attractive, innovative and entrepreneurial environment for business and thus help to attract footloose capital. As in Glasgow's case, the new image of Bilbao is regarded as crucial in helping the city to become an engaging location for advanced services, especially banking and insurance, high technology and specialized commerce (González, 1993).

Again, as in Glasgow's case, changing the city's image is seen as critical to encourage the shift of the economic base of the city, with the promotion of economic and urban growth being the ultimate aim of the different initiatives: 'The spatial transformation becomes a key element to change the city's profile of economic activity, to change the city's image and to improve the assets of these old areas in which the former use of the space was totally obsolete' (BM30, 1992: 3).

It is not only the same idea, but also the same message and even the same words. The first stage of the Metropolitan Bilbao Plan (another planning instrument, not fully approved, which should develop the Metropolitan Guidelines) repeatedly insists on the need to follow the path of Glasgow: 'the Bilbao area will be an example in Spain as Glasgow and Manchester have been in Great Britain' (CS, 1989: 76). Likewise, the slogan 'Glasgow is business' shows, according to the Metropolitan Bilbao Plan, the success of Glasgow in regenerating the economy (CS, 1989: 90).

Quoting constantly Glasgow's experience, one of the mottoes used by the Scottish Development Agency was even reproduced. According to the Glasgow Development Agency (GDA, 1991), the second phase within the city regeneration stages was named 'Glasgow can do it'. This step was characterized by the renovation of the city centre, by the 'Glasgow's Miles Better' campaign and by the Garden Festival, and according to the Chief Executive of the former Scottish Development Agency (McKinsey and Company, 1985: 3), the slogan could be translated into: 'Glasgow can do it; can develop a strong enough service industry base to stimulate the economic regeneration of the city as a whole . . . Service industries provide the only realistic opportunity for employment growth in Glasgow'.

With the same purpose, the 'Glasgow can do it' idea is included in Bilbao's Plan. The

reason for this is explained as follows: 'This is the way Glasgow began to challenge the future. [As in Bilbao] there used to be doubts in Glasgow about the possibilities of transforming the economy'. Like Glasgow, 'Bilbao can do it' (*Bilbao puede hacerlo*) is the conclusion (CS, 1989: 97).

The model supplied by Glasgow is also quoted in relation to the problems stemming from the peripheral position of Bilbao within Europe:

Even if in the past Bilbao grew because of its particular location, at present geography does not help to recover this lost role. But there are some other examples of cities and metropolitan areas which have been able to achieve a second success. The extreme case is Glasgow in Scotland, even if there cannot be a more marginal metropolis in relation to the European core. Nevertheless, the success has not appeared by chance. Cleverness and a great effort have been combined in order to recover the lost leading role by playing now a new economic card (CS, 1989: 98).

Speaking more specifically about city marketing, the Metropolitan Bilbao Plan emphasizes that: 'The process of change in Glasgow, which has been one of the most successful, began precisely with a strategic document for the city centre. The present document has got the same target in relation to Bilbao' (CS, 1989: 230).

The need for collaboration is also underlined in the Strategic Plan for the Regeneration of Metropolitan Bilbao:

In Glasgow, the City Council, the Local Development Agency, the Chamber of Commerce, the organisation called Glasgow Action as well as education establishments, all of them co-ordinated initiatives and efforts, in order to accomplish the modernisation and expansion of the local economy. They supported indigenous firms through economic aid and sound professional advice, they upgraded the city environment, they provided suitable land and buildings and they capitalised the services sector growth (DVG, 1990: 34).

Mirroring this effort, the Association for the Revitalization of Metropolitan Bilbao, Bilbao Metr poli 30 (BM30), was constituted at the end of 1991. According to Rodr guez (1996), the objective of this association is to join public and private actions in the revitalization process of Metropolitan Bilbao. In this respect, it can be regarded as a lobbying institution to stimulate the development of the strategic plan. In 1994, Bilbao Metr poli 30 had more than 100 members, which included local and regional institutions, the Chamber of Commerce, the Universities, large firms and private organizations.

In short, Glasgow has become a model of paramount importance for Bilbao. The same kind of strategy as Glasgow used some years earlier is being implemented in the Basque city at present, even if the fragmented and uncoordinated policy framework seriously constrains its implementation. The formula is based on the idea that changing the former physical industrial image, through the creation of a fashionable landscape and the use of place marketing tools, would be the first step toward attracting internationally mobile capital and hence developing the services sector economy. As in Glasgow, various initiatives which intend to shift the previous industrial city appearance, seek to transform Bilbao's former productive structure into a metropolis of advanced services, 'with its eyes set on the 21st century' (BM30, n.d.: 1).

Fiction and reality: the scope of the cities' success

Glasgow

Looking at its economic performance, the reality of Glasgow does not look as promising as has been portrayed. Even if tourism has significantly grown, this does not mean that Glasgow has now become a prosperous economic area. As Robertson (1996) underlines, Glasgow's image may have changed, but the economic recovery has failed to materialize. The analysis of *Census of Employment and Population* and *Census of Production Data*

1981–91 carried out by Webster (1994) and MacInnes (1995), which can be considered as key measurements of Glasgow’s process of change, point to the same conclusion. According to the former, employment in the conurbation had fallen between 1981 and 1991. In particular, the city of Glasgow lost 39,773 manufacturing jobs and gained only 2843 service jobs, its performance, in relative terms, being as bad in services as in manufacturing, with an increase in the unemployment rate from 19.2% in 1981 to 21.5% in 1991.

MacInnes underlines how in the 1980s the services sector grew in Britain by 17%, the fastest growth being in business services, banking insurance and finance jobs. However, in Glasgow, employment in services as a whole hardly grew at all: growth in business and finance was surpassed by falls in the rest of the private services sector. Despite the shift in Glasgow city’s image, employment in the sector which covers retailing and hotels, restaurants, pubs and leisure actually fell by 13%, compared to a national rise of 14%. In MacInnes’ (1995: 89) words, [even the highly criticized] ‘low-paid part-time jobs are harder to come by in Glasgow than in the rest of Britain’. The only sector whose growth approached the British rate and brought the greatest amount of new employment in Glasgow was public services. However, the reason behind this trend was the decision to locate various branches of national public sector administration in Glasgow and the conurbation.

Furthermore, a more recent Glasgow Development Agency memorandum, covering the period from 1989 to 1994, also emphasizes the fact that the city’s local employment in the service sector has declined, largely due to the downsizing in the retail and the transport sectors (see Table 3). Even the growth in the finance and business service sectors with their expanding demand for low skill employees, ‘which was seen as the palliative for the Glasgow economy . . . , has been reversed and is currently declining far greater than the rate of Scotland or Great Britain as a whole’ (GDA, 1996: 1).

The picture, then, leads to the conclusion that the new economic role pursued for Glasgow has not had a real impact on its employment structure. As MacInnes (1995) underlines, the real employment change shows the need to be cautious about the expected returns from the culture and consumption based developments Glasgow has pursued. The categories are very wide and inevitably ambiguous. The decision to relocate BP Exploration to Aberdeen in 1992, the flagship headquarters office previously attracted to Glasgow, was indicative of the fragility of the gains achieved by city marketing (Paddison, 1993). In other words, Glasgow seems to have solved its image problem, but it has a long way to go before it achieves economic momentum and work for all its people (Young, 1992).

Table 3 *Employees in employment*

	1989	1994	Absolute Change	% Change
<i>Total</i>				
Glasgow	349,399	313,611	−35,788	−10.2
Scotland	1,961,482	1,953,496	−7,986	−0.4
<i>Manufacturing</i>				
Glasgow	53,910	34,345	−19,565	−36.3
Scotland	379,008	312,470	−66,538	−17.6
<i>Services</i>				
Glasgow	266,461	255,767	−10,694	−4.0
Scotland	1,369,767	1,438,394	68,627	5.0

Source: Glasgow Development Agency.

The number of major hallmark events which have presented Glasgow as ready to stimulate economic regeneration could be read as the obverse of the fact that the city has experienced no major budgetary reallocation towards local economic development. In Boyle and Hughes' (1994) opinion, the centrality of marketing projects reflected the limited ability of the local council to intervene in influencing local factors of production, as portrayed by the amount of derelict local economic development areas. Although looking at what he calls the city's housing obsession, Robertson (1996: 8) shows the same idea when he emphasizes the gap between housing and economic policies in the city, whereby 'one part of the Scottish Office funds a housing regeneration strategy, while another part manages an economic strategy which operates to the detriment of the city'.

The question remains whether an alternative focus from the Scottish Office would have made a difference. It could be said, and Moore and Booth (1986) also suggest as a possible argument that the absence of major manufacturing investment in Glasgow simply reflects the market demand for industrial location, and that to target areas like the inner conurbation would be futile until they are commercially attractive to the inward investor and to new industries. In this sense, it is argued that territorial policies cannot by their very nature reverse what is a general phenomena of deindustrialization (Rhodes, 1986). Yet the economic agencies with an impact on Glasgow did nothing to divert some of the overseas industrial inward investment locating in Scotland, to the city area. In this sense, the new waves of industrial investment, such as the recently arrived Korean and Japanese companies producing consumer electronics and seeking access to the European market (Massey, 1994; Harris, 1988), have not had Glasgow as their main destination but the areas most favoured by the Scottish Office. As Jonhstone (1995: 8) underlines, until recently, the lack of interest in Glasgow's derelict industrial areas was a major feature of the city's policies: 'a do-nothing approach will mean the prospect of Glasgow still having to put right the dereliction created by the nineteenth century industry in the twenty-first century'. Therefore, the result has been that economic policies for the city combined with industrial structural changes have been mutually reinforcing the decline of Glasgow.

It seems, nevertheless, that currently a change is taking place and the need for preparing land to house industrial areas is regarded as a major point of the strategy for the future (GDA, 1996; 1994; GRA, 1995; GCC, 1994; 1991).

Bilbao

As mentioned before, so far, sector-based attempts to revitalize Metropolitan Bilbao's industrial base have failed. This is the reason why the provision of a built environment adapted to the advanced services sector economy is now taking place. Contrary to the Glasgow case, in which these practices already have a history of almost 15 years, in Bilbao this new approach is being implemented now, which makes it very difficult to judge the direction of its impact. While a more rigorous evaluation will be needed in the near future, some figures illustrate declining recent tendencies.

In 1993 the Basque unemployment rate reached unprecedented levels, standing at 25% (Velasco, 1994). According to Uribarri (1995), the rate of Basque unemployment in 1995 at 23%, if slightly lower than in 1993, was five or six points above the worst of the past decade. The lack of hope for the Basque Country's economic future has also been corroborated by the declining fertility rate and the regressive demographic indicators which have recently been recorded.

Nevertheless, not every area in the Basque Country is equally experiencing the crisis. In fact, also as a result of predominant tendencies, there has been a process of relocation within the Basque Country urban system. Nowadays, Vitoria (Alava) is becoming an important tertiary centre, given its status of capital of the region. As it houses the regional government, this has meant an increase in public sector employment, and hence an increasing capacity to attract population. As Llorens and Larraya (1990) underlined, the core of the Basque economy has moved from the metropolitan area of Bilbao towards

Table 4 Population change 1981, 1986 and 1991

	1981	1986	1991
Left bank municipalities	268,218	259,974	249,789
Metropolitan Bilbao	955,204	941,763	931,054
Basque Country	2,141,809	2,125,922	2,109,000

Source: Prieto and Ureta (1994).

Table 5 Unemployment rate

	1981	1986	1991
Left bank municipalities	23.8	28.3	24.0
Metropolitan Bilbao	18.4	25.7	21.4
Basque Country	16.2	22.9	19.2

Sources: MECSA (1995); Prieto and Ureta (1994).

some other districts, such as the triangle formed by the areas of La Llanada, Alto Deba and Duranguesado. A modest example to illustrate this tendency would be the fact that the Korean company Daewoo has recently chosen Vitoria as the location for a new refrigerator plant.

It was stated in 1996 (BM30, 1996) that Metropolitan Bilbao had been losing population for more than one decade. The emigration of young qualified people was considered particularly worrying, as illustrated by the fact that 29.8% of Basque emigrants had a high education level, which had no parallel in any other Spanish area. Prospects for Basque GDP growth were not optimistic either. Both the Basque Government and the L.R. Klein Institute pointed to the Basque region having a lower increase of this indicator than the Spanish average (BM30, 1996).

More specifically focused on Bilbao district, available data show that declining indicators do not have an even distribution. As seen in Tables 4 and 5, population losses and unemployment have been much more intense within industrial municipalities, mainly located on the left bank of the river.

According to more recent data, the Basque unemployment rate was 22.4% in 1996, while the same indicator for Metropolitan Bilbao left bank was significantly higher (*El Correo*, 1997).

Not surprisingly, in 1996, the Vizcayan administration (Diputación) directed towards the city and the left bank of Metropolitan Bilbao more than 60% of the social help benefits (*El Correo*, 1996).

Concluding remarks

Glasgow is considered by the multiplicity of government tiers in Bilbao as a model for the post-industrial metropolis. But what is there to be imitated? Fainstein and Fainstein (1985) remark that since the 1970s there has been a congealing of growth visions around vague notions of high technology, command and control, and advanced producer services futures. This seems to have been the case in Glasgow and Bilbao.

The emphasis on fostering service sector growth via image reconstruction, primarily through the promotion of the city centre, has had very limited success in Glasgow. There is no doubt that this strategy has had dividends in respect of the number of visitors to the

city. As Holcomb (1993) underlines, it is also undeniable that the image of Glasgow, both within and outside the city, has been radically reconstructed. There is also agreement on the success of these policies in terms of Glasgow's central area physical renaissance. But this seems to refer only to a very constrained and poor idea of urban regeneration. In fact, it is clear that the formula used to revitalize the urban area has not been very fortunate as far as employment is concerned.

Furthermore, a wider exercise of revitalization, focusing on potential industrial employment, has so far been hampered in Glasgow by the growth of centralized power emanating from the Scottish Office, the demise of municipal power and the subsequent exclusion of the city as a location for manufacturing inward investment. In short, not only has Glasgow not been able to attract any of the manufacturing inward investment which has come to Scotland as a result of the cheap production environment, but also the strategy of services in the city has not been effective in terms of alleviating the unemployment rate.

Problems in Bilbao are not the consequence of central government decisions in regard to the process of economic recovery, even if the abundance of local initiatives undertaken by different agencies portray a significant lack of institutional coordination (Rodríguez, 1996). Added to that is the fact that the Basque Country is not a privileged destination of industrial foreign investment as Scotland is at present. However, the prospects stemming from the practices being implemented at the moment, mirroring Glasgow's case and hence merely focusing on the boost of services through infrastructure investments and place marketing, do not seem to be promising at all, again mirroring Glasgow in terms of employment. But all in all, the question is how could Glasgow's process be utilized as a successful guiding example of revitalization in metropolitan Bilbao when the current unemployment rate there was over 20% in 1996.

The conclusion is that the practice of transferring policy solutions from one city to another must be more rigorous. It is open to debate whether the utilization of Glasgow's misleading regeneration clichés by Bilbao as the means to legitimate its own current strategy is biased or not. But in the best case there has been a clear misunderstanding of Glasgow's process by Bilbao's decision-makers, at least in terms of the impact on employment growth.

Of course, the question of what the cities would have been or would be without these strategies is still open. But even so, the truth about Glasgow speaks of failure in employment recovery through the boost of services, even if the central area 'has emerged rapidly as a major centre for commerce, education, culture and tourism', as the City Council (GDC, 1990: 1) liked to emphasize some years ago. Coming from a situation of huge employment decline such as Glasgow and Bilbao have experienced, the real meaning of urban regeneration must be primarily measured in terms of employment creation. The rest seems to be part of a deceptive mirage.

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