

# Urban governance of employment activation: the case of *Barcelona Activa* (Spain)

*Governança urbana em ativação do emprego:  
o caso de Barcelona Activa (Espanha)*

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## Abstract

Within the framework of rescaling nation-State and improving new modes of governance, activation policies have to be interpreted as qualified initiatives for economic growth and social integration at a sub-national level and, specifically, in regional and urban contexts. *Barcelona Activa* is the local agency of the Barcelona City Council (Spain) designed for business improvement and employment quality through horizontal subsidiary and public-private partnerships. This agency acts as a pivotal body of the municipal administration in order to implement a variety of programs aimed at labour and professional empowerment, small and medium-sized companies creation and urban marketing. The paper focuses on *Barcelona Activa*'s strategies, outcomes and criticisms in the current financial crisis, approaching its institutional role for the development of Barcelona as one of the main southern gateways to Europe.

**Keywords:** Activation policy. Economic development. Subsidiarity. Social integration.  
Territorial marketing.

## Resumo

*Dentro de um panorama de reajuste escalar nação-Estado e de incremento dos novos modelos de governança, políticas de fomento devem ser interpretadas como iniciativas de relevante importância para o crescimento econômico e a integração social na escala subnacional, particularmente nos contextos urbano e regional. Barcelona Activa é a agência local do Conselho da Cidade de Barcelona (Espanha), desenvolvida para a dinamização dos negócios e melhoria da qualificação profissional por meio de subsídios horizontais e parcerias público-privadas. Esta agência atua como um órgão central da administração municipal com vistas à implantação de uma série de programas com foco no trabalho e capacitação profissional, no fomento de pequenas e médias empresas e no marketing urbano. Este artigo analisa as estratégias adotadas, os resultados alcançados e as críticas lançadas à Barcelona Activa no atual contexto de crise econômica,*



*discutindo seu papel institucional para o desenvolvimento de Barcelona como um dos principais portais-sul de acesso à Europa.*

**Palavras-chave:** Políticas de fomento. Desenvolvimento econômico. Subsidiariedade. Integração social. Marketing territorial.

## Introduction

In the last twenty years European social policies for employment have marked a paradigmatic change (FERRERA, 2005). Within the framework of the Keynesian Welfare system, risk was considered as an external characteristic for everyone (i.e. unemployment, disease, etc.), while in the neoliberal debate, well-being and employment participation mainly relied on individual responsibility (PACI, 2005). As a consequence, conventional policies, based on predefined categories of social risks, have been replaced by more individualized public interventions (Van BERKEL, 2005).

The *European Employment Strategy* underlines that the competitive position of the European economy should be strengthened by a progressive deregulation of the labour market, with more flexibility and better skills qualification (BARBIER, 2005). In this perspective, international competitiveness, innovation and enterprise culture represent crucial issues for activation policies (VALKENBURG, 2004). The primary instruments used for the coordination of the traditional Welfare regimes were the market, the nation-State and the mixed economy. In the emerging Workfare system these instruments were replaced by inter-firm networks, public-private partnerships and negotiated economy (ESPING-ANDERSEN, 1999; Van BERKEL; HORNEMANN, 2002).

In contrast to the primarily national focus of the mixed economy, the new forms of negotiated economy involve key institutional players from local and regional as well as national and, increasingly, international economic frames (JESSOP, 2000). This is linked to the partial hollowing-out of nation-States through the expansion of transnational institutions and political configurations (e.g., European Union, International Monetary Fund, World Trade Organization) gaining strategic guidance in fostering the mobility of capital, goods, services and labour in the global economy.

It is also linked to the paralleled transfer of regulatory authority downwards to sub-national territories, such as regions and big cities (FERRERA, 2005). In Western Europe, urban and metropolitan areas become the privileged places where social cohesion and integration must be defined and achieved. These issues allow a better management of those social tensions derived from unemployment, labour precariousness and economic instability (LE GALÈS, 2002).

Local agencies for development and activation policies play a fundamental role in this process because they deal directly with the local labour market and are capable to mobilize social resources for the coordination of public-private partnerships (BARBIER, 2005). From a comprehensive perspective, these agencies look toward an integral territorial development by growing the occupational rate and economy by cooperation with different social actors. More specifically, their goals are to increase human capital and improve flexibility and employability, making the working population more suitable to the job demands, encouraging a culture of entrepreneurship, coaching small and medium-sized companies (SMEs) and implementing strategies adapted to local socio-economic requirements (BRENNER, 2004).

*Barcelona Activa* is the development agency of Barcelona City Council (Spain), the institutional tool for the design and implementation of activation policies, whose common mission is the city's international promotion through the creation of high quality and future-oriented employment and business, supporting local companies and professionals by using inter-sectorial and inter-institutional coordination. The main aims of this paper are:

- describe how the *Barcelona Activa* agency is structured;
- analyze its "vocation" (focusing on its principal aims, methodologies, target plans, users and beneficiaries) according to Barcelona's socio-economic characteristics;

- outline how activation policy could also be referred to as urban marketing.

In order to pursue these goals, five members of *Barcelona Activa's* executive board were interviewed during 2006<sup>1</sup> and data about the agency's outcomes was collected since 2000 until the beginning of the current financial crisis in 2008.

## Rescaling State and Urban Governance

Since the mid-1980s the traditional schemes of Welfare State were criticized as being excessively bureaucratic, expensive and inefficient. Subsequently, new forms of governance, based upon neoliberal principles such as fiscal discipline, lean administration, private service provision, and new public management, were introduced (PIERSON, 2001). At that same time, the Europeanization process and the broadening of globalization have given greater importance to regional administrations (KEATING, 1998). More specifically, this general configuration process has been driven by two main institutional adjustments:

- a) the growth of transnational regulatory powers (since the constitution of the European Union) that has restricted the institutional responsibility of national governments from the top downward;
- b) the increasing participation of local actors (profit and non-for-profit) who implement social policies through formal agreements in more limited territories (BRENNER, 2004).

Therefore, regions and metropolitan areas have acquired a greater competence for two main reasons: on one hand, "new regionalism" has been the direct

consequence of recent institutional patterns intended to increase the fiscal responsibility of sub-national governments and to reduce the national fiscal burden (KEATING, 1998; BAGNASCO, 2003); on the other hand, in the previous twenty years, the local level has seemed more competent in developing policies for "new social risks" and employment activation than the State level (TAYLOR-GOOPY, 2004; PACI, 2005).

These processes have generated not only the relative autonomy of regional institutions but also deeper territorial differences in regards to the variable patterns of socio-economic development at a local level (FERRERA, 2005). During the last two decades we have seen a progressive introduction of market parameters for social policy interventions, carried out in the framework of a generalized "re-commodification", normally associated to better management and to the reduction of public interference in favor of the stakeholders' initiatives (PIERSON, 2001). This change encourages the participation of a plurality of social actors and organizations into the *policy making* process, with the consequent diffusion of new local partnerships and social networks (LE GALÈS, 2002).

In this context, urban policies have been mobilized by national, regional, and local institutions throughout Western European States in order to promote territorialized subsidiarity<sup>2</sup> and competitive advantages of cities and regions, in relation to transnational economic competition.<sup>3</sup> In many countries the Central Government has deployed local policies extensively at an urban scale in order to increase the opportunities of development (FERRERA, 2005). Cities and selected urban and metropolitan regions are no longer seen as containers of declining industries and social inequalities, but are viewed as dynamic engines through which national competitiveness may be promoted in the globalized economy, competing to attract foreign investments, well-off social

<sup>1</sup> The members of *Barcelona Activa's* executive board that have been interviewed are: Maravillas Rojo Torrecilla, President of the agency; Lorenzo Di Pietro, Director of *Porta22, New Jobs Space*; Lorena Ventura Calvo, Director of *Improvement of Labour Access and Inclusion*; and Montse Basora Farré, Director of *Promotion and Business Initiative*.

<sup>2</sup> The principle of subsidiarity intends to guarantee a decision making process that is closer to the citizens, constantly verifying that its action must be undertaken at a communitarian scale in relation to the possibilities offered at a national, regional or local level. Thus, subsidiarity could be considered under a duplex point of view (Van HECKE, 2003): *As a vertical issue*: the hierarchical sharing-out of competences must move towards the closest administrative field to the population and then to territorial necessities; *As a horizontal issue*: each individual must have the chance to cooperate with the institutions in defining those policies that will have a bearing on its own social living context.

<sup>3</sup> The transformation from traditional local *government* to urban *governance* is interpreted partially as a consequence of structural socio-economic changes associated with the globalization, improved by the liberalization of international financial systems and the widespread rise of commercial networks and ICTs (CASTELLS; BORJA, 2003).

groups and visitors (tourists, businessmen, students and talents).<sup>4</sup>

Urban governance has served as a major catalyst, medium, and arena of State rescaling processes. Since the 1990s, we witnessed an important growth of metropolitan governments, municipal administrations and local organizations' autonomy and authority (JESSOP, 1997; BRANNER, 2004). Cities became immense fields of experimentation undertaken by local actors, who are taking an active part in the redesigning of public policies.<sup>5</sup> In these contexts we find privileged sites of aggregation and representation of interests, bringing them together to organize new modes of local governance because they have replaced nation-States as main political, socio-economic and international actors by building multiple networks and partnerships (CASTELLS; BORJA, 2003).

The development of many Western European cities relies also on procuring governmental resources, whether they come from the European Union or from national agencies, as well as on the ability to integrate the effective use of both potential and available resources, which ought to be aimed towards the satisfaction of local population's needs (LE GALÈS, 2002).

There are several key aspects to consider regarding the potential resources that have to be improved in circumscribed areas, such as new infrastructures, a more dynamic labour market, the reinforce of pre-existent business and technological capabilities, the stabilization of a functional environment, a strong credit system, a stable social and political configuration and the strengthening of historical identity and cultural heritage (BORJA, 2003; BAGNASCO, 2003).

These issues must be linked to a collective project in which every policy should be based on the existent territorial demands (JESSOP, 1997). Municipalities have several advantages for the accomplishing of this last aspect due to the fact that they can better identify the local requirements, their ability to distinguish potential endogenous resources, their opportunity to socially mobilize people around the same territorial identity, their ability to achieve political agreements between local institutions and stakeholders

and the transparent control over the assorted spheres of action.

Local administrations have at their disposal the specific knowledge about the territory that is needed to thrust a change in basic aptitudes from the local population that is facing new socio-economic and demographic challenges (SÁNCHEZ, 1999). Furthermore, local development places the increased and renewed of human capital as central tasks, based on strengthening the multiple aspects that these issues imply, such as the transmission of advanced job skills and the stimulation of active citizenship (BORJA, 2003).

As the units in charge of territorial promotion and activation policies, the agencies are key players for economic growth and employment generation. They are mainly controlled by public administrations but operate as private organizations and with the coordination of public-private partnerships (JESSOP, 1997). This kind of agency's configuration aims at creating "quasi-markets" systems in the provision of public services. More specifically, their goals are the introduction of a flexible labour market, the control of those externalities derived from the implementation of public activation policies and the containing of executive costs.

Local agencies also act as qualified intermediaries between offer and demand in the job market, encouraging entrepreneurship cooperation, innovative frameworks and longstanding business plans. They have to gain the trust of different actors in order to work together in building local development (BRENNER, 2004). Administrative de-centralization and transfer of competences to sub-national entities open new possibilities of agency settlements as territorial authorities, with a greater capacity of self-government, and as main references for strengthening private initiatives and promoting cultural values (BORJA, 2003). Moreover, local agencies are explicitly encouraged by European institutions (OECD, 2007) in order to define a development strategy better adapted to problems, resources and idiosyncrasies of each territory. For all these reasons, an analysis of how they are organized and how they

<sup>4</sup> In contrast to earlier forms of urban managerialism, which emphasized public welfare and collective consumption initiatives, the priorities of maintaining a good business environment attracting external capital investment and promoting local economic growth now predominate (HARVEY, 1989).

<sup>5</sup> Urban policies are becoming more fluid as a result of a complex process of structuring, during which a widening range of actors, from different sectors of society, with different interests and acting at different levels, interact and produce innovative policies (LE GALÈS, 2005).

play their strategic functions at a local level has represented an important case study in the last years (SÁNCHEZ, 1999; KAZEPOV, 2005).

The present contribution to this field focuses on the case of *Barcelona Activa*, the local development agency of the City Council of Barcelona.

### The city of Barcelona: the southern gateway to europe

Barcelona is the regional capital of Catalonia, located in northeastern Spain on the shore of the Mediterranean Sea. Catalonia is one of the main contributors to Spain's economy and also has a unique identity with its own language and a distinctive cultural heritage.

Barcelona is the socio-economic magnet of the Catalonia region and provides much of its infrastructure and logistical platforms. Currently, this city concentrates 27% of the Catalan population, generates 37% of the regional and 7% of the national GDP and has greatly contributed to the growth of the Spanish economy between 2001 and 2005, registering a 3% average GDP increase per year. The rate of economic growth in the European Union has been inferior to that of Catalonia and Spain as a whole over this same period (CES, 2007).

The city provides an example of rapid transformation from classical, industrial sectors to an intensive, service-oriented economy and to a model of development that is internationally renowned. At the end of 2007, Barcelona's employment rate stood above 75% with female employment around 65% (the goals fixed by the European Summit of Lisbon for 2010 are 70% and 60% respectively). The unemployment rate dropped gradually in the 1980s and more steadily over the last decade, from 21,4% to 6,6%, and increased to 10,1% in 2008.

Although its metropolitan area is still the biggest industrial agglomeration in Spain,<sup>6</sup> the predominance

of public services and enterprises operating in the added-value sector of Information and Communication Technologies (ICTs) replaced big manufacturing industries which gradually moved to the rest of Catalonia or abroad (Table 1).<sup>7</sup>

The recent promotion of new air routes, the enlargement of highway and railway networks and the renewal of the port have improved national and international communications, from and to the city, to the point of being one of the most important commercial nodes in the southern European region (CES, 2007). Moreover, its relevance as a tourist and business destination, consolidated over the last years, is confirmed by the sustained growth of the number of visitors that stayed at the receptive centres of Barcelona (around 12 million visitors every year since 2001).

Barcelona has benefited from a qualitative leap in its opening to the exterior, with an increase in exports and foreign investments, locating 79% of the business headquarters in Catalonia, as an important economic and directional centre. Many local stakeholders are progressively opting for an economy based upon innovation and specialization in emerging sectors related to quality economically sensitive services, advanced business and new demands of the "knowledge society". Public institutions try to encourage this change by increasing local plans for development that are shared with the private sector and by monitoring

**Table 1** - Productive structure (% of employees by economic sector, 2006)

Sector	Barcelona	Catalonia	Spain
Agriculture	0,2	0,5	0,5
Industries	11,0	20,0	16,4
Construction	5,9	10,1	12,9
Services	82,9	69,4	70,2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Fonte: Barcelona City Council, Institut d'Estadística de Catalunya [www.idescat.cat](http://www.idescat.cat)

<sup>6</sup> The territory surrounding Barcelona is divided into two areas: the Metropolitan Area (with 33 municipalities, including Barcelona, distributed over 585 km<sup>2</sup>) and the Metropolitan Region (with 193 municipalities over 3.235 km<sup>2</sup>) for a total of 4.7 millions of inhabitants. It is the sixth urban agglomeration in Europe in terms of resident population.

<sup>7</sup> In 2007, the province of Barcelona was the host to more than 470.000 enterprises. This represents 14% of Spanish companies and 76,3% of Catalonia's total. The business sector in the city of Barcelona is formed in its majority by small and medium-sized companies (between 1 and 199 workers). Small-sized enterprises (less than ten workers) account for 94% of the total business sector. In 2006, the province of Barcelona registered a net growth of 25.022 companies, this figure represented 73.5% of the net business creation of Catalonia and 15.4% of the Spanish one.

population employability in order to match the local labour force to the new productive model.

Between 2001 and 2006, over 60% of new jobs came from fields thick in technology and digital culture in which the city has benefited from having the large majority of these jobs and firms over Catalonia. This shift was supported by the presence of eight universities (with 240.000 students enrolled in 2006) in the metropolitan area of Barcelona and by the investment in innovation and applied research, especially in life science, biotechnology and ICTs.<sup>8</sup>

From the beginning of the 1990s, the city has deployed a local model of partnership strategies, where public administration steadily loose monopoly in favor of new arranged structures that include social and business agents. This model is represented by the proliferation of mixed entities, consortiums, councils or associations, whose purpose is to promote collective metropolitan businesses that bring together institutions and social capital with enough capability to ensure global competitiveness of the territory (BONET I MARTÍ, 2004).

This change started taking shape in Barcelona after the Olympic Cycle (1986-1992) and the Social Forum of 2004. According to Barcelona City Council data (2006) thanks to these two events, the city has experienced economic and cultural reconstruction and attracted national and foreign capitals to promote the modernization of its services and urban environment. From large infrastructure projects to small interventions, the city has raised the quality of life for most of its population, upgrading housing and public spaces.

Together the municipal administration and local stakeholders have developed a strategic transformation making economic assessments of geographical locations, citizen participation and business initiatives (LOPE; GIBERT, 2006). The two main explanations for this can be briefly summarized: first, Barcelona has a strong tradition of social participation for a developed region, with a population characterized by a great spirit of entrepreneurship (GARCÍA, 1993);

second, the Catalan identity is very important to the people, due to the historical tradition of local autonomy, sense of belonging and distinctiveness in respect to the rest of the Spanish population (GINER, 2002).

Furthermore, as Maravillas Rojo Torrecilla, president of *Barcelona Activa*, remarks:

*Barcelona Activa* grew during very positive socio-economic and cultural circumstances for the city. There was a time, recently, in which Barcelona needed a leadership for its growth and international promotion. Our agency was created for this goal [...] *Barcelona Activa* works to promote Barcelona through its human capital and its available local resources as an important logistic platform for the southern Europe. This means strengthening Barcelona by profiting from its centrality as an inter-modal node and looking for stable leadership in the Mediterranean Euro-region.<sup>9</sup>

### ***Barcelona Activa: an Agency from the city and for the city***

The aims of *Barcelona Activa*, as the local development agency of Barcelona since 1986, is to follow up activation policies for economic promotion, increase human capital and employment, and support new SMEs and innovative business projects.

During the transition-to-democracy period (end of the 1970s and first half of the 1980s) the Spanish Government had full control over national development and employment policies, whereas the seventeen Autonomous Communities provided the administrative frameworks for their implementation. *Barcelona Activa* executed these policies in different urban districts of Barcelona, but without any structural competence in their design until the end of the 1990s.

Since the mid-1990s, the Central Government delegated relevant competencies for active employment policies to the Autonomous Communities in order to increase administrative subsidiarity at every ter-

<sup>8</sup> According to figures for 2008 provided by the Research Institute of Applied Economics (IREA) of the University of Barcelona, the city of Barcelona itself contributes to approximately one third to the overall region's GDP. Catalonia is one of the leading regions in Research and Development (R&D) expenditure in Spain (1,43% of GDB and 1,2% respectively). However, the R&D expenditure in Catalonia remains below the Lisbon target of 3% by 2010.

<sup>9</sup> The Euro-Regions are transnational structures of cooperation between territories placed in different countries of the European Union. Their acts are limited to the competences of each respective local and regional authority for the promotion of common geo-strategic and economic interests. The Mediterranean Euro-Region is composed by Barcelona, Montpellier, Tolosa, Zaragoza, Valencia and Mallorca.

ritorial levels (provinces, regions and cities) and to make more resources available for them.<sup>10</sup> In Catalonia, this devolution did not occur until 1998.

Distinctive to this Community was the contrast between the priorities set by the Regional Government of the conservative party *Convergència i Unió* (CiU) and the programs implemented by the parties that were leading Barcelona as well as other large regional municipalities, which were controlled by the *Partit dels Socialistes de Catalunya* (PSC). Thus, whereas the government of Catalonia sought to formulate centralized activation policies and to privatize their implementation, the PSC sought to decentralize and develop them on the basis of social collaboration at a local level.

The situation changed in 2003, when, for the first time in Catalonia, a left-wing coalition led by PSC was formed with the exclusion of the CiU and was in charge of the *Generalitat* (Catalan Regional Government). Since then, *Barcelona Activa* increased its structures and capabilities, enlarged its social visibility and carried out many programs of activation policy, counting on wider resources and an increased accountability for their use (LOPE; GIBERT, 2006). CiU won again the last regional election, in November 2010, with a political campaign oriented to public expenditure retrenchment in order to face the current financial crisis with a reduction of city council's deficit. This new orientation will decrease public resources for *Barcelona Activa* on a short term bases.

Since its beginning, this agency has been a public limited company with municipal capital, with a board of directors in which all the municipal groups, social agents and some of the institutions committed to the city's employment and economic promotion were presented.<sup>11</sup> Trade Unions, Employers' Associations and Barcelona Chamber of Commerce make their proposals under the agency's coordination and play an active role in the elaboration and following up of policies with the cooperation of the *Barcelona Activa's* staff.

The agency was constituted as a public-private company that operates by designing and submitting projects to a variety of European, State and Regional public tenders and, therefore, pass under a process of open competition and gain the resources which enable them to attend to different kinds of users, such as jobseekers, entrepreneurs and companies.<sup>12</sup>

*Barcelona Activa* has been flexibly organized, aimed to face up to the changing conditions of the local environment. Its internal organization is based on the expansion of competencies and on the hiring of consultants and professionals depending upon the programs awarded and financed.<sup>13</sup>

The Municipal Action Plan and the Socio-Economic Strategic Plan of Barcelona – which involved the principal workers and companies representatives of its metropolitan area – contributed to establishing short-term objectives within four-year period Action Plans for *Barcelona Activa*.

In the 2004-2007 and 2008-2010 Action Plans approved by the agency's executive board, different tasks have been established:

- *Promotion of entrepreneurship*: help entrepreneurs start their own businesses.
- *Consolidation of new firms*: promote the newly created business projects by generating cooperative networks and improving their competitiveness.
- *Employment access and promotion*: adapt the professional profiles of people who want to secure their labour situation or look for a new job.
- *Training and skills improvement*: match human capital with the new requirements of the economy and labour market.
- *Diffusion of new job opportunities*: widen the employment opportunities related to the new productive systems and working values.
- *Technological skills acquisition*: convert ICTs and their applications into professional instruments for people and companies.

<sup>10</sup> This new deal depends on the contemporary increasing importance of the European Union's employment policy, which encourages the adoption of active labour policies, especially in economically weaker member States, like Spain.

<sup>11</sup> The President of *Barcelona Activa* is also the City Council's Deputy Mayor for Economic Development.

<sup>12</sup> In 2007, *Barcelona Activa's* budget was about 24 million, mainly coming from the City Council subsidiary co-finance (46,3%) and the Generalitat funding (34,8%), with an added support derived from infrastructure patrimony (Agency's functional equipments: 7,9%), European Structural Funds (6,5%) and private sponsorship (4,5%).

<sup>13</sup> The agency counted on a permanent staff of around 100 people. Since its foundation, *Barcelona Activa* has been employing a temporary staff of human resource experts according to the needs of the executed programs.

All these tasks reflect a clear economically-oriented strategy. This point can be detailed through the five commitments that reflect the agency's philosophy and that are proposed as strategic references for the local population, urban stakeholders and other city partners:

- Guarantee the participation in the agency's actions, moving towards an effective equality of opportunities between men and women.
- Act from cooperation and coordination, sharing agency's initiatives with other institutions or organizations involved in similar, added-value experiences.
- Be an organization implicated in the quality of their client-orientated as well as citizens-oriented services.
- Reinforce the *Barcelona Activa's* position as a local development institution, sharing its best practices with other national and international agencies or administrations.

According to those participants interviewed, since 2005 *Barcelona Activa's* Action Plans have taken strides forward in regards to local development both from a social and an economic point of view. In this sense, the agency worked out a model of common goals in order to guarantee cohesion and coordination between different kind of actors in the territory.

This strategy does not eliminate controversial issues, such as social marginalization in the peripheral *barrios* (suburbs) of Barcelona and in many city neighborhoods, among vulnerable collectives (e.g. non European immigrants, Roma community and disabled people). From the other side, the agency's mission relates to the specificity of these problems as much as they can be faced through plans for urban requalification and *ad hoc* programs of job insertion.

Such interventions are implemented in agreement with the municipal administration for the improvement of social integration and are based on initiatives that the agency shares with non-for-profit organizations and civic associations which directly work with people at risk of exclusion.

According to the heterogeneity of its sphere of influence and to the variety of its topics, the agency aims to reinforce its presence and visibility in the territory. For this reason, *Barcelona Activa* offers free informational points about services and job opportunities

and promotes participation through intensive campaigns about local development (i.e. plans for industrial requalification, launch of events and conferences, public initiatives for improving labour quality).

The members of *Barcelona Activa's* executive board outline their personalized attention and self-access areas and offer many services for specialized facilities which have made possible an important increase in the number of agency users. In 1999, 71.000 participants attended a varied set of programs, in 2003 around 110.000 and in 2007 over 154.000.

On one hand, the agency keeps a constant dialogue with all the national and local institutional levels (the City Council, the Metropolitan Area, the *Generalitat* and the Central Government) and a strong interchange of experiences and collaboration at an international level, with other European and many Latin America cities (for example coaching companies in Bogota, Quito and Medellin).

On the other hand, in the last years, *Barcelona Activa* has strengthened its commitment with local, social actors and has open dialogues with political representatives in order to make favorable cultural, socio-economic and institutional frameworks for innovative and target-oriented measures.

*Barcelona Activa* leads territorial agreements that are linked to strategic outcomes, and emphasizes the public-private inter-organizational partnership for the incentive of high quality, future-oriented employment, business and development, and for the definition and dissemination of the "Barcelona Brand". This marketing action aims to promote Barcelona internationally and involves social actors with integral initiatives for local development, coordinated by the agency.

The increasing collaboration with local institutions, private actors and activists from the Third Sector shows the political commitment to the agency's goal of integrating citizen activation in the implementation of its tasks. This kind of collaboration is relatively frequent and not merely consultive because, as we outlined before, it is part of a subsidiary formula based on horizontal networks that makes the municipal administration as much receptive to the territory needs and changing characteristics as possible (Van HECKE, 2003). Thus, the resource synergy is crucial to the success of these partnerships: as those who were interviewed remarked, this resource represents the "added value" that comes from partners combining resources rather than acting alone.

## Economic promotion: entrepreneurship and business consolidation

*Barcelona Activa's* economic promotional strategy is focused on three principal aims:

- Support the creation and growth of businesses in emerging productive sectors;
- Develop local companies through regional, national and international networks;
- Attract foreign investments, talents and companies from abroad to settle and expand their activities in the territory of Barcelona.

Montse Basora Farré, director of the *Barcelona Activa's* area for the "Promotion of Business Initiative", underlines:

Business initiative is a traditional characteristic of the Barcelona people [...] An increased entrepreneurial culture opens up the possibilities of having greater professional and life opportunities for everybody. That's why our agency has made several agreements with schools and universities, so that an entrepreneurial culture is spread into the local society, starting with youth. Setting up a business adds value and wealth to the city, and creates quality employment.

Following this perspective, *Barcelona Activa* has implemented a new model for coaching entrepreneurs (the "blended model") that is based on self-access and combines tailor-made activities for private actors, with cooperative network involvement and access to expert advice and counseling, for transforming an entrepreneurial idea into a viable business project.

In 1999 "Barcelonanetactiva" was activated, a virtual business incubator conceived as a pioneering platform in Europe made of on-line services for entrepreneurs. Ever since, it has been expanded as a virtual community and has been improved as a pedagogic instrument, with many contents regarding the know-how for setting up a company and the relative funding searches needed to do so.<sup>14</sup>

A new project, with the title "Barcelona Becomes an Entrepreneur in Equality", was added in 2005 (within the framework of the European *Equal Programs*), which is aimed at promoting business creation by women with family responsibilities, disabled people and long term unemployment.

The activities of *Barcelona Activa's* economic and business promotion services had reached important outcomes between 1996 and 2006: almost 11.892 coached business projects and 7.000 SMEs created. They were installed in the agency's "Forum Nord business centre", that has been recently recognized as "Technological Park". Following the newly founded companies' consolidation, *Barcelona Activa* also started "Xarxactiva d'Empreses", a set of programs designed to help their growth and cooperation within business networks. This initiative has collected over 30.000 participants (with an equal participation rate between men and women), accompanying 1.065 new business projects and 294 firms already consolidated: 60% of the business initiatives accompanied in 2003 had been set in motion as companies in 2004, and each one of them generated an average of 2,3 jobs at the beginning of their activity and 84% of the companies installed in the agency's incubator are still active during the fourth year of their creation. This survival index doubles the European Union average for the period of 2007 to 2008.

This data proves that SMEs are very important to the Barcelona economy and represent the main target of *Barcelona Activa's* strategy for business promotion. The SMEs take up the challenge of incorporating innovative processes into their management systems (BAGNASCO, 2003). For this reason, *Barcelona Activa* has provided them with "Cibernarium", a multi-space for every kind of user where access to ICTs facilities is totally free. According to the agency's last annual report, this program is considered its best infrastructure for the development of technological skills and lifelong learning (in 2007, over 53.000 participants were registered in this centre).

Barcelona is known world-wide as an enterprising city that constantly tries to maintain or expand its activities (BONET I MARTÍ, 2004), that's why it

<sup>14</sup> In 1999, Barcelona City Council and 18 major companies of the city created "Barcelona Emprèn", a venture capital company located in *Barcelona Activa* and aimed at financing start-ups and small business projects with an innovative character in sectors like audio-visual, internet services, bio-technology and e-commerce. In 2007, over 700 companies were created, with an estimated new employment of around 1.500 jobs per year.

has to compete with other territories for employment development and for attracting foreign investments.<sup>15</sup> According to this goal, the agency brought out “Barcelona Negocis”, a strategic and logistic support for companies, professionals and institutions who want to set up or do business in the city. Its aim is to encourage decision-making and the establishment of firms, offering a user-friendly service, including on-site attention, a website with up-to-date information and a direct line for municipal assistance for getting licenses or search for funding. The Barcelona Chamber of Commerce sponsors this initiative and leaves the main responsibility of implementation to the agency. Profit and non-for-profit institutions offer their services for this program and are hired by the agency depending on the different projects that are developed for each specific sector.

### Employment services: individualized empowerment and employment quality

Since its beginning, *Barcelona Activa* has been inspired by the occupational guidelines of the European Union.<sup>16</sup> Most of the agency’s employment programs and services, especially for those plans within the framework of the Community Objectives No. 2 (“Adapt the working population to the new skills requested by the labour market, in order to prevent situations of social exclusion”) and No. 3 (“Qualify and improve unemployed professional competencies in order to facilitate labour insertion”) has been co-financed by the European Social Structural Funds (FSE 2000-2006) and by the European Fund for Regional Development (FEDER).

The effects of unemployment change depending on different social collectives. For example, employment policies used to prevent contingent drops of the economic cycle cannot also work with the same efficacy for long-term unemployment (Van BERKEL,

2005). Following this perspective, the *Barcelona Activa*’s policy of labour access and employment improvement is carried out with a methodology that tries to foment an attitude of self-access in the job search for every jobseeker. Individual activation is put into effect, offering “personalized insertion itineraries” that combine the participation in formative sessions with specific coaching activities.

Barcelona Activa’s employment services vary according to the professional profile, the individual characteristics and the social conditions of each user. The agency’s specialists work on the process of discovery, identification and analysis of their skills and vocations, with the goal of developing an individualized and integral programs of labour insertion. Users receive personalized tutoring, motivational sessions and courses on job orientation, short-term units and seminars with different techniques (e.g. networking, preparation of curricula, vocational training, etc.).

All these interventions can be resumed as empowerment projects that allow the user to search for a job or define a profession or a proper business idea. The social collectives that have mostly benefited from *Barcelona Activa*’s plans of activation in the last five years are young scholar drop-outs, dependant single women, unemployed older than 45 and long-term unemployed, as well as disabled people and non-European immigrants.

For its activation policy, the agency takes into account the productive reality of Barcelona, highlighting those sectors that need qualified workers, and guaranteeing a minimal quality of job recruitment, mostly into services and innovative business projects. According to what Lorenzo Di Pietro, director of “Porta22, New Jobs Space”, explains:

Porta22 is a platform of contents created in 2003 for the detection and promotion of new jobs and professional opportunities, new work culture and emerging productive sectors (such as company

<sup>15</sup> Lorenzo Di Pietro, Director of “Portal22”, points out that the 22@BCN project set in motion in 2000 with the Urban Development Area of Barcelona City Council is an example of this strategy. This project was born with the will to transform 198 city-centre hectares into a series of infrastructures aimed at showing inhabitants new labour opportunities in ten economic fields that have a great potential for job creation, identifying and describing new professional profiles related to the new economy and ICTs. Thus, Barcelona has designed a new urban planning model that backs a diversification of uses for the metropolitan territory where a new generation of economic activities, research and educative institutes, commerce and leisure services, and residencies coexist.

<sup>16</sup> Over 78% of the 2007 Barcelona Activa’s budget is allocated towards quality employment. On the other hand, only 18% of the budget was dedicated to business growth and creation, and 4% for innovation. The investment in innovation is mainly financed by firms and private donations with the support of direct regional, national or international funding.

services, customer services, ICTs, mass media and cultural services). With the total lay out of the activities program, Porta22 managed to attract a public that is more interested in the innovative and creative economy changes.

In 2007, Porta22 contained over 700 professional profiles in 13 economic sectors: over 35.000 participants have received personalized attention through this platform.

Regarding the changing demands of the local labour market and new job demands, *Barcelona Activa* has proposed intensive formative units for updating competence and technological qualifications. The agency offers specific training sessions for the people affected by the ongoing labour reconversion. At the same time, it designs extra-curricular activities related to the renovation of the culture and value of work, and workshops in which the users can experiment new professions and start, improve or update their curricula.

These measures are summed up in the Agreement for Quality Employment (2008-2011) based on negotiations between the City Council of Barcelona, the two main Trade Unions (CCOO and UGT), the two main business organizations (*Foment del Treball* and PIMEC) and the *Generalitat*. This instrument defines the framework and priorities for developing active employment in Barcelona.

In this framework and according to the work-and-training methods it means, the insertion rate of *Barcelona Activa's* users that have used this model and working training methods have registered an increased rate of insertion in these last years. Before the crisis starts (2008), the average of people who found jobs through the agency was around 75%. These activities were attended by more women than men, mostly by young people under 25 years old and by unemployed older than 45.

For Lorena Ventura Calvo, director of the area for "Improvement of Labour Access and Inclusion",

one of the most important goals of the Agency's Employment Services is the lifelong learning and the permanent knowledge retraining for our users. This way we prevent any risk of professional obsolescence and marginalization [...] *Barcelona Activa* develops formative actions with enabling approaches for a better individual activation and

easier labour recruitment at a local level, mediating between labour demands and jobseekers according to their skills and their professional expectations. In this sense, our services can offer competitive advantages for qualified workers and unemployed as well as for the advanced companies and firms.

## Concluding remarks

The Europeanization process from below and the decentralization from above (as rescaling State) have contributed to the expansion of a "new European localism" (KEATING, 1998) and to the increasing role of sub-national governments who carry out locally-oriented policies. This is reflected in the interests of many regions and large urban or metropolitan areas that compete globally through their own business initiatives and territorial development (CASTELLS; BORJA, 2003).

Urban governance is an indispensable tool used to involve both social and institutional actors in a plan of democratic and responsible integration (BRENNER, 2004). The main pillars of subsidiarity and the participation of social organizations of the common wealth are the administrative decentralization, the local entrepreneurship and the human capital activation (KAZEPOV, 2005).

Nowadays, this issue is even more important for Spain where the rescaling process is particularly strong as can be proved by the recent constitutional reform of self-government approved for Catalonia. The Parliament has formally recognized this Autonomous Community as a nation inside the Spanish State, within an institutional scheme of progressively federalization (MORENO, 2008).

For over two decades the city of Barcelona has considerably improved its geo-strategic importance within this region. *Barcelona Activa*, as its municipal agency, has been in charge of business creation and employment quality for the urban and metropolitan area. The agency has tackled designing and managing activation policies as the promoter, intermediary, catalyst and informant for social cooperation and economy development.

According to the agency's strategic mission, each plan of individual empowerment, technological qualification, competence, professional improvement and

creation of new job opportunities can be developed within a general concept of local participation and employment integration (e.g. through *Equal* projects) that aim to reinforce social cohesion. Moreover, all these aspects pretend to be coherent with the new demands of the post-industrial, globalized and knowledge-based society (BAGNASCO, 2003). At the same time, the increase of entrepreneurial initiatives and the consolidation of new companies answer to an integral plan of economic and territorial promotion.

These goals can only be reached if local stakeholders and institutions jointly agree with the opportunity of the Barcelona development as a primary condition for the pursuit of their respective interests. *Barcelona Activa's* programs for employment and development were built in order to reinforce the "Barcelona Brand" as a product that testifies local distinction and symbolically represents their shared idea of the city and of its international image.

In this sense, economic and employment services are viable within the framework of urban governance in which *Barcelona Activa* coordinates local partnerships and implements policies adapted to the changing contexts. Thus, it is fundamental for the agency to act as a collaborative and pivotal body of the city's administrations, benefitting from a privileged position placed between the public and the private sector that allows *Barcelona Activa* to mediate their respective position and to converge their priorities in the common "city brand", mutually benefiting each other.

*Barcelona Activa* manages a heterogeneous set of resources (i.e. functional infrastructures, services, human and social capital) and techniques for the local planning (e.g. the project *22@BCN* of urban requalification) as well as permanent attention towards innovation and the detection of local needs and opportunities. This is also reflected by the agency's participation in foreign cooperation projects and national and international networks for interchanging activation policy best practice.

Nevertheless, during these very last years of financial crisis, the Barcelona economy has been facing some problems in maintaining the growth of the newly created enterprises as well as guaranteeing employment stability, especially among young workers, low qualified workers and professionals at the beginning of their careers. Furthermore, in this context, *Barcelona Activa's* communication strategy

has not been able to raise enough awareness among local minority groups (Roma community, marginalized people and working poor) about the available activation policies. The "Barcelona Brand" has begun to slowly produce some contradictions between economic performance, business development and social integration. As an indicator of that, recent annual reports (2008) underline the agency's lack of commercial products, services and infrastructures that can reach new users and new markets regionally, nationally and internationally.

Barcelona will be facing these weaknesses in the near future, with an increase of structural uncertainty. This will suppose greater pressure over new possibilities of strategic agreements between local stakeholders and public institutions as well as an important change for economic and social priorities. This last point can be subsequently stressed by the recent change of Regional Government (since the end of 2010, it is lead by the CiU party) and by the political tensions that can increase in the near future between the conservative *Generalitat* authority and the socialist Barcelona City Council (where the PSC party has been in charge since 1979).

This political imbalance will influence the next partnerships between local actors as well as the new contents assumed by the "Barcelona Brand". Most likely, it will not continue to be planned as it was originally defined by the agency and by local actors, but we cannot foresee the medium and long terms scenarios, just yet.

Finally, Spain's situation in times of crisis should also be taken into account in order to explain the sensible reduction of available resources for local administrations and the strong reconfiguration of national political agenda (labour reform and fiscal federalism). In this sense, the financial issues and political decisions (successes and failures) at the national level will hold a significant influence over Barcelona's development for the future. The city's efforts to get out of the current, negative conjuncture will coincide with the economic performance and political reforms of the Central Government in terms of public expenditure sustainability, investment in innovation and improvement of regional and local authorities.

Despite the subsidiary and rescaling State process, Spain's urban, regional and national destiny still seems to be strongly interrelated. Activation policies and territorial marketing can only suggest solutions

if local stakeholders and institutions keep this in mind, and it will also depend upon the amount of responsibility taken on by all actors to get out of the crisis. Nowadays, this appears as one the main possibilities of making the *Barcelona Activa's* services and the "Barcelona Brand" marketing really useful, at least for the Barcelona population, in order to reduce the social tensions derived by the increasing unemployment and the economic instability.

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