

# Planning and governance in the Portuguese cities in times of European crisis

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This chapter aims at analysing the impacts of the European crisis and its main responses in Portuguese city-regions; and to examine the correspondent development of spatial planning instruments and public policies for urban development. There are proposed several insights to an already widely open discussion. Particularly on how territorial dimensions – and namely the urban realms – show to be relevant to the interpretation of the European crisis and its consequences; over its vast and differentiated spatial impacts as well on the conflicts resulting from the intersection of the reactions of the different political stances (Hadjimichalis, 2011; Werner, 2013).

These are being particularly painful times for Southern European territories and societies; due to the conjunction of the financial crisis that perceivably started in 2008, and the following European and several nation-states political responses. The main political reaction was to put in place austerity measures that deeply disrupted social, economic and territorial tissues; driving attention towards if the crisis is not anymore – if it ever was – mainly due to public and financial reasons – having instead multidimensional and structural sociopolitical bases.

To analyse the territorial performances and responses here under subject, two political and administrative levels were considered: a functional regional one, where the focus was on the Metropolitan Area of Lisbon and the Intermunicipal Community of the Region of Aveiro; and a municipal one, where the focus was on its correspondent inner cities, Lisbon and Aveiro. These two regions represent two somewhat similar and differentiated realities. Both cities have relevant scientific and

technological system units and high foreign exposure (economic, social and cultural internationalization) and can be seen as interesting examples of innovative approaches towards crisis impacts.

In analysing the impact of the European crisis, key indicators were considered: unemployment, poverty, social deprivation, political instability, cuts, public debt of local authorities and the central state; this being sought to realize the extent of the crisis impacts as well as resilience and responsive factors.

For analysing the instruments, main public policies for development and spatial planning were considered at the regional level (in particular the guidelines for European funding periods 2007/2013 and 2014/2020) as well as the municipal level (urban regeneration or socio-economic programs). Furthermore, focusing was made on the integration of different local actors and the way they were mobilised to tackle the crisis. Finally, urban planning instruments and its changes were also under analysis.

## **1. PORTUGUESE CITIES AND URBAN DEVELOPMENT IN TIMES OF EUROPEAN CRISIS**

### **1.1 CONTEXTS<sup>1</sup>**

The 2008 financial crisis marked the beginning of a profound change in Portuguese society and politics. Portugal was already suffering through the first decade of the century, major shocks that had a profound impact in its ability to compete internationally: for adopting a strong currency, the Euro; for suffering the impacts of global liberalisation and on Chinese exports on traditional Portuguese export markets; for receiving the oil and energy shocks since mid-2000. All this led to the so-called “lost decade” (as it was commonly termed by media) for Portuguese economy; none withstanding several focuses of innovation and neo-modernity in the country. From 2000 to 2010, Portuguese GDP grew at an annual average

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**1** | This section, as well as the sections that analyze Lisbon region in its geographical and sociopolitical developments since 2008, owes much to the data collection and correspondent analytical work made by Simone Tulumello, Susana Corvelo and Ana Drago. The authors wish to strongly thank their work and permission in this use.

rate of only 1%; and the country seems to have been answering to these shocks through a progressive shift towards an economic model grounded on low wages – and growing inequality – rather than investments in sectors with high added value (Reis and Rodrigues, 2011).

The Troika's (the EU, the IMF and the European Central Bank) therapy consisted mainly on a supposedly neo-classical or neo-liberal agenda for the country. It included the obligation towards drastic cuts in public spending and public investment as well as in restructuring and liberalisation policies. State administration, public services and public salaries were to be strongly reduced, as well as public spending in fundamental areas as health, education, poverty and inequality reduction and unemployment benefits. A mix of tax increase was imposed over work and pensions revenues as well on consumption. A vast privatization program was implemented in strategic economic sectors as transport, energy and communications, postal services, airports.

The main social and economic effects of the “adjustment program” carried out from the bailout in 2011 cannot be understated: since then, Portuguese GDP felt 5,9% and is expected to fall again in 2014. In 2013, private consumption has returned to the levels of 2000, public consumption has fallen to the figures of 2002. As far as (both public and private) investment rates are concerned, there is no memory (i.e. no statistical data) of such a collapse. In the first trimester of 2013, the net investment in Portuguese economy was 20% lower than in 1995 (Abreu et al., 2013). From 2011 to 2013 national available income dropped 4%, whereas work income suffered a significant reduction of 9,7%<sup>2</sup>. These figures can be interpreted as a lowering-wage pressure typical of a recessive economy, but were certainly induced both by government continuous wage cuts in public sector since 2010, and the effects of massive unemployment.

## 1.2 The crisis in the Lisbon region

The focus is here given to the Lisbon Metropolitan Area (LMA) recent performances on economic, territorial and social dimensions, and on interpreting the effects of the Eurozone crisis and its political reactions, through correspondent data analyses. First of all, evidence will confirm that exist a strong relationship between the performance of the metropolitan

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2 | Elaboration of authors on data Pordata ([www.pordata.pt/](http://www.pordata.pt/)).

region and the national context. But further on: it will be proposed that within this correlation, there were developed two markedly different impact periods; and maybe a third one, recently starting.

As relevant concentrational territory, it is no surprise that LMA recent evolution has been strongly affected by the economic crisis and subsequent austerity measures, both by European and national politics. Nonetheless, this happens in apparently contradictory ways. When taking into account the years prior to and after the beginning of the implementation of austerity measures (since mid-end of 2010), the Regional Development Composite Index, on its competitiveness component, shows a slight improvement pattern, clearly contradicted by cohesion and environmental quality effects, which affect the overall index, with clear downward consequences. A more careful analysis helps to understand this apparent competitiveness recovery. All variables – per capita GDP, qualified personnel, exports growth, RandD intensity or the prevalence of knowledge intensive activities – in LMA outperform country's average, are less reactive taking into account the LMA specialization profile<sup>3</sup>, where an internal market dependence is markedly balanced by the exports profile; thus giving a sense of growth while the behaviour of macroeconomic variables is not so positive.

During what here is called the first phase of the economic crisis (2007/8-2009/10), a moderate growth occurred in the LMA, as economy started to contract. The predominance of service sectors and tourism activities in the region seemed to contribute to balance economic depressors which started to become evident after 2008. But during a second phase, just after 2010, performance differences showed to be quite evident, with both cohesion and environmental components starting to lower and the overall regional index being mostly affected.

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**3** | According to its GVA, the Lisbon Region specializes in services, transport and logistics, energy and environment, tourism, chemical, electronic and mechanical industries.

Table 1 – Regional Development Composite Index

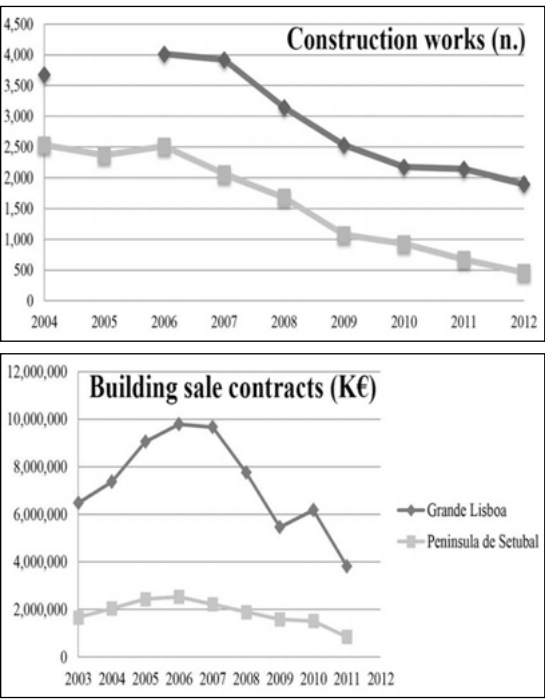
		RDCI	Competitiveness	Cohesion	Environmental Quality
<b>Portugal</b>		100	100	100	100
<b>Lisbon Metropolitan Area (LMA)</b>	<b>2011</b>	<b>105,33</b>	113,26	103,99	98,01
	<b>2010</b>	<b>106,48</b>	113,93	104,64	100,20
	<b>2008</b>	<b>106,79</b>	113,18	106,57	100,00
	<b>2006</b>	<b>107,21</b>	113,01	107,78	100,27

Portugal: 100. Data from INE

The analysis of further economic performance variables helps to understand the real effects of the economic crisis and then of the austerity measures: major private and (especially) public investment drops, while the austerity discourses grew together with cuts in public spending to supposedly restore competitiveness. In these senses, the numbers are quite expressive: Gross Fixed Capital Formation drops by almost 20% from 2008 to 2011. Around 65.000 companies (17, 6%) have disappeared between 2008 and 2012, shifting the survival rate under national average.

The LMA is today a densely urbanized system, however considerably fragmented and with difficult capacity to a clear multipolar capacity; this being the result of several decades of urbanisation economies prevalence. This is quite noticeable on the levels of growth in terms of inhabitants and dwelling stock. According to the last census, between 2001 and 2011, a 6% population growth was reflected into a growth of the built area of around 14, 2%. Being the real estate and construction sector one of the first to suffer with the crashes and the crisis anticipation movements, as can be clearly seen on the significant drop on building sale contracts. After a sustained growth in the early 2000s, construction works dropped by half in a few years (2007 to 2012) in the Lisbon area and Setúbal peninsula (southern part of the metropolitan region). It is to be said that the 2007/8 financial breakdown intervened in processes already ongoing: building sale contracts stop growing in 2006, because of the burst of the construction bubble and growing effectiveness of planning regulations.

Figure 1 – Construction and real estate in LMA



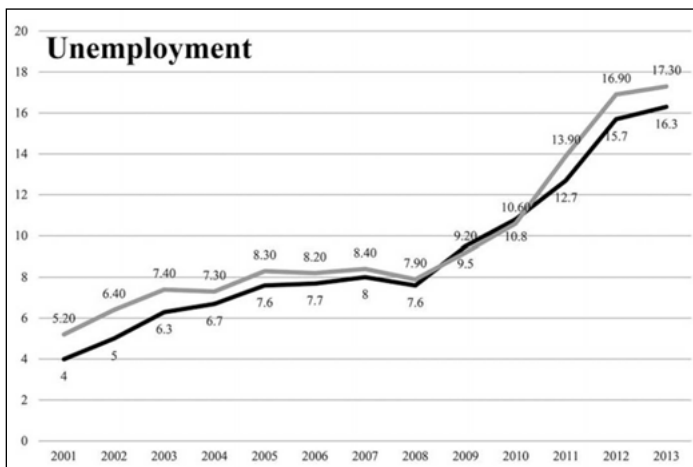
Data from INE

At the same time, mortgage insolvencies were rising by 49,5% from 2009 to 2013. The political discourse of recent years, both at European level and by the Portuguese government since 2011, underpinning the blame of Portuguese economic and fiscal crisis on families for their excessive indebtedness, can largely be explained by the lack of an overall public housing policy for decades. In 2010 housing loans accounted for 80% of family indebtedness, and homeownership was encouraged by tax benefits and a state-subsidized credit system for house purchase that lasted for more than 30 years until 2010. This pervasive system created a specific articulation, linking state policies, family investments/indebtedness, and credit-financial institutions (Santos, 2013).

LMA is a highly qualified region in European average terms, concentrating the biggest university poles in the country, the highest number of RandD centres and a considerable number of innovative companies. With a 16,8% of inhabitants having high education degrees (against 11,8% national

average), and a slight increase in young people population, it is nonetheless an ageing region with birth rates dropping and where over the last ten years, the elderly (65 years old and more) rose from a 15,4%, to a 18,2% weight in the overall population, already considering the balance of a fairly young immigrant population. These trends are just as significant as we look at labour market figures and their aggravated behaviour throughout the crisis development. In fact, the effects of the crisis and political responses are deeply clear here, with a reduction of ~180.000 employees between 2008 and 2013. Even though the region accompanies the country's trends, the aggravated effect in LMA is evident when taking in consideration the unemployment figures. The unemployment rate in the LMA more than doubled in the 2008-2013 period (from 7,9% to 17,3%), a growth than became steeper since the 2011 bailout, confirming the depressing effects of austerity politics in macroeconomic variables. Particularly, youth unemployment rate grew from 16,9% in 2007 to 22,7% in 2010; then booming to 42,4% in 2013. The numbers of registered unemployment at public employment services figures, which gives a monthly picture and allows capturing trends more quickly, is also consistent with these findings: registered unemployment in LMA started to rise at a low pace just after 2008, growing drastically after 2010/11, when cut off measures by central government started.

*Figure 2 – Unemployment rate and beneficiaries of Social Integration Income (SII) (No.)*



Data from INE; II/MSESS (<http://www4.seg-social.pt/estatisticas>)

Other relevant analysis concerns income inequalities and poverty rates. Poverty risk rapidly grew since 2009, rapidly inverting a slightly positive trend traced since the beginning of the decade by steady social policies. According to the 2013 EU Statistics on Income and Living Conditions survey on 2012 income data for Portugal (no regional poverty data are available), 18,7% of the population was at risk of poverty after social transfers, against 17,9% in 2009. The growth is much more significant using a time-anchored rate<sup>4</sup>. The ‘at risk of poverty’ rate for the unemployed population in the country was of 40,2% in 2012, a rise of almost 4 points when compared to 2009. Under the austerity agenda, a renewed rise of asymmetry in income distribution since 2010 has reverted the trends of the last decade. Considering the beneficiaries of the Social Integration Income (social security benefit for poorer families) in LMA, there has been a strong increase (approximately 66%) in the first phase of crisis. Since 2010 onwards, however, the austerity measures<sup>5</sup> produced a drastic reduction in these figures, in paradoxical contrast with the contextual rise in unemployment.

The austerity measures and the lowering of wages and family income also strongly affected one of the most important dimensions of urban life: mobility. The urban mobility and transportation effects of the crisis are particularly serious in a quite unstructured urbanised region like LMA is. Lisbon metropolis is characterised by huge daily commuting and semi-polycentric travels; with for instance its main core, Lisbon-city (with a population of circa 600.000 residents) having normally a daily duplication of its inhabitants. Between 2008 and 2010, the numbers of urban and suburban travels in LMA public transports have been considerably stable; but then a 23% drop was to be experienced for the 2010-2012 period. This sharp reduction of travellers happens when the purchasing power loss

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**4** | At-Risk-of-Poverty rate is statistically dependent on a percentage of the national average income. When national average income is reduced, as it has happened in the present context, the at-risk-rate income is reduced as well. To avoid this misleading effect, some experts have experimented a “time-anchoring” analysis, using 2009 national average income as benchmark (see Rede Europeia anti-pobreza, Portugal, [http://www.eapn.pt/documentos\\_visualizar.php?ID=322](http://www.eapn.pt/documentos_visualizar.php?ID=322)).

**5** | The measure, called “condição de recursos” and imposed by the first national austerity package (known as PEC 1) in response to the EU demands, imposed cuts on beneficiaries with property ownership evidence, through fiscal analysis.



effect is aggravated with cutbacks in public metropolitan transport offer; paralleled by significant fare increases (~24%, 2010-2012) decided not by local but by central government.

*Table 2 – Poverty and Deprivation Indicators (EU-SILC 2010-2013)*

	2009	2010	2011	2012 (estimated)
<i>At Risk of Poverty Rate before Social Transfers (%)</i>	43,4	42,5	45,4	46,9
<i>At Risk of Poverty Rate after Social Transfers (%)</i>	17,9	18,0	17,9	18,7
<i>Time-anchored At Risk of Poverty Rate (reference income=2009) (%)</i>	17,9	19,6	21,3	24,7
<i>Severe Material Deprivation (%)</i>	9,0	8,3	8,6	10,9
<i>At Risk Of Poverty Population (%)</i>	25,3	24,4	25,3	27,4
<b><i>Gini Coefficient</i></b>	33,7	34,2	34,5	34,2
<i>Inequality on Income Distribution (S80/S20)</i>	5,6	5,7	5,8	6,0
<i>Inequality on Income Distribution (S90/S10)</i>	9,2	9,4	10,0	10,7

Data from INE/Eurostat. Po: estimated value

Finally, migration flows were also analysed; as mirror for socioeconomic capabilities of the territory under question. From 2010 onwards, there is a complete inversion of migration trends in the LMA: immigration flows fall drastically – the values of 2012 being half of those in 2009 – whilst emigration – especially among young people – rises abruptly in only 3 years. In 2012, it was three times higher than in 2009, forming a negative demographic balance for the first time in the decade.

Having analysed in this section the impact of economic crisis in LMA through a set of socioeconomic and urban indicators; some relevant conclusions can be made. Regional and local data evidences on the Lisbon Region, suggests that rather than a simplistic ‘crisis approach’, a series of differentiated causes and consequences have followed the global financial breakdown. Two main temporal phases are to be highlighted. In the first

phase the long-wave of the structural financial and ecological crisis affects strongly the economic areas mostly dependent on urbanisation and space production. In this phase, and as main urban and diversified hub for the country, the LMA seems to show some resilience; albeit increasing internal polarization. The second phase, marked by the implementation of national austerity policies, and then with renewed vigour with the 2011 bailout; configures the widening of the impacts over vaster areas of the social and urban and metropolitan fabric. The effects are now particularly strong over middle-classes, public employees, as well as increasing pressures on poverty-risk and elderly populations. The correlation between the austerity measures and the social impacts of the crisis are evident; and here more in-depth analyses will be necessary in order to accurately discern the main drivers and its effects.

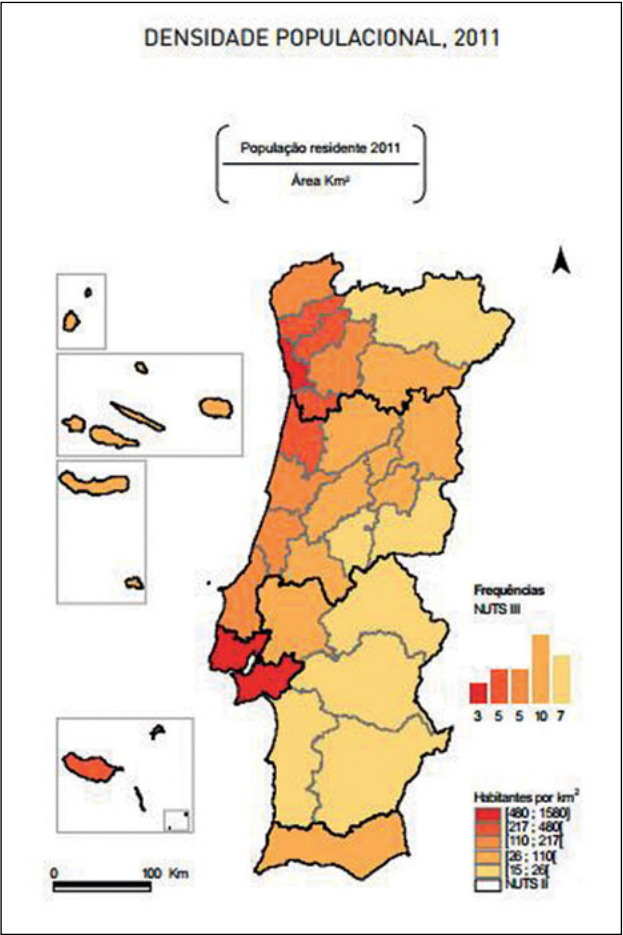
However, a third phase now seems to be showing. The recent migration trends, boosting drainage of not only poor as well as younger and skilled people, prefigures a potential third crisis-effect to come, in the form of a skills and demographic depression. Nonetheless, the statistical data available is not still complete for a clear picture of the complexity of localised trends.

### 1.3 The crisis in the Aveiro region

Starting from the general framework of the region of Aveiro, an effort was made to understand the consequences of the crisis and the austerity policies of recent years (2008-2013) for the social, economic and urban dynamics and to identify the most worrying signs. Looking at the region of Aveiro in the national context, it can be noted that this is the sixth most populous Intermunicipal community (which roughly corresponds to a NUTS III and therefore is an intermediate level between the regional administration and the municipalities), with about 380,000 inhabitants. It is followed by the Ave, Cávado, Tâmega, Setúbal Peninsula and the Algarve, excluding the metropolitan areas of Lisbon and Porto.

This territory has a pattern of scattered land use, developed around the lagoon area of the Ria de Aveiro. It is served by a good road, rail and port infrastructure, connecting it to the main urban centres (Porto and Lisbon), Europe (A25) and the world, which enables a good overall economic performance and exporting capacity (Dispersed City Project, UA/DGOTDU, 2009).

Figure 3 – Populational Density by NUTS III in Portugal



Source: INE, Censos 2011

Analysing the period between 2001 and 2011, the amount of built houses has increased 19%, which is higher when compared to the national average (which was 17%) or the increase witnessed in Greater Lisbon region (15%). Much of this trend in the region is a consequence of the construction of single family housing in single-storey buildings, which occurred mainly in suburban parishes with above average construction rates between 2001 and 2011 (EDT 2014-2020, CIRA, 2013). The amount of vacant housing

between 2001 and 2011 has increased 50% in Aveiro region (12% of the total housing), which is well above the average in Lisbon region (26% increase, 13% of the total housing) and Portugal (35% increase, 13% of the total housing).

The mobility pattern in the region is characterized by a predominance of trips done by personal transport (53%), which is similar to National and European average values. The motorisation rate is 502 vehicles/1000 inhabitants and has increased 42% (2003-2012), at a much higher rate than the national average (26%). The fact that 40% of these trips lasted up to 5 minutes suggest that there is a significant margin for developing alternative modes (PIMTRA, 2012).

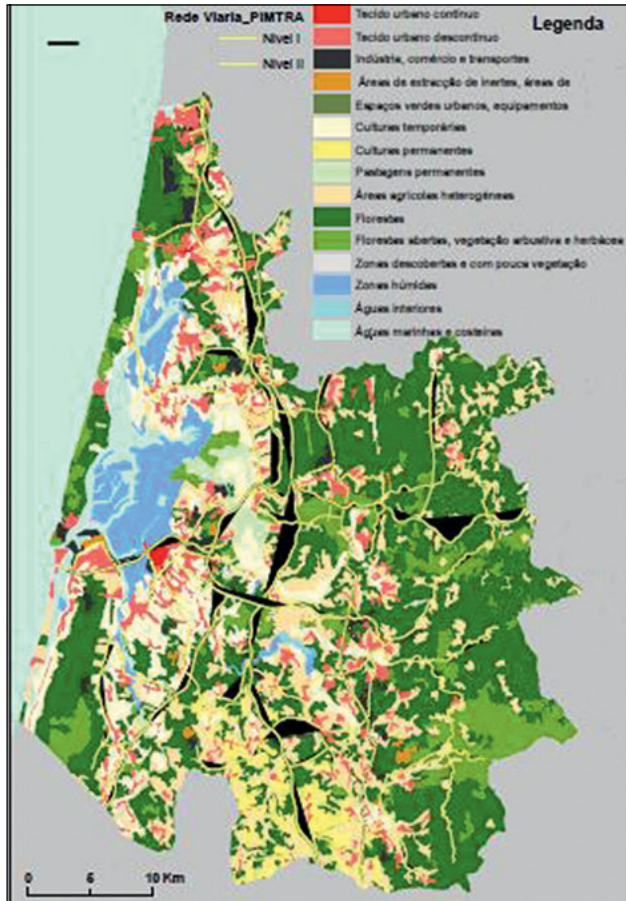
Regarding mobility patterns, Baixo Vouga (the NUTS III which approximately corresponds to the Intermunicipal Region of Aveiro) has a relevant particularity, is the Portuguese sub-region where most people use bike regularly – this value is eight times higher than the national average – 3.9% vs 0.5% (Census 2011). In the Murtosa municipality, which is part of this sub-region, this figure is even higher (17%) and comes closer to Danish than to Portuguese average values. Further, the importance of bike use in this territory can be assessed by the bike industry located in Águeda (another municipality of the region) and the public bike system of Aveiro (BUGA), which was the first to be implemented in Portugal and one of the first in Europe (in 2000). Furthermore, more than half of the population has a bike at home (535 bicycles per thousand inhabitants), which is higher than the average rate of motorization of the region's municipalities. Although this propensity for bike usage is not directly linked to the crisis, it provides conditions for developing other measures of urban policy.

In the region, 80% of the total population lives within 250 meters of a road served by collective transport. Still, it has a modal split for the collective transport of about 4.7%, well below the national average of 22%, but close to that found in regions with similar pattern of settlement. Nevertheless, in the main urban centre (Aveiro) the values are lower than expected. The ones using public transport (road) are mainly women (60%), young people (46%) and seniors (20%) (PIMTRA 2012).

In the case of municipal public road transport, in the period from 2005 to 2010 there was a decrease in the number of passengers. In 2011 there was a very sharp drop in all public transport availability indicators, with fewer vehicles/km and places/km, reflecting the troubled finances

of the municipality and the transportation company (Municipal Mobility Plan of Aveiro, CMA, 2011).

Figure 4



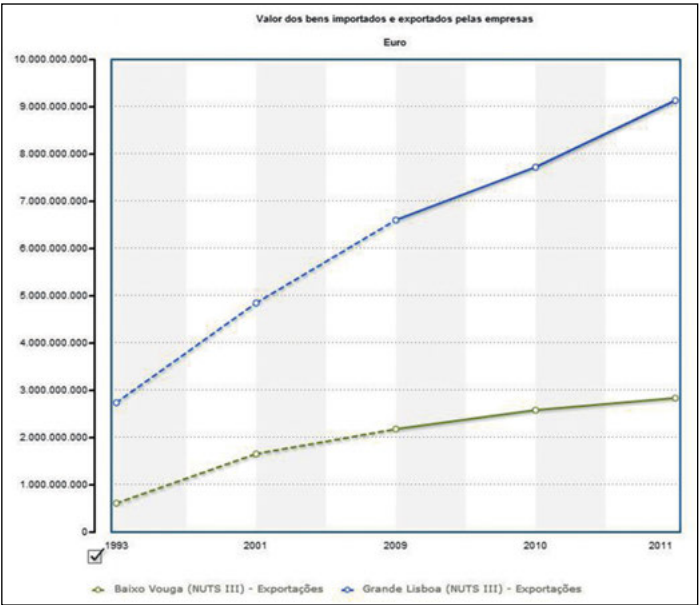
Source: UA, PTD 2014-2020

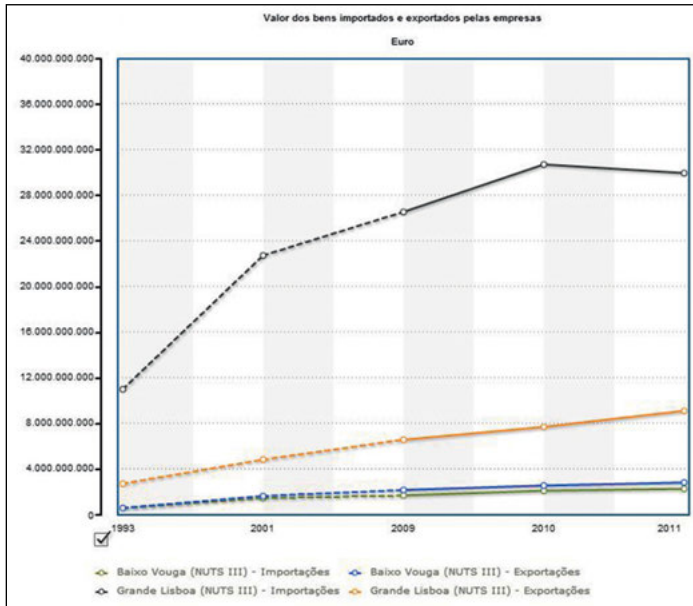
Focusing the analysis on productive fabric, it can be concluded that the region's companies are mostly micro, small and medium sized, represent about 6.7% of the national companies (INE, 2009), and are strongly export oriented, particularly in industries such as footwear, automobile components, habitat, ceramics, bikes, agro-food, moulds, electronics

and telecommunications with two distinct sectors: one more connected to primary products (focusing on early segments of the value chain) or unqualified labour (such as furniture or wood); and one based on greater product differentiation and that has a significant export potential and dynamism (metallurgy or ceramics) (Augusto Mateus, 2005).

This pattern explains its national relevance, representing 15% of the national GVA (Gross Value Added), the third region of the country, after Porto and Lisbon, and one of the major exporting regions of the country, representing 13% of the total national exports and amounting to EUR 4.7 billion, with a rate of coverage of imports by exports of 81.6%, while in the country this figure reaches almost 140%.

Figure 5





Source: PORDATA (<http://www.pordata.pt/Municipios/Ambiente+de+Consulta/Gr%C3%A1fico>)

The good performance of the region’s companies may be related to their innovative capacity, measured by the fact that 10% of the total national companies certified to ISO 9001 and 14000 belong to the region of Aveiro (AIDA Yearbook, 2013).

Despite the crisis and the high number of dissolved companies (273 companies), which peaked in 2009 and was particularly high in the commercial sector but also in accommodation, catering, transport, storage and repair of vehicles, the number of companies created was even higher, with a positive balance of 41, which far outweighs the national balance. The sectors that have a better balance (between those created or dissolved) are related to health and social support, finance and insurance activities and consulting, scientific and technical activities (EDT 2014-2020 CIRA, 2013). According to the Aveiro Region Territorial Development Strategy 2014-2020 (CIRA, 2013) there is currently a “reconfiguration of the productive fabric of the region with a significant number of bankruptcies in traditionally important sectors, particularly manufacturing, and the

emergence of firms in sectors with more embedded knowledge, such as scientific and technical consulting”.

Despite this generally positive economic environment, the significant increase in unemployment in the region, between 2001 and 2011 the unemployment rate in the region increased considerably above the national average (there are about 20,500 unemployed people), makes it possible to infer that “the businesses that are being established are far from creating the same amount of jobs than those who have disappeared” (EDT 2014-2020 CIRA, 2013).

Recent data shows that unemployment in the region rose from 6.8% to 8.2% (2008-2012), compared with 7.0% and 9.6% at the national level in the same years. It peaked at 17.6% (in January 2013) and is currently at 14.6% (April 2014). Another serious problem is youth unemployment which currently reaches 37.7% nationally (February 2014), with the highest values in the mainland in the Lisboa e Vale do Tejo region (45.5%) and the lowest values in the mainland in the Centre region (31%).

One of the main investments of the region has been the qualification of its human resources. It hosts important units related to RandD and the Scientific and Technological System of national and international relevance, in particular the University of Aveiro, one of the most country's most renowned universities, ranked as the “66th best university in the world with less than 50 years and the best English” (Times Higher Education Ranking 2013), PT Innovation (the national research centre of Portugal Telecom, which is being merged with the Oi group in Brazil) and the headquarters of the ICT cluster (62 member companies, which represent an aggregated turnover of 365 million Euros, employ around 3617 employees, most of which have a higher education degree (over 70%) (INOVARIA Auditors Report, 2012). Although the effort and the overall training levels have increased substantially in recent years, “the regional labour market has not been able to absorb this labour-force at the same rate, generating qualified unemployment” (EDT 2014-2020 CIRA, 2013).

In response to the difficulty of integrating this labour force, there has been an increased emigration, especially of young active population. With no data on migration in the region, it is estimated that since 2008 about 500.000 Portuguese nationals have left the country, which is similar to the migrations levels of the 60, and exceeds the amount of births. A recent study by the Centre for Emigration, based on national censuses of 2001 and 2011, from the Eurostat, notes that the migration to the



UK has quadrupled in this century (Centre for Emigration, 2014). This phenomenon, beyond the problems related to the loss of skilled working-age population, also has a serious impact on the birth rates, since it is also the most fertile population that migrates the most.

In parallel to the above mentioned problems, the region has also been witnessing an increase in the number of RSI (Social Security) beneficiaries. Between 2007 and 2010 this value rose from 6,860 to 10,117 (an increase in 47,5%), reaching a share of 29.66 RSI beneficiaries per 1000 working aged population in 2010 (or 2.73% of the resident population), while the national average increased 42.6% increase in the same time-span, reaching 58.45 beneficiaries per 1,000 working aged population in 2010 (or 4.99% of the resident population) (EDT 2014-2020, CIRA, 2013).

These results show that the region of Aveiro revealed considerable resilience to the impacts of the economic crisis, due to its emphasis in innovation, exportation and training of human resources.

## **2. URBAN POLITICS, PLANNING AND GOVERNANCE IN PORTUGAL**

### **2.1 URBAN POLITICS, PLANNING and GOVERNANCE IN PORTUGAL**

#### **2.1.1 Planning Context**

Although spatial planning at the municipal level has been practiced since the seventies of the last century (the first legal act which created the Municipal Master Plans dates from 1977), the institutionalization of planning in Portugal is still relatively new – the Law for Spatial Planning and Urbanism (1998) completed recently fifteen years.

The building of planning instruments at the national, regional and local levels embodying the Territorial Management System is not yet finalized: the National Program of the Spatial Planning Policy (PNPOT) was completed (approved by the Cabinet Council, discussed in the 1st quarter of 2007 in the National Parliament), the Regional Programs of Territorial Planning (PROT) is at an advanced stage of preparation but not yet concluded and the third generation of the Municipal Master Plans is still in preparation (awaiting the completion of PROT's review).

Despite the political and technical effort made in the last decades in matters of planning, the outcomes are mainly reflected in a planning praxis that is very focused on the development of spatial land use plans; a limited financial and organizational capacity of local governments to implement the planned actions; a relationship of distrust between the central government, local authorities and various social and economic agents that are active at the municipal level; and a contradictory and even conflicting guidelines given to the municipal spatial planning, without intermediate structures for consultation (at the regional level).

The practice of preparing plans in the last years has been characterized by a fragile and minimalist agenda focused on controlling urban growth through a statutory and normative approach, without considering issues such as competitiveness, sustainability or social cohesion. The prevalent methodology followed a rigid and bureaucratic procedure, which is very time consuming and lacks institutional and stakeholder debate and the outcomes showed a weak operative capacity, worried with the legal procedures which underlay the administrative approval of private projects, but lacking financial support for public proposals. As a consequence, there emerged an inefficient and rigid planning system characterized by plans with limited social, economic and spatial impacts.

The practice of spatial planning revealed itself inadequate regarding the growing needs of municipalities and struggled with a diverse set of overlapping and, often, contradicting problems. While completing basic infrastructure, local authorities must be able to manage the social, cultural, sports and educational facilities and initiate tasks related to the promotion of economic development but frequently failed to accomplish this.

The emergence of spatial strategic plans in Portugal in the mid-nineties allowed answering some of the new needs of municipalities, with some methodological innovations – including the creation of Strategic City Planning Offices, which encouraged participation, the discussion of the goals to pursue, the necessary measures to achieve them and mechanism to monitor their implementation. Unfortunately, the various generations of strategic plans showed a tendency for justifying projects with no real “urban strategy”, but specific, targeted actions, without consistent links between them (Pereira, 2000).

A growing disenchantment of citizens and public and private stakeholders emerged from this planning practice. This disenchantment

was related, on the one hand, to an increased difficulty in accessing the ‘public sphere’ to discuss planning proposals and to find «common causes», which induced an individualistic climate, and, on the other hand, to a low capacity of municipalities to implement the proposed plans.

The National Strategic Reference Framework (QREN) 2007/2013 launched a new set of instruments for spatial planning which was not provided by the fundamental law of territory management (LBOT) – the “Policy for the Cities”. One of these instruments developed – “the Partnerships for Urban Regeneration” (PRU) – aimed to support actions to revitalize intra-urban spaces, supported by a structure of Local extended partnerships (DGOTDU, 2008). This instrument was particularly innovative in its formulation, both because of the diversity and relevance of its concepts and of the philosophy that it advocates – building partnerships and, specially, being demanding regarding design and implementation. Recently collected data allows us to understand the true scale of the challenge. There are, at this time, about 182 approved partnerships, most of which are located in the North (50%) and Central (30%) regions, which account for a total investment of one billion euros (with ERDF contribution of about 60%). Thirty per cent of the initiatives (about 56 cities) have an investment of over than EUR 8 million (Total EUR 600 million).

Even though it has a very significant budget and expected impact, a systematic evaluation of the program’s merits has not yet been made. The case analysed in this chapter shows relevant evidence of the difficulties to clarify the goals and to translate them in concrete, coherent and useful proposals.

The start of a new cycle of spatial planning is thus dependent on the new financial support program 2014-2020 to introduce a new set of challenges highlighting the articulation of territorial dimensions (“territorial qualification”) and strategic dimensions (“competitiveness and innovation”).

The challenges faced today by spatial planning are related to the operationalization of concepts and principles, a result of an increasing gap between theory and practice, between expectations and results.

### 2.1.2 Urban Politics and Governance

The practice of urban politics, planning and governance at the municipal level has shown some of the most innovative answers to the crisis. Unfortunately, municipalities are facing a severe financial problem, as a

consequence of general public indebtedness. Nevertheless, they have one of the smallest budgets in the EU countries, spending less than 10% of the total public investment.

As part of the TROIKA memorandum, the Government was invited to develop “a consolidation plan to reorganize and significantly reduce the number of these entities”:

“3.43. Reorganise local government administration. There are currently around 308 municipalities and 4,259 parishes. By July 2012, the government will develop a consolidation plan to reorganize and significantly reduce the number of such entities. The Government will implement these plans based on agreement with EC and IMF staff. These changes, which will come into effect by the beginning of the next local election cycle, will enhance service delivery, improve efficiency, and reduce costs.

3.44. Carry out a study to identify potential duplication of activities and other inefficiencies between the central administration, local administration and locally-based central administration services. [Q4-2011] Based on this analysis, reform the existing framework to eliminate the identified inefficiencies. [Q2-2012] Portugal: Memorandum of Understanding on specific economic policy conditionality” (3 May 2011)

In addition to reducing the number of parishes, less municipal enterprises and less managerial positions in local authorities, saving 9.2 million €/ year, TROIKA has failed to impose any kind real reform in Local Government.

### **2.1.3 New Urban Policy Instruments**

Another instrument created at the beginning of the crisis in 2008, still under the previous government, shows a concern of the central government with the need to stimulate a set of new ways of thinking about the performance of local government – Policy for the Cities – Polis XXI, previously referred.

The Partnerships for Urban Regeneration (PRU) was one the instruments of the Polis XXI aiming to “respond to increasingly complex challenges faced by cities, overcome the weaknesses of the national urban system and transform our cities into effective engines of development of the regions and the country”.

The design of this instrument posed several challenges to the way public policies concerning cities are generated. These challenges have been systematized by the former Secretary of State of the Cities, João Ferrão. The first challenge relates to the fact that “public policy in general must address the needs of citizens, helping to strengthen the collective ability to adapt to structural changes (especially in times of crisis) and create opportunities (development) not only to companies, but for people, organizations and territories.” The second states that “the relevance of a PRU or a town policy only exists if it can bring added value to the local sectorial policies” This implies that it “has to produce a (new) territorial intelligence that perceives the relationship between different systems and promotes an integrated vision among some of the local policies (eg, mobility, culture, environment and health)”. The third states that the “quality of the instrument depends on the quality of the overall vision for the city, where it falls, and the quality of the partners and the relationships that is established between them.” The fourth states that “citizens’ participation in this instrument should not be just a mere bureaucratic requirement that is fulfilled at the end of the process” and should have “mechanisms for public scrutiny to how the PRU’s processes are being conducted.” It was also said that “for participation to occur, it is important to create moments and take appropriate methodologies” with “courage and boldness” in this matter. The last challenge suggests that “municipalities must realize that times have changed and that the methodologies for carrying these instruments also have to change,” making it critical to “create (regular) opportunities to discuss collectively and produce ideas for the future of the city (creation of collective learning processes)”.

## 2.2 Sociopolitical changes in the Lisbon region

Between European and national austerity pressures; and multiple local and civic differentiated responses, Lisbon region clearly shows a complexity – when not a contradictory – political landscape; both within and beyond the crisis contexts. The section is set out around three themes: local government capacitation and national reforms; local government responses; new civic profiles of socio-political empowerment.

The first picture to expose considering Portugal’s territorial politics is the secular limitation of sub-national territorial powers – or what it might be called a secular ‘austerity localism’, driven by central politics. The

country remains one of the most politically centralised societies of Europe – being the second non-micro EU country (after Greece) with the lowest proportion of sub-national public expenditure decisional competence (i.e. regional and local public expenditure) –, which accounts for around 15% of public expenditure, well below EU27 average (~25%) (Dexia and CCRE, 2012). Moreover, the regions themselves (accounting for around 4,5% of public expenditure) have no politically autonomous governments, rather deconcentrated bodies of the national government (Nanetti et al., 2004). This severely centralized pattern is the main scenario for a constant weaknesses of local administrations, coupled with chronic issues regarding fiscal and financial support of its own existence (Seixas and Albet, 2012). Furthermore, the weak resourceful capacities are now being even more curtailed by the fiscal stress induced by not only the economic crisis but above all by the reduction of national transfers promoted since 2010. As a result, municipal budgets within the AML have seen, with few exceptions, steep reductions since 2009/2010 – in the order of 20-30% in three/four years.

In addition to local budget cuts, the national government has been carrying on fiscal and administrative reforms of local powers in the frame of austerity policies. Firstly, a strong suppression of municipal economic and real estate taxes is to be envisaged for 2018. Secondly, the Law 22/2012 about administrative reorganization of municipalities is targeted to expenditure cuts through the elimination of 27% of parishes. Seemingly on other hand, there was envisaged a decentralisation process, through the transference of public competences from central Estate to municipalities, and from these to the parishes – but this movement not being accompanied by a minimum reinforcement of resources.

The administrative reorganization of the parishes throughout the whole country, decreed by the central government in 2013, is a clear demonstration of the very specific austerity strategies followed on the territorial political spaces, developed by very closed central political communities and lacking a minimum of democratic and governance capacity. Municipal assemblies were asked to elaborate in 90 days a proposal for internal reorganization in respect of the parameters established by the law. The national association of parishes has contested the reform, advocating that the reorganization should have been grounded on voluntary aggregations rather than semi-automatic demographic parameters (ANAFRE, 2012). Several civic protests arose throughout the country. Of the 18 municipalities in LMA, 14

deliberated against the administrative reorganization and two (Sesimbra and Sintra) did not submit any proposal within the given terms. As a result, the working group established at the national parliament imposed administrative restructuring to 14 municipalities (in two cases the former parishes have been kept). The sole municipalities of Lisbon (the main centre of the metropolitan region) and Amadora elaborated alternative proposals. The municipality of Lisbon was working since 2009 on an administrative reform and could thus previously forestall the national law – with its pressing temporal terms. The Lisbon-city reform has been grounded on a study developed by a multi-disciplinary scientific team (Mateus et al., 2010) and the reduction of parishes (from 53 to 24) is being implemented as one of the elements for the all-round enhancement of governance quality, where crucial is the transference to the parishes of several competences: management and maintenance of public spaces; permissions and licences; project and management of proximity services; promotion of cultural and social programmes. This municipal reform has undergone a consultative process which received more than 7.000 contributions. Overall, paralleling its own objectives of urban politico-administrative qualification, the Lisbon-city administrative reform as also placed itself as a ‘protestant reform’, against the centralised and austerity-driven national territorial reforms.

The Law 75/2013 was a further centralised step towards attentive reforms of local power, with four aims: decentralization, strengthening of municipal power, backing of voluntary associations of municipalities, promotion of territorial cohesion and competitiveness. Metropolitan boards – Lisbon and Porto, instituted in 2003 – and municipal associations (instituted in 2008) are nonetheless kept as coordination bodies without actual competences and elected boards (Crespo and Cabral, 2010). This law envisages the delegation of competences from the national towards the local and inter-municipal level; however the only transferences actually prescribed are those from municipalities towards parishes. The creation of regional bodies with actual competences remains outside the horizon, the discourses about “decentralization” not resulting at all in any evident measures.

Beyond the reactions to politico-administrative reforms, the implementation of participatory instruments can also give a good exemplification of the complex patterns of institutional local responses towards contemporary urban governance challenges in LMA. Most common instruments are Agendas 21 (implemented in 5 municipalities of the metropolis) and participatory budgeting (see below), plus a

number of other consultative tools such as public debates (Almada, Setúbal, Barreiro), digital tools for citizen/government communication (Lisbon, Cascais). Deliberative participatory tools are nowadays active in 5 municipalities – Amadora, Cascais, Lisbon, Oeiras, Vila Franca de Xira. Participatory budgeting is the most diffused tool (9 municipalities out of 18 have been implementing it) although with some lack of consistency in its application. Some municipalities had to cut budgets in recent years (Lisbon and Cascais); other have not been constant through the years (Odivelas, Oeiras, Sesimbra); in further cases, the so-called “participatory budgeting” have been consultative tools only (Alcochete, Palmela). In sum, the AML mirrors the recent Portuguese history of participatory budgeting, characterised by a lot of experimentation with some inherent “instability” (Alves and Allegretti, 2012).

The analysis of Lisbon sociopolitical recent tendencies concludes by focusing on changes in the profiles of civic participation and citizenship practices. As far as political-electoral patterns are concerned, the last three rounds of municipal polls (2005, 2009 and 2013) show a consistent trend of growing disaffection to politics, especially in 2013 where the number of voters dropped by more than 7% in comparison to 2009 elections. Contextually, blank and spoilt votes have showed a boom in 2013, reaching 8% of total. Moreover, a significant growth of independent parties is to be highlighted a phenomenon almost non-existent until 2009. Overall, the traditional parties lose significant portions of their constituencies in the reference period: the centre-right coalition experienced an out-and-out breakdown in 2013 – in correlation with the national discontent for austerity policies implemented by national government – but the votes did not move towards other classical political forces. The only exception was the centre-left Partido Socialista in Lisbon-city, driven by the boom of consensus for the strategies of Mayor António Costa and his team – whose party received the absolute majority in the municipal board and in the municipal assembly; as well as in the boards of 17 out of 24 parishes. Meanwhile, the May 2014 polls for European Parliament have confirmed the trends for reduced participation and fragmentation of constituencies in LMA.

The growing disaffection to politics seems to be mirrored by an emergence of new profiles of civic participation and protest. In 2006, the landscape of civic dynamics in Lisbon – formal grass-root organization and further forms of mobilization and intervention – was considerably small, although in expansion (Seixas, 2008). An enquiry conducted in 2009



(main results in Mateus et al., 2010) highlights the emergence of new socio-political cultures, mainly amongst most educated and younger classes but widening in denser urban areas. In times of crisis and austerity politics, some signs of a renewed civic participation are evident on two grounds. On one hand, protests against austerity measures promoted since 2011 by non-party organizations – such as *Que se Lixe a Troika*<sup>6</sup>–, although not comparable with the protest energies of similar Spanish and Greek movements, have been the biggest mass protests in history of democratic Portugal. On other hand, a number of alternative urban movements were born. To mention just a couple as exemplary of the growing civic dynamism: *Habita*<sup>7</sup> is the first network to offer advice and support to dwellers against evictions-without-rehousing on shanty towns and against rent's rising in council housing; *Plataforma Gueto*<sup>8</sup> promotes immigration inclusion and analysis of laws and policies, provides assistance to families victims of police violence and agoraphobia trends in several peripheral areas of Lisbon.

### 2.3 Sociopolitical changes in the Aveiro region

We tried to identify the nature of local and regional policies developed in recent years – covering a timespan which starts at the end of the last European support framework (2007-2013) and the start of the new period (2014-2020) – and how they tried to answer or mitigate some of the previously identified social, economic and spatial impacts.

The Intermunicipal Community of the Region of Aveiro (CIRA) is an association of municipalities roughly corresponding to the NUTS III of the Baixo-Vouga and was created under the Law 45/2008, of the 27<sup>th</sup> August. It succeeded the Association of Municipalities of the Ria (AMRIA) and the Greater Metropolitan Area of Aveiro (GAMA) as an association of municipalities for general purposes. The quality of the work developed and the way local actors have been involved, probably led to it being selected as a case study within a PILOT STUDY Intermunicipal communities (CIM) produced by the Government in 2012 that led to the definition of the statute that created the new legal concept of Intermunicipal communities (Decree n 75/2014 of the 13<sup>th</sup> of May).

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6 | See <http://queselixeatroika15setembro.blogspot.pt/>.

7 | See <http://www.habita.info/>.

8 | See <http://plataformagueto.wordpress.com/>.

Focusing the attention on the last seven years, since 2008, we identified two cycles of financial support for the CIRA's activity: 2007-2013 and 2014-2020. The 2007-2013 cycle was conceived even before the onset of the crisis and therefore could not anticipate some of the encountered problems. However, some concerns as to how the region should think about the future – facing potential problems or challenges – were present in the design of planning tools.

The first milestone was the establishment of a protocol between the CIRA and the University of Aveiro in the design of a collaborative strategy for the development of the region (2007-2013) that aimed to support contractual agreements for the management of European funds with the government. Coordinated by a Pro-Dean of the UA for regional development, the document aims to establish a commitment for the future of the region, deepening institutional cooperation to face a new and complex socio-economic and political context.

The design of the Territorial Development Plan – PTD 2007-2013 – was developed with the intention to incorporate new concerns and guidelines for Regional Policy and Cohesion, the «rational use of EU funds in order to promote innovation based competitiveness and regional growth and to create more and better jobs» combined with the response to three challenges: take advantage of the opportunities of the new agenda for the region; increase and measure the impact of region's programs; create new mechanisms for the management and 'agency' of local and regional policies (PTD 2007-2013).

Figure 6 – Strategies PTD Baixo-Vouga 2007-2013



Source: PTD BAIXO VOGA 2007-2013

With this strategy, it was intended to manage funds of over € 100 million for projects in the various municipalities on a contractual base established by the Central Government.

An assessment of the implementation of the financial period concluded that, at the level of the Central Region, the Baixo-Vouga sub region (NUTS III) is among those with the highest volume of investment, and also has a fairly high per capita investment. Most of the investment is concentrated in the public sector (92%), 70% of the investment is made in equipment and 23% in infrastructure, and the immaterial investment is quite limited (EDT 2014-2020 CIRA, 2013).

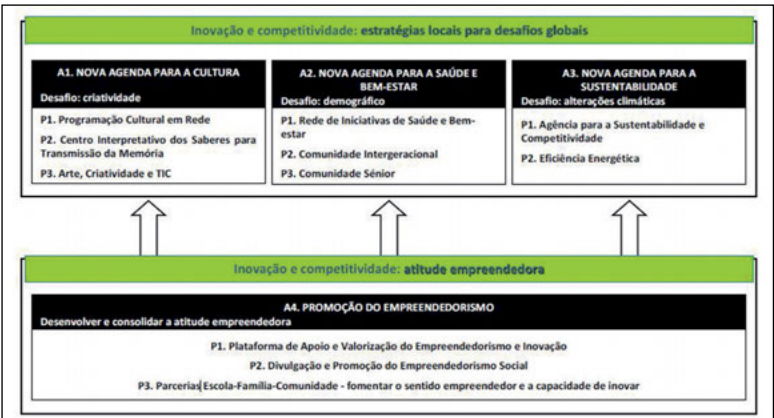
Silva et al (2013) remember the innovative nature of this university's approach in its involvement with local authorities in the region, stating that it "entails a peculiarity in that this collaborative relationship represented a significant departure from a confined perspective of academic-industry relationship based only on consulting and was focused on a wider scope for technology and knowledge transfer" (Pires et al. ,2012 ), thus being an "innovative partnership: joint ownership of the Territorial Development Plan (UA and CIRA)" where the "University becomes a partner in the design of regional development policy".

The difficulties of the case were attributed to "local governments' weaknesses in understanding the "new language" and requirements of the (new) European regional policy approach (Lisbon and Gothenburg Agendas)", "local governments' difficulty in sharing the leadership of this process", "(assumed) unawareness regarding the work developed by the University of Aveiro", "difficulties related to the co-definition of the agenda" (Silva et al, 2013).

Beyond the PTD, several initiatives were developed for deepening the collaboration between universities and municipalities of the region. One of those was an application to the national programme Urban Networks for Competitiveness and Innovation (RUCI) aimed "to build, consolidate and/or enable collective dynamics of urban development of the network of cities and major settlements in the region of Aveiro". The proposal suggested three new agendas: a cultural agenda, promoting a cultural programming network, which articulates all municipalities of the region; a sustainability agenda, responding to the challenges of climate change and operationalized through an agency for sustainability and competitiveness, which is active in the areas of water and energy efficiency applied to buildings and public spaces and intended to replicate its results in the

lives of citizens and communities; an entrepreneurship agenda, that aims to create a culture of innovation and entrepreneurship, with an emphasis on social entrepreneurship.

Figure 7 – RUCI



Source: 2010

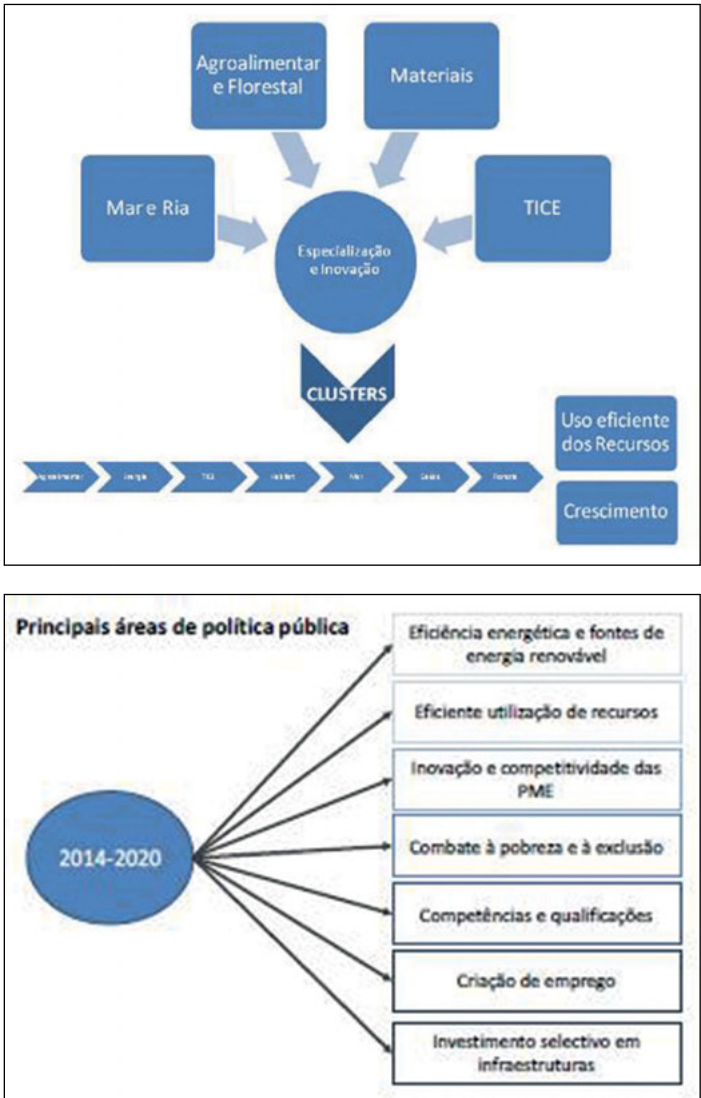
It turns out that the approval of the program (2012) and the beginning of its implementation (2014) took a few years, so many of the projects and programs have not had the desired impact. An analysis of similar programs in other regions identified some problems, including the difficult articulation between actors at the sub-regional level, lack of regional orientation and a devaluation of immaterial over physical initiatives.

Recognising the problems and the emergence of new challenges for the programming period 2014-2020, a new Strategic Plan for Territorial Development 2014-2020 is under development, in liaison with the regional strategy at the NUTS II (CCDR) level.

According to Teles and Santinha (2013) the new strategy for the region is based on the “common belief in the advantages of cooperation; the capacity for a co-agenda setting, supported by peer and inter-institutional trust; a new approach to knowledge co-production to foster a coherent territorial identity” and a focus on “regional specialization” maximizing the impacts of EU funding. The programme will present five core domains: Innovation and entrepreneurial context, natural and

endogenous resources, community capacitation and inclusion, territorial identity and governance and public services.

Figure 8 – PTD 2014-2020



Source: CIRA

Santinha and Teles (2013) draw attention to the risks of starting the process with little information and uncertainty about its development, but remember the challenges of enabling regions to define their way to design a strategy for growth and innovation.

### **3. URBAN POLITICS, PLANNING AND GOVERNANCE – LESSONS FROM THE CITIES OF LISBON AND AVEIRO**

#### **3.1 Lisbon city anti-crisis and local reform proposals**

Quite different local governments – including in its partisan and ideological components – in LMA have been trying to develop reinforced policies and new governance and institutional practices in order to respond to main crisis urban problematic. Amongst those, the municipality of Lisbon-city has been a political space where a large scale and strategic response has been developed since long. This has been happening thanks to a considerably stable political community since 2007, guaranteed by a centre-left government. The efforts towards sustained reform and political empowerment have been shaped around keywords such as “innovation” and “participation”. In addition to the aforementioned administrative reform and participatory tools, the analysis of four policy areas is able to show the approaches of local power. Firstly, participatory budgeting and Agenda 21 are a piece of a wider attention to grass-root planning and social innovation, complemented by some rent support schemes and BIP/ZIP programme about priority intervention neighbourhoods<sup>9</sup>. The BIP/ZIP promotes micro-actions for urban regeneration through neighbourhood participative budgets funded with yearly competitive processes: although an innovative scheme is designed, the still scarce allocated funds (1 M€ a year, around 0,25% of municipal budget) cannot fully impact on the regeneration of deprived areas.

Secondly, Lisbon municipality’s strategies to foster economic activity and employment were also developed. Several urban entrepreneurship support schemes have been launched, namely for business incubators, incentives to new businesses, support of retail initiatives. It is worth mentioning how important have been the EU cohesion policies within

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**9** | See <http://bipzip.cm-lisboa.pt/>.

this frame, and particularly the urban regeneration programmes funded through the Portuguese 2007-2013 framework for Structural Funds. The strategy of designing urban policies to attract international flows of tourism, although not new and growing in its contradictions between the priorities towards local life has been also at the core of the efforts of the municipal government. Globally, there can be seen that in the first phase Lisbon-city has suffered the impact of global tourism recession; emerging as an important tourist destination among Europe's cities in the following years. Town councillor for planning has recently launched the proposal for a non-tax area for hotels in the city downtown and a major investment is programmed for upgrading Lisbon Cruise Terminal in order to be able to respond to bigger fluxes of arrivals. Commerce, new services (bus, bike rental, *tuc-tuc*) tourist shops and restaurants are popping up in the centre and historical areas – and the local press has announced proudly the 2013's "tourism Oscar" awarded to the Portuguese capital for "City Break On a Budget" (Amadeus and WTM Travel Experience Award).

Thirdly, a new emphasis on building rehabilitation and urban regeneration has been envisaged as a cornerstone planning policy around investor-friendly actions, fiscal and edification incentives. As a result of thirty years of demographic contraction, a significant volume of vacant dwellings (around 50 thousands) is found in Lisbon-city, most particularly in its historical centre. Political discourses have since the 1990's emphasized the need for a public policy that would encourage building's rehabilitation, but for a long time that was not visible at all. With the crisis major and initial impact in the construction sector, and namely in the sprawl continuity, rehabilitation of derelict buildings has become a more tangible activity, both for public and private strategies. Just recently, central Government has introduced new regulation to lower technical requirements and to reduce rehabilitation costs in over 30%. In addition to stimulus to requalification of private dwellings, Lisbon municipality has elaborated a strategic plan for the requalification and management of council housing – around 30.000 flats – with the final aim to alienate the stock in few decades (UrbanGuru, 2011). However, and given the credit crunch which has been affecting middle-class families and their housing strategies, political critiques have addressed the risk that real estate investors only will be able to respond to the challenge, and that gentrification trends are to be expected in the next future in Lisbon centre – also as a consequence of tourism friendly policies.

The drivers of sociopolitical change here debated show a complex socio-political framework made of responsive, contradictory and clashing trends. Two main trends show to be restructuring urban politics in Lisbon. By one side the central state policies, most particularly when sustained by the 2011 Troika bailout and the support of EU main cupules. And by other side the local – or maybe better said, the urban – political actions and reactions, these founding some support on inner structures of the EU itself (like the cohesion policies), as well as on fast growing components of the society and its stakeholders (like universities, sociocultural institutions, and even corporate associations). As far as institutional processes are concerned, a clash between the harsh top-down austerity curtails; and the bottom-up urban evolution dynamics; is clearly ongoing and developing, through a complex frame of multi-scalar intersections. The historical and now renewed pressures for austerity localism in Portugal are colliding with local empowerment and resistances, shifting urban regimes towards a still unknown future. Furthermore, a steady evolution of grass-root activism and civic participation adds further pressure both on top-down and bottom-up institutional drivers.

### **3.2 Aveiro local urban policies**

On another level, the average size of municipalities have sought to respond to the new challenges of contemporary economic and social development with some innovative measures, in some cases with good results, others not so much. The municipality of Aveiro, the capital of NUTIII Baixo-Vouga, has sought to develop an effort to promote economic development with very encouraging results. Leveraging the experience of involvement in the European Network FIN-URB-ACT and after two years of working together with local and regional around fostering entrepreneurship and support SME actors, drew up a plan for local action, designated “Aveiro Entrepreneur” (<http://www.aveiro-emprededor.pt/>).

This project went through creating a strategy for promoting an innovative, entrepreneurial environment in the municipality of Aveiro with action in five priority areas: support for small and medium enterprises; entrepreneurship in higher education; promotion of entrepreneurship in schools; promoting an entrepreneurial culture and communication.

The program led to about 490 different actions, involving more than 100 thousand people, drove the launch of different technological platforms



(sea, materials, smart communities, bicycle and mobility) and innovative measures to promote entrepreneurship.

The main results achieved were centered in creating agile channels for dialogue and joint working between local authority, university and economic agents, which resulted in the facilitation the design of collaborative projects. Furthermore, the realization of events (incubation programs, training and capacity building initiatives, talks – like TEDx Aveiro) and the proximity of the funding partners (public and private) and expeditors process led to the creation of an environment conducive to generating ideas and business climate, either in technology or in more traditional domains, with an impact that overflowed the boundaries of the region. Finally, working with schools in education for entrepreneurship, with the involvement of teachers and students, allows foreseeing the creation of a new culture of entrepreneurship.

Despite these relevant results, some difficulties and limitations were identified, particularly in networking, as a result of different interests and stakes and also the lack of time to assume a long-term involvement; in the territorial scale, that has shown to be limited for the nature of issues involved; and finally, in the lack of information for an adequate perception of the real needs of enterprises complicates the design of actions.

Beyond this effort to support economic activity, the municipality was involved in a major urban regeneration project – The Sustainability Park (PDS) funded by the National Strategic Reference Framework (NSRF 2007-2013).

The project was assumed as a Partnerships for Urban Regeneration (a program of the National Policy for the Cities), approved in early 2009, involving 15 local and national partners and a budget of nearly 14 million euros, subdivided by 17 subprojects. The project aims at establishing a greenway crossing a significant part of the city centre (199.106 m<sup>2</sup>), articulating a set of facilities and promoting an innovative environment for residents and tourists under the umbrella of the sustainable development concept. Intended to «affirm the city as a place of innovation, competitiveness» through a spatial intervention with renewed interest to residents and visitors.

The idea behind the project was the qualification of an entire green space surrounding several old neighbourhoods of Aveiro and the creation of a space of contact with nature and good environmental practices, somewhat in line with the concept of “Design for Sustainability” (FIG.7).

It was understood that two elements were needed to strengthen the application. First, a motto – sustainability – implying that it was not a mere physical rehabilitation project of a green space or a set of green spaces. Second, content that gives consistency to the concept, where the involvement of the University of Aveiro (UA) as a key partner was crucial.

The initiative intended to be more than just «another sustainable project» but one that «would serve as a model to be replicated in other areas of the city». The promoters also state that «the redevelopment and revitalization of the defined area, which is integrated in the largest continuous green area of the city, would be key to promoting urban sustainability and attractiveness», which proves crucial to sustain the policy of promoting a quality environment in the city and the welfare of its citizens.

The Local Authority considered that each of the projects within the scope of the Action Programme «assumed importance and relevance to achieve the objective of creating a multifunctional space and is followed a complementary and integrated rationale». Thus, the project was intended to function as an educational experience that “communicates and disseminate knowledge” through the promotion of seminars and publications. According to the project’s promoters, a document will be produced (‘Aveiro 2020 – a sustainable strategy’) which will bring together “all learning resulting from this process and facilitate the replication of results in other areas of the city of Aveiro”.

In face of such a complex initiative, some problems arose. First, the green corridor concept proved to have questionable planning options – a pedestrian bridge over the central channel of the city, renewal of an old garden – without a spatial planning framework and clear understanding of the key issues to be addressed. Second, the proposals had no mechanisms for public scrutiny and participation was seen as a mere bureaucratic requirement. Finally, there were several difficulties to put the new sustainability agenda in practice (traditional projects with “green label”).

The PDS thus proved a project with a good and relevant theme – promoting sustainability in the context of urban regeneration – but having physical proposals, which were not coherent with the objectives. The adoption of the term in this context – the program for regeneration partnerships, funded under the NSRF – demanded a more careful identification of the object, the selection of places and themes that should

be comprehended, as well as a more rigorous definition of the overall objectives, as well the objectives of its individual components.

The complexity of the exercise, which was basically understood as another public financial transaction, was neglected when the context was more demanding failing short of the need, stated by João Ferrão (2011), for more assertive and clearly identified problems and a more coherent set of local public policies, in this case linking mobility, energy, environment and culture.

Several of the proposals were defined on the basis of rhetoric and not supported by evidence and planning studies. For example, the need for a very visual impact pedestrian bridge was justified by “a long felt need” and it was expected to serve many users with great savings of time, while none of these statements were sustained by any facts or concrete data. On the contrary, there was some empirical evidence that contradicted the assumptions. Other proposals – the destruction of an old neighbourhood garden and a proposal to build a road in the middle – where defended with the argument of the need for public space betterment. In both cases, a strong public participation social movement occurred contesting the proposals and suggesting alternatives but where successively ignored.

Since this was a project concerned with sustainability, with ambitions to become exemplary and that could count on partners with extensive experience in the field, one would expect that the interpretation of the concept and its implementation would be particularly careful, in its social, economic, environmental and spatial dimensions. What happened was the opposite. There are several examples of dubious interpretation of the concept, both in what regards the social dimension of the concept – the lack of respect for history and memory of old neighbourhoods and the central channel – or the environmental dimension – total destruction of the existing tree structure in an old garden.

Civic reaction to various interpretations of the concept had a significant educational effect on the importance that the community was giving to the “memory, identity and respect for the place (no fundamentalist or conservative stance)”, the “importance of an overview of the proposal’s (studied and planned) risks and opportunities” and the fact that the intervention on (sensitive) places are to “earn extra caution (debate, and consensus requirements) and not be at the mercy of any ‘enlightened technocrat’”.

The information for the implementation of an ambitious project like this was not enough, lacking specific evidence on the subject (territory and the demands of the proposal – sustainability concept), and therefore did not lead to a properly informed planning exercise, leaving the designer the freedom to find answers to unasked questions. Two of the most problematic proposals have earned such a broad disapproval from those who would most benefit from them that it became clear that care was not taken to previously hear them on their problems and needs. In a way, this shows the perverse effect of funding programs that require a high level of precision in the definition of concepts and projects and establish a minimum level of review and control or flexibility, leading to a precipitation in the definition of objects and reasoning of the planning exercise in the project.

Still, even on these issues there were relevant achievements motivated by civic action, in particular the relevance of the value of sensible use of public resources, a critical attitude towards cheap money from Brussels and the consequences of becoming hostage to ‘opportunism’. In particular, the weak mechanisms for assessing coherence become worrying from the point of view of the effectiveness of public policy, undermining the successful conduct of these operations. In fact, they allow incomprehensible acts of mismanagement of public funds and an inability to take advantage of existing potential for the production of innovative and exemplary public policy, particularly for Aveiro and for issues related to sustainability.

Both projects fall under two different postures of stakeholder involvement towards building transformative agendas, whether environmental or economic. The most successful practices show the importance of dialogue to identify shared understanding, to create a climate of trust between partners which allow a change of mind-set and create opportunities for social, economic transformation, essential during a crisis agenda.

#### **4. CHALLENGES FOR SPATIAL PLANNING IN TIMES OF CRISIS**

The previous analyses, considering the impact of the crisis in both Lisbon region and Aveiro region, reveal in a first stance two different institutional realities – high and medium-density with distinct economic and socio-political contexts and institutional responses – in the first case strongly

dependent from the center (Lisbon) in the second (Aveiro) a more multi-municipal approach. These instances illustrate the multiplicity of public policy approaches to respond to crisis: organizing politic-administrative reform (in Lisbon), planning new agendas for the future (Aveiro Region 2014-2020), promoting entrepreneurship (Lisbon and Aveiro) and developing urban regeneration projects (PDS).

But in a second stance, the analyses permit the inference of most relevant findings and correspondent critical analysis. The urban scenarios are primordial places where social, economic and cultural dynamics are driving towards deep restructuring of sociopolitical patterns. The analysis of both geographical and sociopolitical trends in Lisbon and Aveiro during the course of the European crisis and its mainstream political austerity measures, as well of its more localized – or should we say glocalized – urban responses; show not only that there are different phases and crisis effects and drivers; but also that a clear geopolitical knowledge and planning conflict seems to be widening.

The evolution of main indicators in Lisbon and Aveiro Regions show that there have been developing three considerably different crisis-impact phases. The first phase impacted strongly on the urbanisation driven economies and its most dependent sectors and territories; the second phase is impacting widen throughout most of the urban territories of the metropolis – namely on the ‘social transfers’ poorer classes but as well as on middle-classes and public employment; the third phase is approaching now and derived from the skills and demographic depression, due precisely to the lack of systemic economic and labour opportunities. On one hand, the relevance of national pressures – and hence of European politics, at least in the Portuguese case – is quite evident in the dual evolution of the crisis around early economic impacts of the economic burst, as well as on the socio-economic impacts of the austerity policies. And on the other hand, a confrontation is clearly growing between these austerity pressures and the developing sociopolitical local dynamics; which at the same time still lie in unstable capacitation grounds; none withstanding being reinforced by a steady civic capacitation.

As stated in previous analyses (Leontidou 2010; Nel.lo, 2001; Chorianopoulos, 2002), for many southern European urban areas there has been a distinctive path of development and restructuring, as well as distinctive modes of governance, at least throughout a major part of the XX century. Causing not only specific urban production processes

(strongly understood in major trends like the peri-urbanisation of vast Mediterranean urban and coastal areas), but also curtailing city qualification and competitiveness itself. Today, the hyper-positioning of urban geographies and human daily realities is bringing a complete set of dilemmas and challenges to Southern European cities (Seixas and Albet, 2012). This is an already complex panorama that the present crisis pressures seem to be widening even more; as the Lisbon metropolitan evolution since 2008 to present is showing.

Regional policies are an important tool to respond to territorial dynamics, especially in a context of crisis. Different institutional dynamics were identified with diverse settings and speeds. In the first case, the metropolitan context reveals a significant weight of autonomy of the capital. In the second, a context of medium-density region, there is a strong effort in deepening inter-municipal policies based on a strong relationship with the university as key partner for conceiving public policies.

The first results of the regional efforts reveal the potential of local and regional partnerships, particularly with regard to “share materials and information resources, have more innovation capacity, foster mutual learning, have more status and peer recognition, and to share costs and risks” (Mota, Luis and Rosa Pires, A, 2013).

In the case of Aveiro, the development of a framework for partnership between the university and the region characterized by mutual respect, understanding and trust, involving selected partners who share interests with clear roles and guidelines of the institutions founded on clear and open communication platforms (Mota, Luis and Rosa Pires, a, 2013) were key to the design of a shared agenda and for a coherent framework of action which increased the possibility of funding and execution.

Local policies have a different regional reach, although the cases – Lisbon and Aveiro – are of completely different sizes. Both cases show the importance of innovative measures undertaken by both local authorities to support entrepreneurship – strong relationship with the local authority and the university sector and business concerns with the proximity of institutional support.

Administrative reform Lisbon clearly reveals the importance of a smart political negotiation and the ability to intervene in territorial delimitation with a concern of allocating competences. The example of national administrative reform recommended by the Troika, did not follow this rule and simply add the parishes.

The response to new public policy approaches, related with the sustainability agenda in the context of urban regeneration, proved to be more problematic. In the case of Aveiro, an ambitious environmental public policy program, in line with the stakes of the European Union and the societal challenges – energy efficiency and climate change, in a context of scarce resources and economic crisis, showed a problematic methodological and conceptual approach, without a clear identification of problems to answer, the necessary technical skills and to produce responses, the lack of evaluation of consistency of results with objectives, and absence of communication with potential users, facilitators or managers.

In response to the emergence of non-consensual proposals and understood as undermining the collective interest emerged an intense civic dynamics, reflection, critique and protest over the three years of project development; at the lack of response from the local authority, unusual in the national tradition of low participation.

The importance of participation shows that although citizens mainly express themselves when a lot is at stake for them personally, evidence shows that they do get involved in such processes when: they have more access to information; learn about the problems and potential solutions; notice that there is a common share of ideas amongst the community and their voices can be heard (Mota e Santinha, 2012).

Both cases also reveal that in times of crisis and in lack of public and overall financial resources, there is growing the potential for civic action by exploring and mobilizing social resources (knowledge, time, mind) to contribute to both alternative and more effective local public policies, which requires appropriate reflection on how to inspire these policies in response to problems and societal challenges.

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