URBAN FRAGMENTATION, 'GOOD GOVERNANCE', AND THE EMERGENCE OF THE COMPETITIVE CITY

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INTRODUCTION

As national governments relinquish some of their functions, governments of cities around the globe are expected to act in a corporate manner to compete with other cities (Harvey 1989; Sager 2011). As economic orthodoxy posits that economic openness and liberalization are desirable steps towards economic development, the focus of much national and international policy has turned to those cities where economic output and population are increasingly concentrated. Policy prescriptions seek to prepare cities to attract foreign investment by, among others, making them more amenable to an international elite, easing local regulations, providing infrastructure and incentives, and generally creating a modern image by resorting to an accepted international language of architectural aspiration and urban prosperity (Cuadrado-Roura and Fernández Güell 2008; Rossi and Vanolo 2012).

Central to these policy prescriptions are the notions of globalization and 'good urban governance'. The World Bank advanced the idea of 'good urban governance' in the early 2000s as a central tenet in its pledge to help ensure 'a decent quality of life and equitable opportunities for all residents, including the poorest' and, in its own words, make cities *livable* (2000: 8). Compared to the 1990s and 2000s, the World Bank's current influence over national government policies as measured by the volume of loans it is able to disburse appears considerably diminished, especially in relation to foreign direct investment and overseas remittances. And yet, up to the early 2000s, the World Bank's influence on the nature and direction of policies of national governments that needed to borrow from it was virtually undisputed. In the 1980s and 1990s this institution lay behind many of the major reforms of the state embodied in Structural Adjustment policies mainly in low and middle-income nations to which it made conditional loans (Mohan *et al*. 1999; Craig and Porter 2006). As the legacy of Structural Adjustment persists in the endurance of such policy prescriptions, it is pertinent to examine the nature and reach of what became an influential set of policies particularly at the city scale.

This chapter examines the World Bank's position on 'good urban governance' and its promotion of urban competitiveness within a framework of globalization, and sets this against a set of recent urban interventions in the city of Medellin, Colombia's second largest city. The case of Medellin is a valuable one to examine, not simply because it has been largely under-documented internationally, but also because it has been severely marked in recent decades by acute problems of violence, poverty, a large informal economy, and growing social and spatial fragmentation that in many ways are typical of other cities in Latin America.

Medellin in the 2000s offers an example of a range of institutionally and politically bold social and economic policies that stand in stark contrast with the free market policies espoused by Colombia's national government in the 1990s (Bateman *et al*. 2011). The chapter shows that in a context of unusually high levels of violence and social malaise, successive local governments in Medellin had no option but to fill major gaps in access to infrastructure and improve the well being of poor and highly marginalized urban communities. Whilst espousing a competitiveness and liberalization discourse to attract foreign investment that might appear to point to a set of free-market policies, in practice these governments actively intervened by investing heavily in urban infrastructure to benefit marginalized communities while strengthening local democratic practices. Medellin is unusual in that it not only devoted considerable investment towards upgrading informal settlements and connecting their residents to the formal city, but it was also able to draw on a set of robust municipal institutions and national and local revenues as well other local resources that few municipal governments of its size in the global south are able to secure.

The next section examines firstly, the arguments supporting reforms of the national state that dominated much of the mainstream political discourse in Latin America in the 1980s and 1990s and secondly, the notion of 'good urban governance' as outlined by the World Bank. The third section presents the case study of Medellin, mainly focusing on the major investments in transport and physical upgrading of marginalized urban communities of the past decade, as well as on the city governments' search for greater competitiveness. A final section concludes.

'GOOD URBAN GOVERNANCE'

The 1980s saw major shifts both in the nature of the state and how influential decision makers in the international arena perceived it. The state had been seen as a crucial factor and central component of the process of economic and social development since the 1930s, when the world economy suffered major setbacks resulting from the Great Depression. This central function began to be questioned some decades later. The arguments of major thinkers advocating a reduced role of the state in the national economy like Hayek in the 1940s, and later Buchanan, Friedman, Balassa, Lal, and Little in the 1960s, 1970s and 1980s, are well known (Hunt 1989).

The process of reduction in the size of the state and deregulation of the market that unfolded at a global scale has been variously described and analyzed from a range of ideological and epistemological angles. Of interest here is what this involved in terms of contestation, malleability and reconstitution of the state in its different scales (Brenner 2004; 2009; Swyngedouw 2005), and in particular what this entailed for the city level, the scale at which it is more able to directly influence people's quality of life and their sense of order and security (Maragall 1997).

Bresser Pereira (1999) refers to the state that started to appear since the 1930s in the industrialized countries as 'social-bureaucratic', whose main function was to guarantee social rights and full employment by directly employing a mass of bureaucrats. For this scholar and politician (who was minister for state reform under President Cardoso of Brazil in the 1990s), while the crisis of the 1930s was a crisis of the market, what emerged in the 1980s was a crisis of the state. After two decades of unprecedented economic growth and unparalleled improvements in living standards, industrialized countries underwent two decades of slower economic growth, increased unemployment, inflation, a growing fiscal gap, and increasing fiscal difficulties.

In the decades prior to 1980, the state in Latin America had also played a central role in guiding development, through interventionist policies and protection to infant manufacturing industries, giving rise to rapid economic growth. However, the region was not able to escape the fiscal crisis of the 1980s. The exhaustion of import substitution industrialization policies launched in previous decades was accompanied by high inflation levels, increasing levels of private and public debt resulting from the high price of petrol and abundance of cheap petro-dollars in the 1970s (Kalmanovitz 2001). This was made worse by pressure on national economies arising from globalization, facilitated by technological advances (especially in telecommunications), low prices of energy for transporting trade merchandise (which even today fail to take into account the high price embodied in climate change as a result of fossil fuel emissions), and the rapid rise in international trade especially by multinational companies, key winners in the struggle to lift measures that protect national industries (Biel 2000).

According to Bresser Pereira (1999: 12), the crisis of the state resulted from 'the fact that, once it grew beyond a certain size, and due to its loss of autonomy resulting from globalization, the State had often been captured by private interests'. So, 'by growing too much and losing functionality', the social-bureaucratic state 'instead of being a factor impelling development began to dampen it' (1999: 9). This led to a consensus among governments to the right of the political spectrum, such as Pinochet's government in Chile and later Thatcher's and Reagan's in the UK and the US, respectively, to open national economies and actively seek to reform the state in what came to be known as 'the Washington Consensus' (Williamson 2004). International aid agencies have been central actors in this process, by acting as transmission mechanisms of ideas about state reform in the most distant locations in the planet.

The World Bank (along with its sister institution, the International Monetary Fund) made reform a pre-condition for disbursing loans. Although the impact of state reform in Latin America was not as socially devastating as in Sub-Saharan Africa where levels of unemployment and informality increased exponentially, the Bank's influence in the way the state was to be redefined was nonetheless decisive, not merely at the national scale, but also at the sub-national and particularly the urban scale. In Zetter's view (2004), because the urban scale concentrates a large and growing proportion of output and consumption, it becomes a fulcrum for the articulation of the national and global economies. This is the reason why state reforms seek to integrate more effectively cities to the global economy. Reform was also central to the policies of other international aid agencies including bilateral (such as the UK Government's Department for International Development) and multi-lateral ones (such as the European Union, the Inter-American Development Bank, and UN-Habitat).

It is within this context that the notion of urban 'good governance' was coined. According to the World Bank's strategy for the urban sector and local governments, good governance 'implies inclusion and representation of all groups in the urban society - and accountability, integrity, and transparency of local government actions - in defining and pursuing shared goals' (2000: 10). Cities must be *livable*, 'ensuring that the poor achieve a healthful and dignified living standard that permits them to share the resources of society' (2000: 8). To achieve this, cities must be *competitive*, *well governed and managed*, and be *financially sustainable*.

In a competitive city, according to the World Bank, city output, investment, employment and trade respond dynamically to market opportunities (2000: 48; see also World Bank 1991). Under such conditions benefits from urban agglomeration are maximized and diseconomies (from congestion and pollution, for example) minimized. An excess of regulations and fragmented infrastructure systems create additional transaction costs that are particularly harmful to small firms, 'a significant source of employment and entrepreneurial energy' (2000: 48). Those cities able to support firms so as to maximize their economic potential and weathering adverse developments 'also provide a good platform for workers - by offering flexible labor markets, efficient services, and good education and training' (2000: 49).

In addition to good governance, a livable and competitive city also requires capable urban management. This refers to 'the capacity to fulfill public responsibilities, with knowledge, skills, resources, and procedures that draw appropriately on partnerships' (World Bank 2000: 49). A constant and formal interaction between local government and residents (including NGOs and community organizations) should be an important component of the Bank's Urban Agenda programs.

The third dimension contributing to a livable city is financial sustainability or *bankability*. However, it must be noted that city governments become credit worthy in the eyes of international financial institutions only when they are able to demonstrate a solid resource base and regular revenue flows. Up to that point, only national governments are eligible for sovereign loans. This shift reflects not only the new responsibilities that municipalities have been given by central governments, but also their growing role as mechanisms of transmission between national and global capital as described earlier. And yet, many cities lack the economic vigor and financial capacity to access capital markets, as this requires expenditure management, revenue mobilization and cost recovery, predictable inter-governmental transfers, good financial administration, and prudent conditions for taking on loans. For the World Bank, one channel for enlarging the fiscal base of municipalities in the global south in particular is ‘to integrate informal and marginal communities as full urban citizens, taxpayers, and service customers’ (2000: 51).

In a separate exercise, the World Bank has explored how cities perform under different conditions of openness to the global economy and governance arrangements. Using large data sets from 400 cities both in wealthier (OECD) and less developed countries, it set out to measure the extent to which these are linked (Léautier 2006: X) and found that ‘good governance and globalization tend to improve city-level performance in both the access to services as well as the quality of delivery of services which allows cities to translate global opportunity into local value for their citizens’.

In this study ‘governance’ was measured through three variables, one national and two at the city level: ‘control of corruption’ by national government, ‘bribery in utility’ (the extent to which firms pay a bribe to gain access to utility services at the city scale), and ‘state capture’ (the extent to which some firms make illegal payments to the local government thus reducing competition). ‘City performance’ is measured using standard variables of access to basic infrastructure services (water, sewerage, electricity and telephones). ‘Globalization’, the second factor that in the study hypotheses impinges on city-level performance, is measured at the country level using a composite of international political engagement (participation in United Nations, number of embassies, etc.), internet penetration, degree of personal interaction internationally, and economic integration into the global economy (Léautier 2006: 5).

Notwithstanding the methodological concerns one might have about such variables, such an exercise merits attention insofar as it seeks to capture, in broad terms, a range of associations between categories that are used by a hegemonic ideological framework that continuously pushes city governments in the direction of opening up their economies to compete with each other in attracting international capital. As Medellin is not exempt from such pressures it is relevant to examine the extent to which such analytical framework fits with the city's reality.

The next section examines the extent to which these notions are of value in interpreting the case of Medellin. In particular, it seeks to examine the degree of association between globalization, governance and city performance as posited in the World Bank documents. The section also seeks to highlight the increased importance of Medellin's local government as a central actor in local development, particularly in its contribution to reducing fragmentation of local infrastructure.

MEDELLIN: THE SEARCH FOR COMPETITIVENESS

If any city can be said to be media-conscious it is Medellin, for several decades of the 20th century Colombia's main manufacturing center. Testament to this is one of its most recent international accolades as 'innovative city of the year' beating 199 contenders on the way, including New York and Tel Aviv, the other two finalists. The official website of the prize (Wall Street Journal 2013) summarizes the city's achievements thus:

Few cities have transformed the way that Medellín, Colombia's second largest city, has in the past 20 years. Medellín's homicide rate has plunged, nearly 80% from 1991 to 2010. The city built public libraries, parks, and schools in poor hillside neighborhoods and constructed a series of transportation links from there to its commercial and industrial centers. The links include a metro cable car system and escalators up steep hills, reducing commutation times, spurring private investment, and promoting social equity as well as environmental sustainability. In 2012, the Institute for Transportation and Development Policy recognized Medellín's efforts with the Sustainable Transportation Award.

But a change in the institutional fabric of the city may be as important as the tangible infrastructure projects. The local government, along with businesses, community organizations, and universities worked together to fight violence and to modernize Medellín. Transportation projects are financed through public-private partnerships; engineering firms have designed public buildings for free; and in 2006, nine of the city's largest firms funded a science museum. In addition, Medellín is one of the largest cities to successfully implement participatory budgeting, which allows citizens to define priorities and allocate a portion of the municipal budget. Community organizations, health centers, and youth groups have formed, empowering citizens to declare ownership of their neighborhoods.

Medellín's challenges are still many, particularly in housing. However, through innovation and leadership, Medellín has sowed the seeds of

> transformation, leading to its recognition as a city with potential for long-lasting success.

Although some hype might be expected from what is largely a marketing exercise by international commercial companies, independent academic research on these changes particularly in some of the city's informal settlements (Dávila 2013; Brand and Dávila 2011) confirms the veracity of much of this.

How did Medellin 'remake' itself? By the early 1990s the city had gained international notoriety from the violence between rival gangs seeking to control a booming export market of illegal drugs (mainly cocaine) to the US and Europe (Hylton 2007). A linked high homicide rate resulted partly from the high levels of unemployment brought about by economic liberalization that hit the city's textile and garment producers and the readiness of unemployed youth in poor neighborhoods to take up paid jobs with the drug gangs (Brand 2005). With no significant supply of social housing to meet the demand of a rapidly growing population of rural migrants, from the 1940s onwards the steep hills east of the traditional city center and eventually both sides of the Medellin River, provided a precarious but affordable location for improvised shacks in land squatted upon or bought from illegal land developers. Poverty has been an enduring and harsh reality in these and other rapidly growing informal settlements that extend above the long valley where much of the 'formal' city lies. Occupying less than a quarter of the city's area, informal settlements nonetheless housed over half of its population, many of whom rent the property they live in. Demolitions and evictions from these precarious locations by the police became the norm, with the municipality unable or unwilling to provide affordable alternatives (Bahl 2012).

The city's manufacturing industry (which never quite graduated from light consumer to capital goods), protected for decades by policies of import substitution industrialization and largely geared to a domestic consumer market, was unable to weather the winds of liberalization. This plunged the mass of workers into long-term unemployment and poverty. With the appearance of the international drug trade as an alternative source of income, some of the poorest areas in this city of 3.5 million inhabitants fell under the control of local gangs and became inaccessible even for the local police. The city became increasingly fragmented, with the upper and middle-classes withdrawing to enclosed, guarded spaces, while the city's squares and the inner city became the territory of street vendors, the homeless, and armed gangs. Right-wing paramilitaries fought for control of informal settlements with left-wing militias.

Gradually the city's political class, intellectuals, community groups and activists reached a consensus on the need to find solutions to the city's intractable social problems. The control and reclamation of public spaces were seen as effective deterrents to violence and crime (Stienen 2009; Medellin-IDB 2009). In this, the city government was able to build on Colombia's new national political Constitution of 1991 that gave the state the role to protect public space for collective use over private interests. It also built on the precedent of a strong defense of public space made by mayor Enrique Peñalosa in Bogota, Colombia's capital city, in the late 1990s (Dávila 2004). That this often meant an official perception of informal street vendors and the homeless as undesirables who had to be removed is an issue that divided public opinion in Medellin (Stienen 2009). But it also chimed with the World Bank's aforementioned notion that a city's *bankability* necessitates integrating informal and marginal communities as full urban citizens, taxpayers, and service customers.

During its construction in the early 1990s, the Metro was responsible for upgrading public spaces along its main line, by imposing a common template and an architectural language of frugality and order, arguing that uniformity helped people identify such spaces with the 'Metro Culture', its system of tight rules of behavior (Stienen 2009: 125). Implicit in this was an idealized vision of the city's industrial past of the 1920s to 1970s, when social order was imposed by a conservative patriarchal system of family firms and the Catholic Church (Hylton 2007).

One important component of the public policies enacted under the municipal administration of elected mayor Sergio Fajardo (2004-2007) was a major program of capital investment in a number of informal settlements to create or improve public spaces, public libraries, new schools, social housing, support to microenterprises, cultural events, and recreation. These all point towards consolidating the presence of an until then absent local state, mainly through highly visible and attractive buildings that mark a stark contrast with the precariousness of self-built housing (Figure 1), and were the result of national and international architectural competitions. They also point towards making the city more readily attractive to international visitors and investors, in the hope that they may find some familiarity in the tropical exoticism of such a troubled city.

<Figure 1: Medellin Metrocable Line K with Park-Library España in the background Photo: Julio D Dávila>

A highly visible element of these interventions are two cable-cars lines connecting low-income hilly communities with the city's Metro system, the first of which was built by Fajardo's predecessor as elected mayor. Despite their low passenger-carrying capacity (at 30,000 trips per day), they have improved mobility conditions within the catchment area of the stations and their use involve no additional cost for Metro users (Brand and Dávila 2011). They have also helped to physically integrate these settlements with the city center while making residents feel part of the rest of the city. Their success can be measured in the long queues that form at peak times, and in the fact that similar systems have been implemented in other Latin American cities such as Caracas and Rio de Janeiro (Figure 2). Aerial cable-cars could well become to hilly areas what Bus Rapid Transit Systems (BRTs) have been to main arterial roads in large and medium-sized cities around the world since Bogota launched its first line in 2000 (Gilbert 2008).

At the same time, to outsiders, including tourists, these lines have opened access to areas previously seen as dangerous. As youth gangs are still active in some of these areas and localized violence has not entirely disappeared, for some there is probably a certain thrill in experiencing these environments from the safe distance of a hovering cabin. Among local residents there is a palpable sense of relief and improvement, reflected in greater local investment in buildings and local businesses, as well as pride in receiving visitors.

<Figure 2: Rio de Janeiro's aerial-cable car in Complexo de Alemão informal settlement - Photo: Frédéric Monié>

Another important element of the municipality's policies is the implementation of a participatory budgeting process, whereby local communities make collective decisions on 5 per cent of the municipality's investment capital. Although this may not seem like a large proportion, between 2004 and 2011 communities across the city made investment decisions on a total of USD350 million (Coupé, Brand and Dávila 2013; Carvajal 2009). Participatory budgeting, a system developed originally in Porto Alegre, Brazil (Avritzer 2006; Peruzzotti and Selee 2009), was turned into a central strategy aimed at improving and strengthening the relationship between the local state and poor communities.

We can now return to the notions of 'good governance' and 'city performance' as advocated by the World Bank: to what extent does the case of Medellin offer support to the argument that good governance and globalization tend to improve city performance, allowing cities to translate global opportunity into local value for their citizens (Léautier 2006)?

Increased openness to the global economy was certainly at the core of mayor Fajardo's policies in the mid-2000s: in his 286-page end of administration report, the word 'competitive' (as referred mostly to its citizens and its productive base) is cited 32 times. He further concludes: 'we promoted the city as a destination for foreign investment on the basis of competitive human talent, the quality and coverage of its public utilities, a strong entrepreneurial tradition, competitive costs, and strategic clusters (garments, construction, energy, and business tourism)' (Fajardo 2007: 17). His successor as mayor, Alfonso Salazar (2008-2011), went further and used the word in the title of his administration's program: 'Medellin: Solidarity and Competitiveness'. Excluding references to this title, the word competitive appears 26 times in his 209-page end of administration report (Salazar 2011). Competitiveness is also central to the current administration of mayor Aníbal Gaviria (2012-2015), as shown in the urban development plan (Gaviria 2012), with 114 counts of the word in a 510-page document.

There is no denying that Medellin's local government has tried very hard, over the last decade, to follow the World Bank's advice to open its economy to the world. The intention was to diversify the local economy away from manufacturing industry and towards the service sector. And the attraction of foreign private investment seems to have become a relevant issue not merely for the municipal government but also for the underground economy: a prominent Mafia boss linked to illegal drug trafficking and death squads argued in the mid-2000s that the city needed to attract foreign investment, lest the city 'be left behind by the engine of globalization' (Hylton 2007: 86).

To what extent has this seemingly frantic search for competitiveness and economic openness led to improvements as measured in terms of access and quality of services for its population? One way to find out is by comparing Medellin's performance with that of other cities.

Comparisons with the World Bank's study of a sample of 274 cities in developing countries quoted earlier (Léautier 2006) are revealing. They show that both in 1985 and in 2011 coverage of basic services in the municipality of Medellin (excluding the other nine municipalities in the metropolitan area, of which Medellin is the richest, with 70 per cent of the total population) was higher than for the sample of non-OECD cities from around the world. In particular, in 2011 it was well above those considered in the World Bank sample to be 'highly globalized', with upwards of 98 per cent of its population having access to water and sewerage services, and 94 per cent to telephone services. Even making allowances for the decade that separates Medellin's 2011 data from that for the sample of cities (dating to the late 1990s or early 2000s), the differences are considerable.

Despite widespread poverty and a high incidence of urban informality in Medellin, coverage of basic infrastructure services was already among the highest in the sample in the mid-1980s. For decades, the city economy has relied almost entirely on local and regional resources, initially from mining and agriculture, and later from manufacturing, property and the financial sector. Municipal revenues have been bolstered by a well-managed property tax as well as a long-established betterment tax on infrastructure projects. The national government played a role in funding construction of key infrastructure projects, most notably the city's Metro system, but by and large basic infrastructure has been built with local government revenues.

As was seen earlier, by the mid-2000s local authorities were intent on opening up the city economy (largely to the financial and property sectors) and improve its competitiveness. Can improvements be attributed to these efforts? Official figures show that the high levels of basic service coverage seen in 2011 had already been attained by the mid-2000s, so perhaps this was not a key factor. Furthermore, although measurements are elusive, it would seem that Medellin's notorious international image weighed down these efforts considerably, though there are indications that investments in infrastructure, international events and marketing are paying off: the city's position in Latin America as measured by an 'index of attraction of investment' (a composite of national and local factors including, among others, city's reputation, quality of higher education, security, and local purchasing power) rose from 30 in 2010, to 25 in 2012 and to 13 in 2013 (Universidad del CEPEC-IdN 2013).

The question arises whether 'good governance' might then be responsible for the significant improvements in basic service coverage from the mid-1980s to the present. Are the high coverage rates in basic infrastructure services incompatible with the enormous social dislocation so pungently shown in the high homicide rates and levels violence of the 1990s? The answer is no, and lies partly in the strength and endurance of the municipality's powerful institutions. Central to the implementation of the range of socially progressive policies outlined earlier, were three municipal institutions: the Empresa de Desarrollo Urbano (EDU - Urban Development Agency), the Metro Company, and the Empresa de Servicios Públicos de Medellin (EPM - Public Utilities Company).

With the EDU the municipality showed an extraordinary capacity for managing urban development projects. Created in 2002, this public enterprise unit brought together established technicians, young professionals and academics new to public administration, a combination which allowed the fast implementation of novel ideas in short spans of time. Despite the large sums of local funds involved in these projects, a succession of municipal administrations not linked to traditional parties (e.g. both Fajardo and Salazar were elected independently of established political parties, a common rejection of party politics by urban voters in the 1990s and 2000s in Colombia) was instrumental in avoiding old clientelistic practices.

Funding for these projects was also crucial. Since the 1990s, EPM has been increasingly central to the plans of any local government administration. With a current asset value of over USD10 billion, EPM is a municipality-owned public company providing water, sewerage, energy and communications services as well as 20 per cent of Colombia's electricity, with energy investments in other countries. It is the second largest company in Colombia after the national petroleum company (Ecopetrol), with an AAA national financial quality rating. In the three years between 2010 and 2012, EPM transferred close to USD1.4 billion to the municipality, equivalent to USD500 for every inhabitant. The enterprise is committed by law to transferring no less than 30 per cent of its surplus to the municipality, thus providing it with a substantial investment resource, including for the range of social programs described earlier. It is able to do so by operating with a ruthless commercial logic, with illegal access to utility services being kept to a minimum. EPM spends over USD17 million per year in disconnecting and re-connecting users of infrastructure services who fail to pay their fares regularly (Restrepo, EPM CEO, personal communication 25 March 2011).

The Metro Company was created in 1982 as a public company owned equally by the municipality of Medellin and the government of Antioquia Province into whose municipalities one of its two main lines extends. The system opened its doors in 1996 after eleven years of construction, demolition of large sections of the city center, and considerable financial over-runs. The first urban mass-transit system in Colombia, it set itself the role of transforming the city's transport system, until then an inefficient mass of old and polluting buses competing for the same routes (Stienen 2009; Brand and Dávila 2011). Its main line connects the poor suburbs in the north to the city center and the southern suburbs, the historical location of factories. Following a protracted construction process it sought to counteract negative perceptions among the citizenship through a concerted marketing effort at promoting a 'Metro Culture' of strict behavioral rules that in many ways reflected the 'Jesuit disciplinary system for which the city became famous during the 1930s and 1940s' (Stienen 2009: 126).

These efforts have paid off and successive mayors have found in the Metro Company a partner focused on functional autonomy and financial stability. These qualities can occasionally cause friction with the Medellín mayor's office, for example in the selection of routes for a bus rapid transit system that it sees as generating competition (Brand and Dávila 2013). Nonetheless, there is no doubting its technical soundness, as seen in the fact that it has become a reference point in Latin America for the design of urban aerial cable-car lines, and it is held in high esteem by the city's population despite having substantially increased ridership (to well over half a million users a day in 2012 involving heavy congestion at peak hours) and not subsidizing its fares (except to a few sections of the population such as low-income students and the elderly).

Of significance here is the fact that the political class has not been tempted to privatize EPM, a highly profitable company, nor the Metro, with the promise of large injections of cash, a temptation that many a local politician has fallen into in other contexts, both in Colombia and elsewhere (though at the time of writing sale of the telecommunications branch of EPM is being debated at the City Council). One explanation is that for several years both of these companies have had a very high standing in the opinion of Medellin's citizens, while they serve well the interests of the dominant class. In this, the sense of pride that the average citizen feels for these institutions is shared by its elite, and draws on a strong sense of regional identity within Antioquia Province of which Medellin is the capital (Brand and Dávila 2013; Hylton 2007).

CONCLUSIONS: IS MEDELLIN A CASE OF 'GOOD URBAN GOVERNANCE'?

The hegemonic discourse embodied in the 'good urban governance' debate has been highly influential in Latin America. This was much in evidence in the 1990s and early 2000s with the proliferation of strategic city plans fostered by national and international consultants (mainly associated with the Barcelona and Bilbao models; see Cuadrado-Roura and Fernández Güell 2008), but also through the deployment of a fairly standard kit of strategies and other tools designed to attract domestic or international capital, tourists, and generally project an image of modernity to the outside world. This has involved a range of interventions including major urban renewal of brownfield sites mainly located close to city centers, ports, rivers or high-income residential areas. In echoes of Harvey's 'accumulation by dispossession' model, this has meant relocation of entire low-income or socially marginal communities and small businesses to less valuable sites, generally in the outskirts of cities, as well as large-scale investments in brand new corporate headquarters, convention centers, high-culture performance venues, hotels, and office buildings, all exhibiting a readily identifiable and often bland international architectural language of glass, steel and faux gardens.

Nonetheless, according to the principles of ‘good governance’ outlined by the World Bank (2000), the range of interventions in informal settlements described here would appear to point towards making Medellin a more *livable* city. They would also appear to be contributing to making the city more *competitive*, given that they have helped integrate marginal areas to the rest of the city and to the city’s labor and service markets. The remarkable drops in the degrees of stigmatization previously experienced by the residents of the informal settlements served by the aerial cable-cars (Coupé 2013) should enable them to integrate more easily into the city’s wider labor markets, while gaining access to a broad range of cultural and social activities. Insofar as transport projects such as the cable-car lines widen access to specialized training, it is conceivable that it also helps strengthen their human capital. These issues should not, of course, be seen in isolation from other municipal programs, as for example access to a range of university scholarships that the municipality earmarked specifically for young residents of these settlements.

Finally, the range of interventions outlined here would point to strengthening the municipality’s *bankability*, insofar as they have sought to help workers access labor markets more easily and may lead them to eventually become tax payers. To what extent this will result in higher degrees of formalization of both workers and residents, and therefore higher levels of income tax, remains to be seen.

There is little doubt that the remarkable volume of highly visible investments in public space, social, cultural and transport infrastructure that Medellin has made in the past decade has helped forge an image of ‘good governance’ and ‘good management’, one that will probably attract national and international visitors and capital. To what extent this will help reduce factors that are not explicitly measured in the notion of ‘good governance’, such as high levels of inequality and spatial fragmentation, will depend on a concerted effort to sustain high levels of investment in the city’s poorer areas, reduce the high levels of violence that still make everyday life miserable for thousands of residents, and continuing to foster a fragile culture of tolerance.

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