

ANALYSIS OF THE IMPACT ON TOURISM OF THE MEGAPROJECT-BASED URBAN DEVELOPMENT STRATEGY. THE CASE OF THE CITY OF VALENCIA

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During the last three decades, the cities of the western countries have grown up competing, with the aim of positioning themselves in the international sphere. Sometimes such a positioning, apparently based on innovation and quality, responds to interests and criteria not clearly expressed. Urban development policies whose general objectives are urban regeneration, economic growth and political confidence, end up materializing in the city's ability to attract tourists, that is, to increase its attractiveness, which, if it is achieved, seems to legitimize the whole process. However, the creation and/or consolidation of a quality tourist destination, sustainable and socially responsible, is something more complex and cannot be measured only with the arrival figures of tourists.

These initiatives, developed especially since the 1980s, have come from an urban policy whose central idea is that local governments should be more innovative and entrepreneurial, focusing on finding new ways to improve the economy. This objective is achieved either through the direct intervention of the government in the start-up of new enterprises or through the creation of an environment conducive to the development of innovative economic activities in order to recover lost competitiveness. These policies constitute the urban expression of the New Economic Policy, a political platform of conservative liberalism, which seeks to reorient the intervention of the state beyond the regulation of the monopoly market, becoming an instrument for addressing public resources towards the creation of social, physical and support, finance, subsidize or promote new forms of capital accumulation.

In Spain, the so-called "Guggenheim effect" has been tried to replicate in several cities with greater or less success. It is about focusing the process of urban regeneration on culture as a pivot and tourism as an economic result. Therefore, a city that aspires to be a tourist destination must differentiate itself through an outstanding, innovative, or much better, avant-garde image, or it will not be competitive. Culture is, in this vision, relegated to the background. The Guggenheim effect, therefore, demonstrates the symbolic potential of mega-architecture, to which its underutilization does not detract from its capacity for attraction or symbolism. The success of these initiatives has been much questioned.

The urban promotion business policy is straight directed to reposition the city in a new scenario, so that, in the search for new competitive specializations, the strategies related to

the city of knowledge and training, the entrepreneurial city, the city of leisure and quality of life, and cultured and creative city. Cultural and creative services are configured as the fundamental element of urban competitiveness, places in which the narrative that sustains the cultural economy is created.

This approach leads to highlight the importance of re-imagining and recreating urban space, not only in the eyes of planners and residents, but mainly facing the foreigner, the investor, the businessman or the wealthy tourist. Thus, strategies are not only economic, but are also oriented towards the management of the symbolic dimension and the construction of identities. Therefore, major emblematic projects, the promotion of events with great media projection and place-marketing constitute a fundamental tool to attract investment capital and improve urban vitality. In this way, city-marketing and brand management enter into local politics, and the processes of spectacularization linked to events and large projects contribute to the creation of this urban brand.

This urban policy described above is not strictly oriented towards the tourist development of the city, however, the growth of tourism is considered a positive consequence of the development of said policy in that it generates employment and economic benefit at the local level, while contributing to the definition and diffusion of the international image of the city. However, the good figures for the creation of tourism businesses, mainly lodging and catering, make it forget the controversial issues such as the quality of employment, wages, quality of service, problems linked to overcoming capacity of load, with the inefficient accessibility to the tourist resources, etc. The role of public administration and citizen participation is questioned, thus for many experts is key to any urban planning process. The number of visitors and spending are the two elements that are used to measure the success of a tourist destination, therefore, it is necessary to keep growing. But they are not the only way to measure the success of these policies.

The objective of this article is to analyse the impact that tourism has had on the megaproject-based policy in the city of Valencia, in order to assess whether it has been adequate to generate an integrated and sustainable tourism development in the medium and long term.

Since the beginning of the 1990s, and following the path started in 1992 by the cities of Barcelona, with the celebration of the Olympic Games, and Seville, with the organization of the Universal Exhibition, many Spanish cities have opted for the big couple projects-great events. Until the financial and real estate crisis of 2008, the combination of both was understood as a sign of modernity and international visibility. The city of Valencia, in the Spanish context, is a good example, if not the best, of grandeur and waste.

Since the middle of the twentieth century Valencia has experienced a model of urban growth in which real estate business has been the driving force of economic activity, favoured by significant changes in state and regional urban legislation that have facilitated the generation of an intense urbanization and sprawl, as well as large residential developments. This has been complemented by significant public investment in mega-events, major projects and huge infrastructures, as a result of the so-called “entrepreneurial urbanism”, based on solid coalitions between financial companies, land developers and local and regional authorities

The way followed by the city of Valencia presents some distinctive features compared to other Spanish cities, including, for example, that, unlike Madrid, its urban agenda did not focus on an intensive urbanization of the Metropolitan Area, but focused on large real estate developments, the organization of mega-events and investment in large urban projects.

Unlike Bilbao and Barcelona, Valencia gives greater preference to economic policies, while in Barcelona and Bilbao there is a greater balance between these policies and social, environmental and urban-based policies. Another differential feature of the Valencian case is the continuing lack of consensus between the municipal government and the rest of political and citizen bodies, as well as public leadership practiced almost on its own.

The year 1989 marks the beginning, when the regional government of the socialist party, takes the initiative to build a scientific-cultural complex that will end up taking the name of City of Arts and Sciences (CAC), understood as part of the urban rehabilitation of an entire abandoned industrial zone, in an attempt to initiate a rehabilitation policy of the type that had been carried in other European cities following the waterfront model from complex urban renewal operations.

In 1991 the project presented by the architect Santiago Calatrava was approved after some changes with respect to the original design, linked in great part to the change of regional government, now on hands of the conservative party. Three years later the works begin (an operation very beneficial for the construction companies, but not as much for the public treasury). In 1998 the complex (not finished) was inaugurated with the opening of one of its emblematic buildings: L'Hemisfèric, an IMAX and 3D cinema. The total cost of the first project amounted to some € 150 million, while the actual cost has quadrupled this budget.

In parallel, the organization of large events proliferates, with a clear underestimation of demand, but with the justification of its great capacity to attract tourists and generate spending in the city. The events are seen as an opportunity for tourist destinations that seek to increase their attractiveness and become visible at the national level, but, above all, international. In 2003 it was announced that Valencia would host the main sailing competition in the world: the America's Cup. It was held twice: in 2007 and in 2010. According to the organizers was a success of audience and participants. What quantifiable is that it shot the numbers of foreign tourists in the city. However, after the event, most of its infrastructures were left unused and at present the Royal Navy, where the most emblematic activities were located, is still undergoing a process of reflection - and planning - to design an urban use of this zone.

On the other hand, the city of Valencia built in the Marina a circuit of Formula 1, in order to celebrate the World Cup, among others. It was held the European Grand Prix between 2008 and 2012. However, the contract had to be cancelled because the event was not profitable.

Valencia's urban model, linked to its image as a city of business and tourism, has consumed the cultural potential of the city, given the enormous identity that links these elements (mega-architecture and mega-events) with its image, overshadowing any other cultural or patrimonial event at the local level. The identification of the marketing architecture is part of the actions linked to the external promotion of Valencia, which has meant a disconnection with the cultural practices of the majority of the resident population, which are little identified with these elements, linked to corruption and waste. The regional administration, in connivance with the local, has prioritized actions for the international promotion of the city and neglected the local referents, although these have continued to be developed seeking alternative forms of promotion and management. The neoliberal urban policy has managed to attract a "container tourism" (spectacular architecture but empty of content) that has mortgaged, in part, the future of its residents.

In the last 20 years the number of tourists in the city of Valencia has grown dramatically and has opened to new demand segments, such as cruise tourism. In addition to the transformation

of the image of the city, we must also consider the improvement of connectivity (cheap flights - Ryanair and AVE), as well as Erasmus tourism, organization of fairs, congresses, etc.

The city has undergone a clear change in terms of tourist equipment, in particular lodging and catering. In the first case, Valencia has increased from 7,200 hotel spaces in 1996 to more than 16,000 in 2016, increasing continuously until 2007, when hotel supply stagnates, with the closure of some hotels, to the present day. The bet of the tourism business has been clearly for hotels, particularly high-class hotels, in line with the megalomaniac image of the city, but with real difficulties to be profitable, so some have had to close or transform into lower categories. In 2010, 5-star hotels accounted for 17% of the city's hotel beds (above the province's average of 8%).

Valencia has also diversified its market segments, highlighting, for its novelty and its great growth, cruise tourism. Its importance is related to the positioning of the city in the international markets from the diffusion of the image of the CAC. The number of cruisers has multiplied by three in the last decade and its presence in the city has become much more evident. This type of tourism has been promoted by public entities, improving the infrastructure of the port and its position as a base port, but at the same time has been able to take advantage of some extraneous factors such as congestion of cruise traffic in some European ports such as Barcelona, Palma of Mallorca or Livorno.

The city of Valencia and its metropolitan area present important contrasts as a result of both its history and its accelerated march towards modernity. The construction of new areas with the objective of improving obsolete centres and spaces, the appearance of elite residential spaces alongside traditional neighbourhoods with their own problems, and the promotion of commercial complexes in the urban periphery are some of the most outstanding urban development milestones. The consequences of this process are reflected in the loss of orchard space around the city (now in the process of protection as the last Mediterranean orchard in Spain), the increase in house prices in particular in certain neighbourhoods, the reduction of the housing of official protection and the disinterest by some architectural landmarks that are part of the local culture as the case of the district of Cabanyal-Canyamelar.

Without a doubt, Valencia has undergone a substantial change in its international image; however, the total bill it has paid (and continues to pay) amounts to 886 million euros, a figure that covers the city's current debt. In the Region of Valencia, debt amounts to 41% of GDP (more than 43 billion euros), which places it at the head of the most indebted communities in Spain (Banco de España, 2016).

Despite the controversy, the impact of the organization of major sporting events in Valencia, as well as the showcase architecture, in line with the New Urban Policy, focused on the search for the competitive and global city, has been fundamental to understand the tourist transformation that the city has experienced since the beginning of the 21st century. There are few criticisms, particularly the consequences of this policy of major events in terms of economic and social costs, but the exclusively tourist figures are shocking. Other issues, such as the tourism model of endless growth associated with the serious (already experienced) risk of overcoming the carrying capacity or the need for sustainable growth can be and should be discussed, based on the valuation of other resources but the reality is that the city of Valencia has experienced a growth in the arrival of tourists and overnight stays (especially foreigners) that it has never had before, despite the economic crisis, the low reception capacity in the initial moments of this increase and competition from other destinations with greater attractiveness.