THE POLITICS OF URBAN REGENERATION

The construction of uneven urban agendas through multi-scalar coalitions in Valparaiso

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Declaration

I, Rodrigo Caimanque, confirm that the work presented in this thesis is my own. Where information has been derived from other sources, I confirm that this has been indicated accordingly in the thesis.

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Abstract

Since the mid-1990s the state of Chile has produced a series of plans to overcome a long and sustained period of economic underperformance and urban deprivation of the port-city of Valparaiso. These strategic plans, aimed at regenerating the city, sought to trigger economic diversification, based on the city’s rich heritage, the presence of important universities, and the port, which started to operate under a semi-privatized scheme. Throughout the period between 1995 and 2015, the predominance of a tourism agenda based on heritage and the port’s own strategic masterplan would be continuously involved in the relative transformation of the city, in a highly complex and tense process of decision-making and implementation of change.

This thesis is focused on the socio-political processes underpinning these attempts to regenerate Valparaiso, drawing attention to the construction of governing coalitions to pursue specific urban agendas. The research seeks to explain how these coalitions are built through different scales of urban governance, producing uneven urban reconfigurations. It is argued that, beyond the centralization of the state and its market-based policies, current changes in Valparaiso are the product of institutional strategies of spatial differentiation, derived from asymmetrical power relations among different actors, at different scales, involved in urban governance.

Neoliberal strategies of regeneration have been mainly focused on a few profitable areas while ignoring wider of the city. This entrepreneurial approach based on competitiveness, far from contributing to addressing structural problems of poverty and inequality, has been rather an expression of spatial fragmentation and social exclusion. As a response, social organizations have mobilized in opposition to some emblematic projects, though showing asymmetrical capabilities to reach scales of decision-making beyond the local in order to be heard.

Valparaiso meets unevenly various actors located at different scales constituting a case with tangled hierarchies and contested processes of decision-making. The formation of temporary governing coalitions illustrates both the inclusion and exclusion of actors in the political process of regeneration, and also demonstrates that governance, instead of one single process is a construction made through various and changing spaces of decision-making. The research concludes that bridges between theories of urban regimes and scale as social production are valuable to understand governance for a case from the Global South, in which coalition building is more fragmented. The case of Valparaiso highlights the need to reconceptualize such approaches for its application and to be a contribution to debates on urban politics.
Impact Assessment

Although studies about urban regeneration are widely explored through cases in the Global North, this experience in cities of the Global South, particularly in Latin America, still requires further analysis. In filling this gap, there is a critical need to recognise the interplay between homogeneous spatial imaginaries replicated elsewhere and the marked differences in other contexts. In addition, less attention has been focused on how the political articulation of public agendas, economic interests and social struggles linked to city changes, beyond institutional associations between public and private partners, affect the outcomes of urban regeneration.

This research contributes to assessing how the complexities of social and political relations among several actors influence the definitions and implementation of urban regeneration strategies in the case of the port-city of Valparaiso, Chile. This work seeks to illustrate the lack of articulation between approaches of urban regeneration exported from the Global North and the practices, both formal and informal, carried out in a Latin-American city such as Valparaiso.

For this analysis, the research contributes theoretically to the study of urban regeneration by providing a bridge between approaches from the fields of human geography and political sciences, applying a neo-Marxist approach to scale as social production and urban regime theory. Whilst these links have been analysed before by other authors (McGuirk, 2003, Wood 2005), even in cities of the Global South (Shin et al, 2015), there is still little research based on the implementation of urban regeneration strategies in practice that reflects back on the theoretical implications of this experience through the lens of a Southern city. In that sense, Valparaiso shows that the extension of urban regimes as a framework of analysis in the Global South cannot be effective if it does not have a multiscalar perspective, otherwise, it does not include the wide array of actors taking decisions (and contesting changes) beyond the local scale. In turn, through the case study, the research findings highlight that to the use of urban regimes as analytical framework requires important conceptual reconsiderations. This is particularly relevant for politically centralized contexts such as in Chile, where, despite the concentration of power under national government, the relations with other actors, interests, and tiers of decision-making end up configuring fragmented scenarios of governance.

The thesis contributes to practice in providing a perspective of urban governance associated to politics, an input not explicitly addressed in urban policies and academic discourses in Chile, which is more technocratic and focused on institutional relations and issues of management. Arguably, a focus on political processes and coalition building at different scales can help to consider complexities that policy-making might not visualize in the formulation stage but that usually emerge later during their implementation.
Finally, this thesis critiques the concept of urban regeneration itself, particularly its understanding as a tool for urban economic growth under neoliberalism, in which the impact on residents, especially the poor, appears as a mere externality. In this regard, the evidence presented through an in-depth case study approach, ratifies the constraints and poor impacts of the strategies of urban regeneration implemented in Valparaiso, but also helps to provide room for the construction of alternatives, aimed at a more just and inclusive process of urban change. It is illustrated that other dynamics outside the market, particularly in the hills of Valparaiso, have the potential for bottom-up improvement without necessarily the forced displacement of residents.
Acknowledgments

I have been told that doing a PhD can be a very lonely process, especially in the last stages of the research. I have also heard that, on the contrary, it can a be quite a collective endeavour. In one of my first meetings with Caren Levy, my supervisor, she said that the PhD is not the research of my life but only a first research that should be produced along my own life. After these almost five years doing this research, I can say that a PhD, as life itself, waves between moments of loneliness and full company. My following words goes for those who stayed with me and support me all this time.

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I would like to thank my family and friends in Chile, for their love and support, even without knowing exactly what I was doing (or why!). You all know that without you, this would not even have started.

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This thesis is dedicated to my son Sandino, and the Porteñas and Porteños who struggle every day and constitute the real heritage of Valparaiso.
Contents

Abstract .............................................................................................................................................. i
Impact Assessment ............................................................................................................................ iii
Acknowledgments ............................................................................................................................... v
Contents ............................................................................................................................................... vii
List of Abbreviations and Acronyms .............................................................................................. xi
List of Tables ....................................................................................................................................... xiii
List of Figures ................................................................................................................................... xiii

Chapter 1. Introduction ...................................................................................................................... 1
1.1. Understanding the politics of urban regeneration in Valparaiso ............................................. 1
1.2. The city of Valparaiso: uniqueness and deprivation ................................................................. 3
1.3. Research questions and propositions ....................................................................................... 7
1.4. Theoretical debates to examine the case ................................................................................... 9
1.5. Structure of the thesis ............................................................................................................... 11

Chapter 2. The politics of urban regeneration: a theoretical approach to multi-scalar analysis ................................................................................................................................. 15
2.1. Introduction ............................................................................................................................... 15
2.2. Beyond urban regeneration as a technical ‘fix’ ........................................................................ 16
2.2.1. Urban regeneration as a strategy to promote the city in the globalized context 18
2.2.2. Place-making through urban regeneration: Local impacts and social responses 20
2.3. The social production of scale: On capitalism and socio-political struggles ....................... 22
2.3.1. The politics of scale ............................................................................................................ 24
2.3.2. Scale jumping .................................................................................................................... 26
2.4. Towards a relational approach to scale .................................................................................... 27
2.4.1. Putting scale in “its place”: the dimensions of spatiality ................................................. 29
2.4.2. Linking scale and governance ......................................................................................... 30
2.5. The social construction of governance: definitions and its approach to the city. 31
2.5.1. Urban Governance ........................................................................................................... 33
2.6. Critical appraisal of Urban Regime Theory ............................................................................. 34
2.6.1. General definitions of urban regime ................................................................................ 35
2.6.2. Urban Regime criticisms ................................................................................................. 37
2.6.3. Scale-sensitive urban regimes ........................................................................................ 39
2.6.4. Some considerations for urban regime analysis ................................................................. 40
2.7. Chapter conclusions: Towards multi-scalar regimes ................................................................ 42
2.7.1. Hypothesis, research questions and objectives ................................................................. 43

Chapter 3. Methodology ..................................................................................................................... 45
3.1. Introduction ............................................................................................................................... 45
3.2. Research approach and strategies: epistemological considerations ...................................... 45
5.4. The politics of port development: Cross-scalar institutional support and local divergences .................................................................97
5.4.1. The Port Enterprise as a key player in city matters...............................100
5.4.2. The elites and the port extension: A ‘families’ matter’?...........................103
5.4.3. Coalitions against the port extension and the divergent positions of social organizations.................................................................106
5.5. Conclusions..........................................................................................111

Chapter 6. Diversification of the city economy and the hegemony of the tourism agenda ........................................................................115

6.1. Introduction.............................................................................................115
6.2. Shifting to a tourism-heritage-based agenda to regenerate the city.............119
6.2.1. Culture and city branding: from heritage to tourism ..............................120
6.3. Rescaling institutional relations: entangled relationships ..........................124
6.3.1. The underrated but important role of local government and the mayor......128
6.3.2. Supranational institutions and the transformation of Valparaiso into a globally recognised city .................................................................132
6.4. Regulations within the historic quarter: between heritage protection and freezing development?..........................................................135
6.5. Just a market issue? Building temporary coalitions through tourism agenda..138
6.5.1. Small-scale entrepreneurs as developers of consolidated areas .................141
6.5.2. Multi-scalar tourism-led coalitions: building links at various scales .........142
6.6. Chapter conclusions..................................................................................145

Chapter 7. Port and heritage agendas superposed through the waterfront project ................................................................................149

7.1. Introduction.............................................................................................149
7.2. The local idea of ‘taking back’ the city waterfront and the problem of institutional structures ...............................................................153
7.2.1. The path towards the development of a shopping centre ..........................154
7.3. A new waterfront based on consumption: The Mall Baron .......................158
7.3.1. Is it all about public space? Culture? Just profit? .....................................160
7.3.2. Rescaling the mall to the city-region .......................................................162
7.4. The conflictive relationship between planning and the waterfront development ................................................................................164
7.4.1. Politics of planning: changing land uses and regulation for accumulation.....165
7.4.2. Making the Mall fit into planning ..........................................................168
7.5. Intertwining scales: Citizens’ campaigns, UNESCO and new institutional alliances .............................................................................170
7.5.1. From ‘Que nadie nos tape la vista’ to ‘No al mall baron’ ............................170
7.5.2. State responses in a rescaled WHS: the consolidation of a developmental coalition .................................................................172
7.6. Chapter conclusions..................................................................................175
Chapter 8. Whose world heritage city? Coalitions and contestations of urban regeneration ......................................................... 179

8.1. Introduction ......................................................................................................................................................... 179

8.2. Spatial differentiation within the WHS ................................................................................................................ 180

8.2.1. The continuing deprivation of Barrio Puerto ................................................................. 182

8.2.2. Concepcion and Alegre hills: A process of gentrification and tense relations between new and old residents ........................................................................................................................................... 186

8.2.3. Investments in Santo Domingo y Toro Hills ......................................................................................... 191

8.2.4. Cordillera Hill under threat of gentrification ......................................................................................... 194

8.3. Networked? Place-based? Community-led? Composing the social organizations map around urban regeneration ......................................................................................................................... 196

8.3.1. Networked organizations: an elite acting for the sake of the city? ................................. 197

8.3.2. Place-based organizations: Dealing with the problem of participation ........................... 199

8.3.3. Community organizations: Turning the focus on the hills .............................................. 202

8.4. Scale jumping: how are social campaigns, strategies and alliances heard in decision-making? ..................................................................................................................................................... 205

8.4.1. Rescaling the local conflict of the mall into an international matter and a state concern ......................................................................................................................................................... 206

8.4.2. The grassroots: From the inability to jump scales to actually produce them ... 209

8.5. Chapter conclusions ............................................................................................................................................... 211

Chapter 9. Conclusions ............................................................................................................................................... 215

9.1. Valparaiso’s urban governance through multi-scalar regime analysis ............................ 215

9.2. Addressing the research questions............................................................................................ 216

9.2.1. RQ1: In what ways does the social production of urban governance at different scales in Valparaiso help to explain/shape ongoing processes of urban change in the city? ............................................................................................................................................. 216

9.2.2. RQ2: How is the formation of urban alliances/coalitions (re-) produced through time regarding urban regeneration agendas? .............................................................................................................................. 219

9.2.3. RQ3: To what degree and in what ways do social movements become effective opponents to strategies at different scales of urban regeneration? .......................................................................................................................... 221

9.3. Why have the strategies of Valparaiso’s urban regeneration failed to address the structural problems of its urban deprivation? ..................................................................................................................... 223

9.4. Rethinking and rescaling urban regimes: Valparaiso’s experience ........................ 226

9.4.1. Shifting urban politics: A quick note of the future of Puerto Baron ............................ 229

9.5. Contributions to policy-making ........................................................................................................... 230

9.6. Ideas for further research .................................................................................................................. 232

Bibliography ......................................................................................................................................................... 233

Appendix 1, List of participants interviewed ......................................................................................... 257

Appendix 2, Semi-structured interview questionnaires ......................................................................... 261
List of Abbreviations and Acronyms

CChC: Cámara Chilena de la Construcción, Chilean Chamber of Construction
COREMA: Comisión Regional del Medio Ambiente, Regional Commission for the Environment
CORFO: Corporación de Fomento de la Producción, Corporation for Productive Development
DIPRES: Dirección de Presupuesto, Budget Office
EMPORCHI: Empresa Portuaria de Chile, Port Enterprise of Chile
EPI: Entorno Patrimonial Integrado, Integrated Heritage Environment
EPV: Empresa Portuaria de Valparaíso, Port Enterprise of Valparaiso.
GDP: Gross Domestic Product
GORE: Gobierno Regional, Regional Government
ICH: Inmueble de Conservación Histórica, Historic Preservation Property
ICOMOS: International Council on Monuments and Sites
IDB: Inter-American Development Bank
JJVV: Junta de Vecinos, Neighbourhoods Committee
LGUC: Ley General de Urbanismo y Construcción – National Law of Planning and Construction
MERVAL: Metro de Valparaíso, Metro of Valparaiso
MINVU: Ministerio de Vivienda y Urbanismo, Ministry of Housing and Urban Planning
MOP: Ministerio de Obras Públicas, Ministry of Public Works
MOPPT: Ministerio de Obras Públicas y Telecomunicaciones, Ministry of Public Works and Telecommunications
OECD: Organisation for Economic Co-operation and Development
OGUC: Ordenanza General de Urbanismo y Construcción – National By-Law of Planning and Construction
OHL: Obrascón Huarte Lain Group
OUV: Outstanding Universal Value
PDGP: Plan Director de Gestión Patrimonial, Heritage Management Master Plan
PGE: Puerto de Gran Escala, Large Scale Port
PIV: Plan Intercomunal de Valparaíso, Greater Valparaiso Masterplan
PLADECO: Plan de Desarrollo Comunal – Comuna Development Plan
PRC: Plan Regulador Comunal, Local Masterplan
PRDUV: Programa de Recuperación y Desarrollo Urbano de Valparaíso, Programme for the Regeneration and Urban Development of Valparaiso
PREMVAL:  Plan Regulador Metropolitano de Valparaíso, Metropolitan Masterplan of Valparaiso
SECPLA:  Secretaria de Planificación Comunal, Municipal Planning Office
SEIA:  Sistema de Evaluación de Impacto Ambiental, Environmental Impact Assessment System
SERNATUR:  Servicio Nacional de Turismo, National Tourism Service
SERVIU:  Servicio de Vivienda y Urbanización, Housing and Development Service
SUBDERE:  Subsecretaría de Desarrollo Regional y Administrativo, Sub-Secretary of Regional and Administrative Development
TPS:  Terminal Pacífico Sur
TCVAL:  Terminal Cerros de Valparaíso
TDLC:  Tribunal de Libre Competencia, Tribunal of Free Competition
UNESCO:  United Nations Educational, Scientific and Cultural Organization
UF:  Unidad de Fomento – Finance Unit
WHS:  World Heritage Site
ZCH:  Zona de Conservación Histórica, Historic Preservation Area
ZEAL:  Zona de Extensión de Apoyo Logístico, Logistic Support Extension Zone, ZEAL
List of Figures

Figure 1-1: Location of Valparaiso in its national, regional and metropolitan context .................. 4
Figure 1-2: Population of Valparaiso and its metropolitan Area between 1920 and 2017 ........ 5
Figure 1-3: Poverty rates ............................................................................................................. 6
Figure 1-4: Unemployment rates .............................................................................................. 6
Figure 1-5: Area covered by the research ................................................................................ 7

Figure 4-1: Containers along the coastline .............................................................................. 73
Figure 4-2: PRDUV EPIs ........................................................................................................... 80

Figure 5-1: Current Berthing Sites and Fronts in the Port of Valparaiso .......................... 84
Figure 5-2: Port Area and the WHS ......................................................................................... 85
Figure 5-3: Timeline Port Development .................................................................................... 86
Figure 5-4: Acceso Sur ............................................................................................................... 87
Figure 5-5: Evolution of Total Loads in the Port of Valparaiso 2000-2015 (millions of Tons) .... 89
Figure 5-6: Evolution of container loads between Valparaiso and San Antonio (millions of Tons) .92
Figures 5-7 and 5-8: boatmen and Sociber floating dock shipyard ........................................... 96
Figure 5-9: Links between EPV positions and high-level political positions ......................... 98
Figures 5-10 and 5-11: EPV’s extension proposal vs TPS’s alternative .................................. 104
Figures 5-12 and 5-13: Artist’s visualization of the potential impact of Terminal 2 ................ 109

Figure 6-1: World Heritage Site area and landmarks .............................................................. 115
Figure 6-2: Participation of activities linked to tourism in terms of enterprises and workers, Valparaiso .116
Figure 6-3: Tourism and Heritage Development Timeline .......................................................... 118
Figure 6-4: Bellavista Axis ........................................................................................................... 121
Figure 6-5: Factors Leading to the failure of the PRDUV ....................................................... 127
Figure 6-6: Historic Conservation Zones (ZCH) of the Valparaíso’s Masterplan ..................... 136
Figure 6-7: Emergence of high rise building in unprotected hills .......................................... 138
Figure 6-8 and 6-9: Cousiño Palace ......................................................................................... 143

Figure 7-1: Puerto Baron location ............................................................................................. 150
Figure 7-2: Waterfront Development Timeline ........................................................................ 152
Figures 7-3, 7-4 and 7-5: Baron Pier, Wheelwright Promenade and Passenger Terminal .......... 155
Figures 7-6 and 7-7: Mall Images .............................................................................................. 159
Figure 7-8: Malls Near Puerto Baron ........................................................................................ 164

Figure 8-1: Areas analysed within the WHS ........................................................................... 181
Figures 8-2, 8-3 and 8-4: Barrio Puerto, the Finance District and Sotomayor Square ............... 182
Figure 8-5 and 8-6: City Market and a Passageway Renewed by State Programmes .............. 184
Figure 8-7: Everyday life in the Barrio Puerto ........................................................................... 185
Figures 8-8: Changes of residential uses in the UNESCO WHS .............................................. 187
Figure 8-9 and 8-10: Change of Residential Use to Commercial in Concepcion Hill ............. 188
Figure 8-11 and 8-12: Project ‘Parque Magnolia’ and Baburriza Palace In Alegre Hill ............. 188
Figure 8-13: Upper Area of Toro (left) and Santo Domingo (right) hills ................................. 191
Figures 8-14 and 8-15: Public Works in Toro and Santo Domingo Hills: Public space and electricity .......................................................................................................................... 193
Figures 8-16 and 8-17: Regeneration of the ‘Población Obrera’ ............................................... 195
Chapter 1. Introduction

1.1. Understanding the politics of urban regeneration in Valparaiso

In 1995, the central government of Chile announced a special plan targeted at one of the most significant cities in the country. The Programa de Desarrollo de Valparaiso (Development Programme of Valparaiso), also called the ‘Reactivation Plan’ aimed to re-boost the port-city economy, which had seen a long and sustained period of deprivation. The programme was announced in a context of privatizations and consolidation of the neoliberal model in the country, alongside an emergent concern for the heritage of Valparaiso as an opportunity for development. Later, subsequent strategies focusing on the regeneration of Valparaiso were produced by central government while the port started to operate as an autonomous semi-private entity. However, in this trajectory of successive strategies, the city of Valparaiso began to experience radical socio-spatial changes in limited pockets, while most of the city remained in stagnation. The overlapping of these strategies also configured a process which, over time, turned into a highly complex and entangled set of relations and decision-making.

This research seeks to understand these relations, which, I argue have (re)-constructed Valparaiso’s urban governance and provide a lens to explain the uneven process of urban regeneration identified in the city. Urban regeneration is underpinned by several contradictory socio-political processes that take place at different spatial scales. It is proposed that beyond the centralization of the state and its market-based public policies, decision-making relating to the regeneration of the city is the product of the asymmetrical interplay of various actors at different scales with specific interests, coalescing to pursue certain urban agendas. Coalitions, mostly focused on growth and profit, are examined to understand their emergence in both formal and informal ways, to give continuity to urban agendas such as tourism based on heritage and the development of the port.

Between 1995 and 2015, the time period on which this research focuses, the urban and social landscapes of Valparaiso changed, though in a very inequitable manner. The process was led through three plans or programmes, which I define as strategies of urban regeneration, namely the already mentioned ‘Reactivation Plan’ (1995), ‘Plan Valparaiso’ (2002) and PRDUV (2006). Although it can be said they were not conceived as such, I use the term strategies of urban regeneration as they have sought to replicate some of the features found in regeneration plans in the global north¹.

¹ Unlike cases such as the UK, where urban regeneration constitutes an important factor for urban development, in Chile policies formally labelled as urban regeneration have been recently incorporated in plans associated with the reconstruction of cities affected after the earthquake and tsunami of 2010. While in the UK it is possible to identify influential reports such as ‘Towards an Urban Renaissance:
In the endeavour to regenerate Valparaiso through turning the port-city into a potential new urban economy based on its cultural background and heritage, symbolic aspects of the city became branded and absorbed by the strategies. Valparaiso as ‘Chile’s Cultural Capital’ was boosted by its rich history and bohemian features (Espinoza, 2011), whilst Valparaiso as the ‘Main Chilean port’ represented a reduced and easy to exploit understanding of the city. Moreover, between ‘Plan Valparaiso’ (2002) and PRDUV (2006), Valparaiso’s historic quarter was declared a World Heritage Site (WHS) by UNESCO in 2003. This landmark that recognized the city as “an exceptional testimony to the early phase of globalisation in the late 19th century, when it became the leading merchant port on the sea routes of the Pacific coast of South America” (UNESCO, 2003:121), gave the city a symbolic global value and made its protection and development a state responsibility. However, once the strategies of urban regeneration came to an end in 2012, the common reaction among scholars, social organizations and decision makers, regarding their outcomes was that they constituted a failed process, and Valparaiso as a WHS did not trigger the improvements expected at the city scale, and the few changes only meant benefits in few hands. The city’s material expressions were instead linked to an increasing process of spatial fragmentation and social exclusion on a wider scale.

The strategies did far less than was expected by the porteños2, especially in terms of unemployment, overcoming poverty rates and lack of opportunities. Public and private actors saw in Valparaiso an opportunity for development and business, however the efforts to overcome the city’s poor economic performance was reduced to a flawed trickle-down process. The high dependence on the action of the private sector, targeted to potentially attractive places for further investment, left extensive areas either underdeveloped or as ‘reserves’ for further speculative interventions.

The emergence of social movements and organizations mobilized against some particular urban regeneration projects on heritage started to unveil an institutional focus on heritage exploitation rather than protection, and generated a tense process of governance, expressed through the public administrative system in the relationship between central and municipal governments. Meanwhile, the port’s positive figures of transfers and loadings during the 2000s consolidated the importance of the port’s activity for the Chilean economy, though with poor

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2 Common denomination of the inhabitants of Valparaiso
contributions to the city. The reconfigured relationship between the port and the city, far less integrated than in the past, and the intersection of developmental agendas have produced new tensions linked to the city’s future. The sources of this are found in the Port Enterprise of Valparaiso (EPV) plans to extend the port and its commercial and real estate project, called Puerto Baron, alongside the emergence of new processes of social contestation. The case of Valparaiso is an expression of an approach of urban regeneration originally conceived of in a clear and simple way led by its centralized administrative system, which increased in complexity and tensions among stakeholders both within and outside the spheres of decision-making.

1.2. The city of Valparaiso: uniqueness and deprivation

Valparaiso is located in the central area of Chile, on part of the country’s coastline. Among the 15 Regions of Chile, the Valparaiso comuna belongs to the 5th Region, called Valparaiso Region, and is the regional capital. The area of the comuna is 401.6 km², but its urban area, in which almost 100% of its population live, represents just 9.3% of the total territory. Valparaiso has three urban areas: the city of Valparaiso, in which this research is based, is the historic area attached to the port and contains most of its population; Placilla-Curauma, a locality with an important increase of population, mostly upper-middle classes; and Laguna Verde (Figure 1-1).

At the metropolitan scale, Valparaiso is part of a wider urban system encompassing Viña del Mar, Concon, Quilpue and Villa Alemana. Both Valparaiso and Viña del Mar contain most of the financial areas, public and private offices, services and job concentration within the metropolitan area.

The city of Valparaiso consists geographically of a flat area, known as the Plan, surrounded by 42 hills comprising a natural amphitheatre in which it is possible to see both the ocean and countless views of the city from almost any point. Both this feature of the city and its port activity have been distinctive factors in the historical construction of the city’s cultural identity alongside a unique and attractive spatial scenario, configuring a feasible platform for urban regeneration.

Historically, the port activity had its most buoyant moment during the 19th century and the beginning of the 20th century because of international trade existing at that time, in which Valparaiso was a strategic stop along the routes connecting the Pacific Ocean with the Atlantic Ocean. With the arrival of several waves of immigrants, mostly from Europe, who established themselves in the city, Valparaiso built a rich heritage, both tangible and intangible. However,
after technological and politico-economic changes during the 20th century, the city has gone through a long period of urban deprivation and economic underperformance. These changes and the dominance of Santiago, the country’s capital (located just 110 km away), produced an extended period of social decay and decomposition of the urban fabric in Valparaiso. The increase of the importance of Santiago, in detriment of Valparaiso among other cities, became intensified as the capital begun to consolidate its position in the global system between the last years of the 1980s and the 1990s, under the hegemonic market-led model (De Mattos, 1999).
In terms of demographics, Valparaiso’s population was 296,655 inhabitants, according to the 2017 census. The population in Valparaiso has remained almost stable from 1982 to 2002, with only a small variation and even a loss of population between 1992 to 2002. Although the new census shows an increase in the *comuna* population (a little over 20,000 inhabitants), this needs to be analysed carefully. The Placilla-Curauma urban area, had 10,721 inhabitants in 2002, and according to officers at the Municipality of Valparaiso, it has currently increased to around 60,000\(^3\). With a similar condition in Laguna Verde Urban Area (though marginal as it is a very small area) it can be argued that the city of Valparaiso actually has lost population throughout the years. The *comuna’s* population evolution has been in contrast with the Metropolitan Area of Valparaiso (figure 1-2) that shows a sustained increment throughout the years. This has explanations in the increasing population of *comunas* located at the interior of the metropolitan area (Quilpué and Villa Alemana), whose residents usually commute to either Valparaiso or Viña del Mar for work and studies.

![Figure 1-2: Population of Valparaiso and its metropolitan Area between 1920 and 2017](source: Own elaboration based on Manterola (2011) and Census 2017)

Valparaiso has historically been considered the main port of the country. Although this is no longer the case after the increase in transfers and loadings to the port of San Antonio in the same *Region*, most of the public agencies linked to port activity at national level are still in Valparaiso. The National Parliament and the National Council of Culture and Arts are also located in Valparaiso, and in military terms it is the First Naval Zone of the Army. All these features make Valparaiso an important urban area at both regional and national level, but local

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\(^3\) These figures need to be corroborated with the detailed results of the 2017 Census, still not available at this point of the research.
figures for unemployment and poverty are nevertheless, usually worse than regional and national indicators (Figures 1-3 and 1-4). Moreover, Valparaíso and Viña del Mar contain together almost 18.9% of the informal settlements of the country, over 354 comunas (Techo, 2016).

**Figure 1-3: Poverty rates**

Percentage of people living in Poverty


**Figure 1-4: Unemployment rates**

Unemployment Rates

In the search to overcome these figures, the strategies of urban regeneration, backed by the UNESCO declaration, set the scenario for the emergence of new approaches aimed at the diversification of the city economy, in which heritage and tourism became the source of a new agenda for city development. Spatially, with the definition of the WHS polygon along the coastline development, it is consolidated the core of the dominant debates about the city development and arguably, the major concentration of public and private interests on Valparaiso (Figure 1-5). This area encompasses the cases presented in this research, and the basis for the following research questions and propositions.

![Figure 1-5: Area covered by the research](image)

Source: Own Elaboration

1.3. Research questions and propositions

It is usually assumed that the problems of Valparaiso are related to the centralization of the state apparatus, lack of sectoral coordination⁴, and a market-led approaches to public policies. However, those problems are not exclusive to Valparaiso as they are more of a national issue. The specificity emerges when these features are mixed with economic interests at national level such as the port, the heritage condition linked to the country’s image, intertwined with

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⁴ This can be inferred from duplication of public investments, or mismatches of Ministerial agendas.
an active local civil society relatively organized at city and neighbourhood levels. It can be argued that the specific features of Valparaiso produce tensions between local and national tiers of government that are in some way different from other cases within the country.

In this context, the first explanation regarding the urban regeneration experience, which has been labelled as a ‘failed’ process, has to do with lack of understanding and consensus among different stakeholders and the clash of interests. Although this has some truth, little analysis has been undertaken of the way strategies, projects and initiatives have, in fact, been executed, and how some agendas have prevalence over others.

The following research questions aim to unpack further these broad assumptions regarding the insufficient achievements of the city’s regeneration:

**Overall RQ:** Why have the strategies of Valparaiso’s urban regeneration failed to address the structural problems of its urban deprivation?

**RQ 1:** In what ways does the social production of urban governance at different scales in Valparaiso help to explain/shape ongoing processes of urban change in the city?

**RQ 2:** How is the formation of urban coalitions (re-) produced through time regarding urban regeneration agendas?

**RQ 3:** To what degree and in what ways do social movements become effective counterparts to strategies at different scales of urban regeneration?

The intention is that these questions will contribute to unpack different understandings of what a ‘failed’ regeneration means in Valparaiso, and at the same time contribute to the theoretical debates about urban regeneration and governance.

One proposition in this research relates to the construction of coalitions through time as mechanisms to pursue urban agendas aimed at producing profit and accumulation. It is proposed that coalitions can be represented at different scales, being mobile, tangled and even contradictory. Therefore, besides the discretionary power of central government to create strategies of regeneration, parts of processes and especially the implementation can be possible only through a complex interplay with public and private actors located at other scales: (1) the strong dependence on private investments to sustain the strategies combined with the political influence of the Mayor(s) and their own processes of coalition building; (2) the role of supranational institutions such as UNESCO or the Interamerican Development Bank (IDB) and their commitments with the state and; (3) the port’s agenda involving new players in the
city regeneration process. Thus, the proposition is that urban governance is not a single arena at the local scale, but a representation of various and changing spaces of decision-making.

The second proposition is linked to the highly asymmetrical relations among actors in Valparaiso that provide the basis for the strategies of urban regeneration. Whilst they are aimed to produce economic growth, their decisions and actions act as mechanisms of spatial differentiation. In this second proposition, public and private interests in the city became represented in the city by urban fragmentation and social exclusion through targeted interventions producing radical urban and social changes, but disregarding the rest of the city and its structural problems associated with poverty and unemployment.

A third proposition is that the response of social movements to contest strategies of urban regeneration, results in a process that is also highly uneven among groups. The aim and scope of their strategies to mobilize and jump to other dominant scales, as well as their level of influence, are usually linked to issues of class, which determines their degree of success.

1.4. Theoretical debates to examine the case

This thesis seeks to explore the importance of urban governance, understood as a social construction, in the definitions of guidelines and processes of implementation aimed at regenerating Valparaiso. From this starting point, urban regeneration is usually associated with the realm of practice and technical knowledge, though dependant on political and economic definitions (Roberts, 2000). This thesis draws on more critical approaches, stating that in the context of entrepreneurial urban governance (Harvey, 1989a, Albrechts 1991), urban regeneration is rather a driver of neoliberal policies for capital accumulation in urban space, and a mechanism of spatial differentiation (Smith, 2010 [1984]) and gentrification (Smith, 2002).

However, the entrepreneurial approach to urban governance applied in the Chilean case implies the rescaling of the arena in which urban decisions were taken. As Chile is highly centralized, important measures are taken at the national level rather than the local. Here the theories of scale as a social production (Smith, 2010 [1984], Herod, 2011, Brenner 2001, Jessop 2002a, 2009) and/or construction (Delaney and Leitner, 1997), and as an explanation of uneven development in the capitalist world, become a crucial aspect of the research. Scale is the socially produced metric of differentiation (Marston and Smith, 2001, Smith 2015), in which processes of spatial fixation are produced for accumulation. Here, the role of social actors and their political interactions through the politics of scale (Smith 1992, 1993, Swyngedouw, 1997, Cox, 1998a) and mechanisms of contestation though scale jumping.
(Smith, 1993, Cox, 1998a, Jessop, 2009) configure a scenario of socio-political struggle, asymmetrically constructed by dominant forces aimed at temporarily securing scales of accumulations, and (usually) involving social forces in opposition.

In that sense, scale is a concept that differs from level, a difference that requires some explanation. Jonas (2017) makes reference to the ‘levels’ of government, understood as the different spheres of political action and representation, with different degrees of interaction, governed by specific rules, actions and coordination (the different levels of the state). The concept of level (or multilevel governance in developed political systems) “does not capture satisfactorily the variety of ways in which political processes are constituted around different territorial structures of the state and governance” (ibid: 27). In turn, the concept of scale goes beyond the hierarchical distribution of power, addressing the struggles, the social processes, that allow to produce new scales of political organization and governance, not necessarily aligned to the levels of the state (Ibid).

Marston and Smith (2001) explain that the production of scale is inherently part of the production of space (Lefebvre, 1991). This implies that scale is one among other spatial concepts such as territory, place and networks, so it needs to be addressed in a relational way (Jessop, 2009). Scale has direct links and effects on places produced (e.g. a neighbourhood, a hill in the case of Valparaiso) and can be articulated through networks among actors who together coalesce to consolidate these links. Some questions emerge from this: *How do these actors interact and coalesce? Where do they come from and what are their agendas?*

At this point, a second theoretical approach from the field of urban politics is used for a more detailed and unpacked understanding of urban governance. Urban regime theory (Stone, 1989, 1993, 2005, Stoker, 1995, Harding 1996) looks at the formal and informal interplay between public and private agents, which in a scheme of interdependence, builds coalitions and defines common agendas (Ward, 1997) aimed at producing capacity to govern. Urban regimes have been a widely-debated concept rooted in local politics associated with urban development. Coalition building in an urban Regime is usually developed in a stable way over time beyond electoral periods, and unlike pluralist or elitist approaches, it recognizes political economy frames in the analysis (Stone, 1993, Fainstein 2001).

Among the main criticisms of urban regime theory is that it is considered too rooted in the US context (Wood, 2004), which means it is deeply localist, without considering other forces beyond the local scale. This issue can make it difficult to use this theory for analysis in different realities, for instance, where central government is more influential. Urban regime theory is focused on agency, leaving structure to the side (Imboscio, 1998), and although it
recognizes political economy, it does not explain how this affects local politics and decisions (Davies, 2002).

This research argues that a bridge between scale and urban regimes can constitute a useful way to overcome some of these constraints and provide a theoretical approach for urban politics beyond the global north. Urban regimes analysed through a ‘scale sensitive’ approach (McGuirk, 2003) can help to understand coalition building from a multi-scalar perspective, escaping the localist trap (Stoker, 1995), as an integral part of political-economic processes.

Therefore, if various actors are located at multiple scales operate in the (social) production of urban governance, it becomes relevant to understand how the overlapping scales of urban governance are produced and how they help to explain socio-spatial configurations. The strategies of urban regeneration in Valparaiso provide the basis for the emergence of both formal and informal governing coalitions moving within and between spatial scales, ranging from supranational interests to the emergence of local resistance.

1.5. Structure of the thesis

Following this introductory chapter, Chapter 2 develops the theoretical stance of the research. Concepts such as the politics of scale, scale jumping, and urban regimes are used to analyse the political and entrepreneurial features of urban governance and its expressions through urban regeneration processes. The chapter ends with the hypothesis, objectives and research questions.

Chapter 3 outlines the methodology of the research. Drawing on qualitative methods and a social constructivist approach, the analysis is developed through a case study approach, with three interrelated cases identified for inquiry: the WHS, Terminal 2 and Puerto Baron. It discusses the qualitative methods used during the fieldwork in Valparaiso such as interviews with key actors, review of official documents and media. The techniques of analysis used are presented and final reflections are made regarding ethical issues and the fieldwork experience itself.

Chapter 4 examines the historical shifts of the Chilean political economy, its relationship with the evolution of the port-city and frames the recent period in which the strategies of urban regeneration took place. Here the shift in Chilean social coalitions is analysed, reduced to the state and the business sector and reflecting structural changes in the political economy. This broad understanding of the development of coalitions at the national level provides the context for the specific analysis of coalition development in Valparaiso.
Chapter 5 addresses the evolution of port development and its extension plans. After its semi-privatization in 1997, the port of Valparaiso has developed a long-term strategy aimed at increasing its performance in the light of the country’s requirements for foreign trade. The chapter depicts how the stable public-private alliance between the port enterprise and the single operator of the port changed after the port extension plan. This shaped new scenarios that unveil the emergence of various actors and their interests coalescing to either secure or contest changes. The still influential role of the port in city development is analysed, rearticulating Valparaiso’s urban agenda.

Chapter 6 analyses the process of consolidation of the tourism agenda supported by strategies of urban regeneration. It shows how the agenda constituted a long-term process institutionally fuelled though direct investments, subsidies and the branding of the city. The chapter assesses how the emergent tourism agenda, based on the city’s valuable heritage is backed by interests from local to supranational scales. The chapter demonstrates how public and private stakeholders produced temporary coalitions, working together in strategic periods to ensure the agenda’s prevalence.

Chapter 7 examines the city waterfront project and its evolution from the idea to create new public space and attractive tourist amenities to a commercial centre. Through the project, called Puerto Baron, the willingness of dominant actors to consolidate the project at any cost is observed, coalescing at different times in order to produce an attractive business model linked to land speculation. In this scenario, social organizations through their shifting strategies plays an important role contesting the project, forcing both the response of the state before UNESCO and the reconfiguration of the coalition.

Chapter 8 analyses the socio-spatial effects triggered by the implementation of the strategies of urban regeneration. It is shown how within the WHS, expressions of differentiation are represented in space. In the context of these spatial changes, the chapter also reviews the role of social organizations, their mechanisms of contestation and involvement in governance. Here three types of social groups for the analysis are identified: organizations working as a network, place-based organizations and an emergent of a new type of community group. The chapter analyses their degree of influence and capabilities to reach higher levels of decision-making.

The conclusions developed in Chapter 9 addresses the research questions and contribution to the theoretical debate regarding urban regime theory linked to scale. Based on the research, the chapter invites the meaning of a ‘failed’ urban regeneration in Valparaiso to be revisited. Conclusions also seek to show how urban governance, rather than a single process of decision-making is configured through time as a highly complex and contested scenario. Though the
case of Valparaiso, it presents the theoretical contribution regarding urban regime and scale as a useful approach to understand governance out of the cities of the global north.
Chapter 2. The politics of urban regeneration: a theoretical approach to multi-scalar analysis

2.1. Introduction

This chapter addresses from theoretical perspective three key subject areas that underpin the present research: (1) the neoliberal features embedded in urban regeneration strategies; (2) the contribution of scale to the understanding of spatial differentiation production and governance beyond the local scale; and (3) the role of urban governance and its politics as institutional drivers of urban change.

Section 2.2 focuses on the conceptualization of urban regeneration, usually understood as a transformational mechanism of space aimed at overcoming processes of economic deprivation. The analysis criticizes this ‘depoliticized’ approach based on technical aspects of city-making, arguing that, as urban regeneration strategies and projects rely on public and/or private interests, it is deeply linked to politics. The political features of regeneration in the context of neoliberalism, have produced visions of city promotion to attract investment and foster accumulation, acting in cases such as Valparaiso, as mechanism of differentiation. Although urban regeneration cases appear to be replicated in many parts of the world, the specific processes and mechanisms of strategy-making make an important difference, especially in terms of implementation of policies, associations and social contestation.

For the conceptualization of urban regeneration, its relationship with neoliberalism, and the understanding of the political forces operating in decision-making, the analysis is based on the concept of scale as a social production. Section 2.3 reviews the main theoretical concepts associated with scale: (1) as a social production from a political economy perspective and a mechanism of spatial differentiation for accumulation; (2) as the arena of social relations and struggles through the politics of scale, in producing dominant and hierarchical new scales; (3) as the mechanisms of social contestation through scale jumping aimed at challenging dominant social relations at specific scales. Section 2.4 seeks to take scale into a relational approach with other features of space production, namely, territory, place and networks. A relational perspective of scale allows clearer links with urban governance and its networked condition, expressed in the construction of social relations and struggles.

Aligned to the politics of scale, urban governance is understood as a social construction, contextualized by processes of state and political economy restructuring. The review of governance and more specifically the entrepreneurial features of urban governance are addressed in Section 2.5. The following section 2.6 focuses on the field of urban politics, having in urban regimes an important approach in the understanding of internal relations.
embedded in political decision-making. Whilst urban regimes are usually linked to decision-making at the city level, it is argued that the contribution of scale becomes highly relevant for analysis beyond the locality, as in the Chilean case. Urban governance is presented as multi-scalar, and the associations and coalitions built among stakeholders demonstrate this feature as well.

2.2. Beyond urban regeneration as a technical ‘fix’

In general, urban regeneration is mostly identified in the field of practice through the implementation of public and private strategies deployed in areas with clear symptoms of physical, social and economic decline (Evans 2005). Lovering (2007) argues that urban regeneration remains undertheorized and policymakers tend to make their choices based on shared normative and cognitive prejudices. Tied with this technical approach, Roberts (2000) defines urban regeneration as a:

> comprehensive vision and action which lead to the resolution of urban problems
> and which seeks to bring about a lasting improvement in the economic, physical, social and environmental condition of an area that has been subject to change (Roberts 2000: 17).

The apparently clean and straightforward character of urban regeneration needs to be review with major attention especially at the moment to critically assess the impacts on the built environment, here is possible to unveil series of constraints and flaws. As Shaw and Porter (2009) argue, urban regeneration has a ‘dark side’, which needs to be analysed in the current globalized neoliberal scenario and its interdependence with the socio-political features of governance that shape it.

The post 1970s structural changes towards neoliberalism in capitalist societies has provoked influential transformations in the way urban space is governed and its landscapes transformed. Following these changes, city governments started to rethink “their social bases of support, their architectures of political intervention, and their strategic priorities” (MacLeod, 2002: 604). David Harvey (1989a) states that a shift towards an entrepreneurial mode of urban governance emerged in the revival of local economies, in which the inclusion of the private sector in processes of decision-making becomes determinant for the promotion of the city. From this perspective, urban space becomes mostly dominated by economic development goals, being reshaped through inter-urban competition for inward investment (Harvey, 1989a, Fainstein, 2010), which operates as an ‘external coercive power’ over cities, aligning them with the logic of the world market (Albrechts, 1991).
Urban entrepreneurialism engages with the participation of stakeholders at different scales, from multinational companies to local entrepreneurs, fostering investment in urban place as a mechanism for economic growth, thereby ensuring the circulation of capital (Harvey, 1989a). According to Harvey (Ibid.) there are three aspects that characterize urban entrepreneurialism: first, the role of public-private partnerships in governing processes, especially with business companies; second, the process of place-marketing and competition, usually underpinned by public sector expenditure and investment (e.g. infrastructure), evidencing the private sector’s lower levels of risk (MacLeod, 2002); and third, a focus on the political economy of place rather than territory, which means a shifting focus from the provision of economic and redistributive investments and projects such as education or housing to the enhancement of specific places with expressions such as flagship buildings. From this, the proliferation of waterfront developments, cultural and convention centres, shopping malls and science parks becomes the representation of attractive areas for investment and consumption, being imitated elsewhere (Albrechts, 1991). Here the role of urban and architectural design becomes highly important for place-making, although there is not necessarily an awareness of increasingly ubiquitous effects such as the privatization of public space and gentrification (Biddulph, 2011).

In this context, urban regeneration constitutes an influential tool in materializing the entrepreneurial turn, reshaping space and relocating fix capital for further accumulation. Cases such as Liverpool (Couch, 2003) and Manchester (Cochrane et al, 1996, Tickell and Peck, 1996) represent institutional efforts in the search of the so-called ‘urban renaissance’, establishing strategies for re-development through urban regeneration. Therefore, urban regeneration is highly embedded in political and strategic definitions, despite its usual reduction to the technical domain. Moreover, urban regeneration can be located under different political positions regarding the analysis of the strategies’ spatial effects. Florida (2002), through his creative class vision, argues for an approach where ‘culture’ can works in urban revitalization as an engine of economic growth, attracting of new residents and reproducing new vibrant areas. In a more critical position, Smith (2002) overtly states that

[n]ot only does “urban regeneration” represent the next wave of gentrification, planned and financed on an unprecedented scale, but the victory of this language in anesthetizing our critical understanding of gentrification […] represents a considerable ideological victory for neoliberal visions of the city (p 446).

On the one hand, several cases provide evidence of the transformative features of urban space through urban regeneration strategies, producing visually and programmatically attractive places for business and visitors. Here, aligned with Florida’s argument, culture has been a key factor in the promotion of cities, especially those rich in urban heritage. On the other hand, it
has been widely analysed that many interventions have been related to negative impacts such as exclusion, segregation and displacement of lower classes, unable to live in the more expensive regenerated areas. Moreover, there is no clear evidence regarding effective benefits to the population at a wider scale due to the lack of long-term research about the impacts of urban regeneration (Edwards, 2013).

Although urban regeneration might be potentially beneficial in the provision of better standards of (social) housing and public spaces, as well as social cohesion, in reality there are different outcomes. Here, the field of politics and urban governance play a very relevant role. The asymmetries of power among different actors involved in urban regeneration can be linked to processes of difference “reflected in the evolution of the tension between areas as places for human activity and as assets” (Roberts, 2000:11). The dominant focus on the project or the key intervention aimed to unfold more development in a transformed area represents a long way from redistributive objectives. Moreover, urban regeneration cannot trickle-down by itself, being only one among many other structural processes which can make it possible to improve an urban area (Colomb, 2011).

Hence urban regeneration is unavoidably tied to wider political economic changes associated with ongoing capitalist globalization as well as politics unfolded at multiple scales with different effects in specific places. In relation to the latter, as Lovering (2007) argues, a focus on the performance of governance becomes relevant to understand the “relationships, processes and practices that give urban regeneration currently such a pronounced neoliberal character” (345).

2.2.1. *Urban regeneration as a strategy to promote the city in the globalized context*

Urban regeneration processes have been part of an extensive debate regarding their effectiveness as a mechanism of transformation and production of social benefit in deprived urban areas. Strategies of urban regeneration usually emerge in urban space aimed to create new attractive places for inward investments (Biddulph, 2011, Couch et al, 2011, Degen and García, 2012), while concerns such as social justice or redistribution became dependant on the relative success of the economic focus. In the context of globalization, where capitalist social relations and economic changes are increasingly dynamic and complex (Perrons 2004), cities have become key spaces of economic growth. Public and private investment have been strategically focused on areas with development potential, producing in turn, spaces of fragmentation and polarization as part of the uneven development at different geographical scales (Brenner 1997, Perrons, 2004).

Borja and Castells (1997) argue that the global economy and its relationship with different places have asymmetrical interdependence. Just a few cities emerge as leading centres while
others, within the circuits of information and production, move towards specialization of their activities to be part of the global system (Sassen, 2001). This dominant hierarchical approach generates marginal places and economies in many parts of the world (Hirst et al, 2009), and inequalities appear both between and within cities (and countries). From these patterns of uneven development from the global to city level (Perrons, 2004), local institutional efforts to overcome the conditions of urban deprivation in disadvantaged cities for inclusion in the global network have become increasingly relevant (Friedman, 2002). However, the outcomes have not been equally successful across different cities, and the role of national and sub-national tiers of government and their interdependence with the private sector have been influential in these results.

For instance, Manchester’s politics of events and its ‘dream’ of holding the Olympic Games (Cochrane et al, 1996), produced a profound change in the way local politics was understood. The entrepreneurial features of local government, based on public-private partnerships and high public funding prompted important changes in the way it currently works, “at the expense of other British cities in the short term and at the expense of the council’s control over its development agenda in the long term” (Cochrane et al, 1996: 1333). A major shift based on competition, replicated in the UK and elsewhere, started to reflect a ‘no-return’ form of urban politics, at least in relation to its former practices.

The spatial replication of places through urban regeneration, have also been related to political temptations to repeat ‘successful’ outcomes in a straightforward way, such as those produced in the so-called ‘Barcelona Model’ for the preparation of the Olympic Games in 1992. However, once the ‘model’ has been imported, all the complexities of the process have usually been forgotten, with the focus being only on a few aspects of the intervention (Shaw & Porter, 2009), especially the visual. How specific constructions of governance are produced in specific urban regeneration processes is also forgotten. As Borja (2013) points out, place-based initiatives must be related to historical, cultural and political roots and require complex processes of understanding the basis on which changes are produced.

Paradoxically, new complexities associated with the global political economy, the reconfiguration of the state through the emergence of various actors within governance and the diversification of social and individual demands do not necessarily find particular expressions in urban space. On the contrary, as Albrechts (1991) points out, space appears homogeneously replicated among cities as serial reproduction, expressed in proven spatial and cultural ‘models’ implemented to encourage institutionalized competitiveness.

One of the most illustrative cases of spatial replication are port-city re-developments, being notorious both in Europe and the US, though also in Latin America with emblematic projects.
such as Puerto Madero in Buenos Aires (Kanai and Ortega-Alcázar, 2009). These settlements encompass highly attractive features for investment, from natural and urban ‘assets’ such as coastlines, canals or old docks on the one hand, and strong historical heritage and cultural background on the other. As a consequence, large-scale regeneration schemes emerge with strong visual effects such as waterfronts, museums or cultural centres trying to reproduce a ‘Guggenheim effect’, alongside the proliferation of boutique hotels, restaurants and clubs. These changes within a neoliberal context act as market products which privilege business companies and the elite class (Smith, 2012), turning the local culture into commercial assets. The city becomes ‘branded’ (Evans, 2003, Hemelryk et al, 2009) through a political process in which symbolic and cultural features of places are simplified and sold as ‘cleansed products’ for investors and visitors. Therefore, it can be argued that urban regeneration emerges as the driver of spatial homogeneous expressions and a cross-national political desire aimed to the economic renaissance of deprived cities.

2.2.2. Place-making through urban regeneration: Local impacts and social responses

From this research’s point of view, the socio-political processes underpinning urban regeneration become highly important. Whilst it is clear that every place has its specific features, it is important to understand, on the one hand, how arrangements among governments, the private sector and at some point, social movements, framed by regulations, are made to produce and reproduce outcomes that are, or attempt to be, so similar. On the other hand, it raises questions about the consequences of this process in relation to wider spatial scales. According to Harvey (1989a), it is important to see what is ‘behind the mask’ of successful urban regeneration projects, expressed in different forms such as a dual city, divided between regenerated and impoverished areas, or as a ‘collection of ghettos’ of socio-spatial integration, while others are left in isolation and marginalization (López, 2009).

From various cases of regeneration, it is possible to unveil the impact of strategies and policies that are in place (see Porter & Shaw, 2009), and to examine how these processes have triggered different types of problems, such as fragmentation, exclusion and gentrification. Cases such as the clearance and redevelopment of Birmingham East side without any concern about the people living there (Porter, 2009a), or the emergence of the ‘creative class’ in Berlin through the commodification of displaced local (sub)cultures (Bader & Bialluch, 2009) represent the tension between strategy-making and local impacts. Moreover, the wider aims of urban regeneration can advance in clear contradiction to specific plans within communities. Colomb (2009) explains the paradox between New Labour’s national agendas in the UK that “encourage the neoliberal urban project” (166) fostering gentrification, and policies supporting a sort of ‘people-based regeneration’ in London.
Within these examples, it is possible to see the emergence of contested strategies from social movements either rejecting projects or at least overcoming some of the negative aspects of the interventions. In the case of Salvador de Bahia in Brazil, Tarsi (2009) shows how after several waves of regeneration in the city centre to consolidate a new cultural and tourist district, local poor people and vendors who resisted previous displacements organized themselves. Their claims for the right to stay there and to be recognized in future negotiations were successful, though with the cost of many evictions.

Although all cases have significant differences in context and the nature of the conflict, it seems that effective ways to face the negative effect of urban regeneration strategies are closely related to process of resistance and community organization. The claims of place-based organizations for inclusive policies which incorporate an equitable right to the city become highly relevant by at least acting as a counterpoint to dominant approaches. However, it seems that activism by itself is not enough to stop large-scale regeneration projects, and the effective influence of activists is related to strategies of association, in specific political and economic moments, with other actors in an attempt to re-shape top-down decisions.

According to Smith (2012), the current processes of urban transformation through strategies of regeneration and their uneven outcomes have provided the opportunity for grassroots organizations to challenge the neoliberal characteristics of these strategies by demanding socially just changes and significant inclusion within governance. Under this framework, it might be possible, although difficult and complex, to establish different and more progressive approaches to governance that might result in ‘equitable regeneration’ (Porter, 2009b). However, it is necessary to understand both the composition and aims of resistance groups. A characteristic of social movements is their heterogeneity, and not all organized groups necessarily represent progressive forces. They can sometimes be more conservative associations formed, for example, to protect urban areas merely to ensure its physical conservation, so such groups do not necessarily advocate for vulnerable people affected by displacement5. Therefore, following on from the well-known question ‘regeneration for whom?’ it also becomes important to ask, ‘resistance by whom?’ These questions are relevant in the case of Valparaiso in which the current coastline interventions do not directly affect residential areas6, so local claims might be too focused on the physical aspect of urban changes instead of the social problems of poverty and exclusion embedded in the city.

5 For instance, the first stages of the regeneration of Spitalfields Market and its surrounding areas in London represented a clear example of how the claims of conservationist organizations regarding the defence of physical heritage were completely dissociated from local concerns about gentrification (see Fainstein, 2001).
6 This assumption is based on the population distribution between the area of the city on the plain and the hills, which hold more than 95% of the population (Fadda and Cortes, 2007). It is clear, though, that
The radical physical changes produced in urban space through urban regeneration have shown doubtful benefits for the local population, especially the poor. In turn, both socio-spatial effects and forms of resistance are particularly different from place to place. In this regard, a critical understanding of urban regeneration for the case of Valparaiso is fundamental to assess the strategies produced there. This critical approach can help to explore more deeply whether, even if the port-city regeneration has been considered a failed process, this does not necessarily mean that successful regeneration would be something positive for all groups in the city. Here the understanding of the asymmetrical forces configuring urban governance in Valparaiso turns to be important as an explanation of its urban regeneration processes.

2.3. The social production of scale: On capitalism and socio-political struggles

Scale in radical geography has constituted a highly relevant theoretical approach to explain the social and political dynamics produced and derived from capital accumulation across space. The initial contribution of Taylor (1981) and especially Smith (2010 [1984]) started to understand scale as socially produced within the logic of capital accumulation and as an explanation of processes of uneven development. According to Herod (2011), this materialist perspective of scale moved beyond the previous ontology of scale rooted in Kantian idealism, made of “simply mental contrivances for circumscribing and ordering processes and practices” (13). The production of scale, as part of the production of space, contests pre-given and compartmentalized representations of the local, regional, national, supranational and the global “treated simply as different levels of analysis” (Delaney and Leitner, 1997: 93).

In Smith’s (2010 [1984]) work on uneven development, it is unveiled the contradictions between the needs of capital to be fixed in a place for accumulation and the need to move to new more profitable places to continue accumulation elsewhere. The contradictions between ‘capital flows’ and ‘fixed capital’ (Harvey, 1989b), make a spatial fix unfeasible, but “in the doomed attempt to realize this spatial fix, capital achieves a degree of spatial fixity organized into identifiable separate scales of social activity” (Ibid: 180, italic added). From a political economy perspective, the production of scale is conceived through a dialectical process of competition and cooperation (Smith, 1993), which can be reflected, for instance, in the competition among capitalist producers who at the same time cooperate to ensure their power and create suitable conditions for capital accumulation and social reproduction. This contradiction could be attached to the national scale, however as boundaries between

the current changes in the city (not in the populated areas) can be associated with processes of regeneration and gentrification in some of the hills. In this regard, these phenomena are not seen as independent but rather interdependent.
competition and cooperation are not necessarily clear, they can be also rescaled insofar the scale of economic accumulations expands (ibid).

Therefore, the production of scale is a dynamic process, and the fixed scales can be changed and should not be taken for granted although they might seem self-evident (Smith, 2010 [1984]). Under this ontology, the ‘taken for granted’ nation-state as a central unit of analysis in challenged and the dualism between the concrete and practice-based local scale and the abstract understanding of the global is overcome (Engels, 2015).

According to Jessop (2002a, 2009), during the Fordist Keynesian welfare state, the dominant scale was the nation-state. A similar situation occurred under the Import Substitution Industrialization model in Latin-America where the spatial division of labour remained relatively stable under the national umbrella. After the Fordist crisis and ongoing globalization, the national scale became relative and a proliferation of new scales emerged, dissociated and hierarchically tangled (Jessop, 2009). In the current context, there is no single dominant scale in absolute terms, which has triggered competition among different political and economic forces located at different scales to become the key space of accumulation and/or state power (Ibid):

The new political economy of scale does not involve a pregiven set of places, spaces or scales that are merely being reordered. Instead, new places are emerging, new spaces are being created, new scales or organization are being developed and new horizons of action are being imagined – all in the light of new forms of (understanding) competition and competitiveness (Jessop, 2002a: 179).

Even during the dominance of the nation-state other scales have been also influential, especially at supranational scale, through institutions such as the International Monetary Fund or the World Bank in developing countries (Mahon and Keil, 2009). The point here is that, with global political economic restructuring, the emergence of new tangled scalar hierarchies has increased in intensity and complexity. These hierarchies neither represent a rigid pyramid nor nested and self-enclosed areas like a ‘Russian doll’ (Brenner, 2001). Instead, scalar hierarchies can be created, erased or reconstituted (Jessop, 2002a, Swyngedouw, 1997), and the temporal dominance can be different from place to place. The study of geographical scales becomes essential for recognizing spatial differentiations among different contexts beyond the reductionism of a ‘local/global’ binary (González, 2005).
The production of scale understood from a political economy perspective has been criticized for being too capitalist-centric, avoiding other political processes exceeding capitalism (Jones III et al., 2017). Scales emerge both out capitalist contradictions and political struggles (Herod, 2010). These criticisms take more relevance at the moment to consider that, in the neoliberal scenario, scales can be produced in a very dynamic way, in which, besides political economy, social and cultural processes unavoidable needs to be considered for scale-making.

2.3.1. **The politics of scale**

As scholars started to identify limitations of the earlier Marxist approach about the production of scale during the 1980s (Herod, 2011), the theoretical debate started to expand scale to the role of agents, through their socio-political and cultural struggles (Jonas, 1994) in the social construction of scale (Delaney and Leitner, 1997, Wood, 2005). Besides capitalist forces, elites and the state, scale is also constructed through the insurgent actions of social movements or labour unions (Conway, 2009). The ‘politics of scale’ (Smith 1992, 1993, Swyngedouw, 1997, Cox, 1998a) emerges as a theoretical concept which, beyond the internal capitalist contradictions, deepens studies about social activities and struggles as mechanisms of scale-making (Herod, 2011). The politics of scale aimed to explain how within capitalism social reproduction, and the interaction of class, gender, ethnicity etc. produce scales of differentiation and spaces of political contestation (Smith, 1993).

Delaney and Leitner (1997) explain the ‘product’ of the politics of scale using a constructivist approach to scale, from the stance of political actors and their relations to social, political and economic processes:

> [T]he politics involved in the social construction of scale is frequently an ongoing, perhaps unending chain of events, and our investigation of the process should not be confined to inceptive events. The ‘product’ of the politics of scale may be fluid and revisable and consequences of such politics open-ended (Delaney and Leitner, 1997: 95).

The politics of scale is presented as open, fluid and revisable depending on the different relations of power and contestation across the diversity of geographical contexts and political economic scenarios. The temporal dominance of a fixed spatial scale is therefore mediated through the actors’ interest and power relations opened by the politics of scale, which, according to Jessop (2005), has an incomplete, provisional and unstable nature.

The production of scale is conceived in political economic terms (Smith, 1993), and politics is embedded as a constituent part of this framework as both outcome and producers of the
process of accumulation. In this regard, the politics of scale can be linked to other theoretical approaches to expand its scope and understand its complexity. On the one hand, Swyngedouw (1997), states that Regulation Theory implicitly captures the dynamics of the production of scale through the institutionalization of the capital-labour relationship. As capitalist society is shaped by “conflict, tensions, and power struggles along interclass, class, gender, and ethnic lines” (Ibid:145), scale becomes a “temporary sociospatial compromise that contains and channels conflict” (146), a coherence that secures capitalist accumulation. On the other hand, drawing on Jessop’s (1997) neo-Gramscian approach, the hegemony of dominant class alliances mobilized to impose particular projects or social practices is determined by the struggle between classes and class fractions defined at a particular scale (or scales) for their own benefit. Hence, multiple scale relations can be both regulated by rules and regularities and partly reproduced and continuously transformed through struggles.

As the socio-spatial construction of scale becomes reconstituted through struggle, it implies a heterogeneous, conflictual and contested process of change of both physical and social landscapes. In that sense, the recognition of the politics of scale as a messy and complex mechanism of domination is a key factor in potentially developing a “successful emancipatory political strategy” (Swyngedouw, 1997:160) by progressive social movements:

The goal of spatialized politics […], where ’spatial issues’ provide a ‘fundamental organizing concern’ is, I would argue, to overcome social domination exercised through the exploitative and oppressive construction of scale, and to reconstrucet scale and the rules by which social activity construct scale.” (Smith, 1992: 77-78).

With the politics of scale, the asymmetrical inclusion of social and political actors in the construction of scales configures a complex and tangled ground for analysis. In the understanding of capitalist development and its spatialization, Marston (2000), argues that capitalist aspects of reproduction and consumption must be considered equally as important as production in scale-making. She states that the scalar debate has been mostly concentrated on topics such as state rescaling processes (see Brenner, 2004), arguing for a focus on scales such as the household as determinant scales of the micro-level of social reproduction. This argument is central to the research purposes. While the focus is on the examination of social processes around state’s strategies of urban regeneration, this by no means implies ignoring processes happening at scales out of the institutional domain. In Valparaiso, the scales of hills and the neighbourhoods matter and are necessarily intertwined with the scales produced at city level, or even national and supranational (Chapters 7 and 8).
Several debates emerge regarding scale, and these are reviewed in section 2.4. Yet what has been common throughout the debate is the constructionist approach of scale (Marston, 2000), where the politics of scale constitutes a key theoretical stance to understand the socio-political struggles associated with scale-making. It also opens up room for contestation in relation to the diversity and composition of agents incorporated.

2.3.2. **Scale jumping**

The concept of *scale jumping* or *jumping of scale* (Smith, 1993, Cox, 1998a, Jessop, 2009) emerges as a strategy contest the temporal-spatial configurations produced by dominant forces through the politics of scale. It expresses the willingness of (especially) social forces to move or ‘jump’ from one scale to another in their attempt to “challenge existing power relations” (Mahon and Keil, 2009: 19), “envisioning radically different scalar arrangements based upon principles of radical democracy and social justice rather than the capitalist logic of endless accumulation” (Brenner, 2001:594).

Actors ‘jump’ scales seeking to exercise power around policy-making or conflict resolution, taking advantage of pre-defined scalar hierarchies by dominant forces and moving into the scale that is more favourable in terms of identities, values and interest (Jessop, 2009). Scale jumping has usually been understood, especially when it is considered from the local, as a shift to ‘higher’ scales, namely the regional, national or supranational (MacKinnon, 2011), or to ‘wider’ geographical arenas (Marston, 2000). This assumption becomes problematic because it assumes that scales above the local are the actual political scenarios to which social groups should aspire. It also risks defining the local as the pre-given scale of social movements. In this regard, Cox (1998a) emphasises that scale jumping does not necessarily imply an *up-scaling* from local towards global scales\(^7\) (see also Jones, 1998,), as it can also be a process of *down-scaling*. As an example of this, Hoogesteger and Verzijl (2015), explain how peasant and indigenous communities in Peru and Ecuador have practiced scalar politics, by jumping scales both upwards to produce networks and alliances with broader grassroots organizations and downwards to engage with the individuals and families, strengthening their struggles. Therefore, scale jumping does not necessarily move towards well-known scales such as the regional, national and so on, but also towards in-between scales.

If scale jumping is understood as a contestation strategy it is worth asking if this approach can be used by dominant forces as well. Collinge (1999) argues that scale dominance is an attribute of the scalar division of labour both *within* and *between* capitals. Regarding the latter he explains that capitals can jump to higher or lower scales in order to get advantages over other

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\(^7\) Cox’s research in particular starts from the local scale as part of his own particular interest while recognizing that other scales can also be the starting point of scalar inquiry.
competing capitals (568). In this regard, scale jumping may be also understood as strategy for dominance and capital accumulation. It might be also a strategy for political forces in order to maintain power quotas. Nevertheless, for the purpose of this research, the use of this concept will be related to the social forces’ strategies of resistance and a mechanism aimed to contest the negative effects of uneven development. In any case, the nature and composition of these social forces need to be unpacked in more detail, as shown in Chapter 8.

Scale jumping can be a powerful strategy for social movements to contest injustices produced by dominant players in decision-making. However, some cautions need to be considered. Moore (2008) argues that scale jumping can be problematic as it tends to separate social practices from other produced scales, reducing their actions to simple relocation on other scales. In this regard, it is important to consider that, as Engels (2015) states:

Social movements do not jump between or shift scales that are already given.
Rather, through their discourses and activities, protesters and their adversaries produce, reproduce and contest scales (182, emphasis in italics added).

I would argue that whilst scale jumping can be useful in reaching other scales in order to gain more influence, the capacities to produce new scales contesting those produced by dominant forces would depend on the strength and power of social movements. Another caution is related to Leitner and Miller’s (2007) critique of scale jumping as a reductionist approach to complex processes of resistance to globalized neoliberalism. Indeed, scale jumping should be considered as one among other mechanisms of spatial contestation, such as those linked to place or territory.

### 2.4. Towards a relational approach to scale

The richness of the debates about geographical scale has reached a point at which different approaches try to obtain more precise understanding of the actual meaning of a socially produced scale. A conceptual evolution, central in the debate, has been the relation of scale with other spatial dimensions such as place, territory and networks (see Jessop et al, 2008). Cox (1998a:2) rethinks the politics of scale as networks of association, as a metaphor for the spatiality of scale. In his work on ‘spaces of dependence’ and ‘spaces of engagement’ (ibid), the politics of scale based on the distinction between politics and the institutional scalar division of the state becomes an influential approach to addressing scale analytically. In Cox’s definition, ‘spaces of dependence’ are the relatively fixed localized social relations, which define “place-specific conditions for our material well-being and our sense of significance”
People, firms and state agencies seek to secure these spaces of dependence, and in so doing they engage with different ‘centres of social power’, namely, governments, firms, the media, etc. This is where the ‘spaces of engagement’ come into play. They refer to how politics unfolds to secure specific spaces of dependence. It is the space where, for instance, scale jumping takes place. From this perspective, the politics of scale engages in an intertwined relationship between the areal features of scale through the ‘spaces of dependence’ and the networks of association defining the ‘spaces of engagement’.

The idea of ‘spaces of dependence’ has been criticized for paying less attention to how local spaces are shaped by discursive, regulatory and hegemonic practices involved in the scalar constitution of the state and its impact over the spaces of dependence (Macleod and Goodwin, 1999). Therefore, it is necessary to understand in a better way the multi-scalar properties that shape these local dependencies. Nevertheless, the contribution of this approach, considering the points argued, opens the debate towards a more relational and open frame for scalar analysis over an understanding in absolute terms (Cox, 1998b), providing better links with other dimensions of space such as networks.

However, in this trajectory towards a relational understanding of scale, several debates have taken place, highlighting its contested nature. More recently, most of the debates on scale have been related to methodological rather than theoretical aspects (Purcell, 2003, and Marston and Smith’s, 2001, critique of Brenner, 2001), scale and its relationship with other spatial dimensions (Brenner, 2001; Macleod and Jones, 2006; Jessop et al, 2008; Jessop, 2009), recalibrations of already existing concepts (Brenner, 2009), or an overt rejection of scale (Marston et al, 2005).

Herod (2011) develops a detailed account of several authors who have contributed to scalar analysis, arguing for a major focus on the performativity of discourses in which scale materializes through history, or in the practice of scale rather than only in theory. However, a tipping point emerged with the work of Marston et al (2005), who countered the debate on scale and its importance in geographical studies. They argue that there is a lack of consensus about the actual meaning of scale and criticized the dominant hierarchical approach to it, arguing for the elimination of scale, moving towards a ‘flat ontology’, a rhizomatic approach of self-organizing systems. In response, Leitner and Miller (2007) outline several critiques based on misconceptions and assumptions presented in the former work. They show that scalar analysis is highly important even in an approach such as Actor Network Theory used by Marston et al, and the recognition of scalar hierarchies and power asymmetries is important in producing effective progressive mechanisms of contestation. However, this must be done in a
relational way, as scale is one dimension of spatiality among others. Eliminating scale means impoverishing the debate about these dimensions (ibid).

Aligned to this, Macleod and Jones’ (2006) research of two cases in the UK shows that it is possible to find the interplay between scalar and networked processes with the same county/case. Through their analysis of the strategic spatio-political configuration of the South West Region of England and ‘The Northern Way’\(^8\) they highlight the relational features of spatial politics. The first case started from the actual composition of several territories located at different scales articulated through tangled hierarchies with different sub-territorial strategies though strategically combining “territorial politics of scaling with a networked choreography of place-making” (Macleod and Jones, 2006: 344). Conversely, The Northern Way started from a strategy based on collaboration and networking among different regions, city-regions and cities to overcome the North’s economic underperformance in comparison with the South.

All in all, scale and networks seem to be permanently related as part of the production of space, and despite their ontological differences (scale as hierarchical and areal vs networks as flat and rhizomatic), it can be argued that is through their interplay that we can talk about actors’ asymmetrical power relations performing and producing tangled scales of dominance and contestation. In this regard, a relational approach of scale as inherently part of space, including territories, networks and places, can help to provide links for the understanding of uneven development processes, although this may require further analysis to enrich the debate. The next sub-section addresses some aspects and concerns to consider for the analysis.

2.4.1. **Putting scale in “its place”: the dimensions of spatiality**

To reinvigorate the analysis of scales within the broad understanding of spatiality, Jessop (2009) puts forward some concerns about the scalar turn, establishing how its limits are explained through scalar traps. The scalar turn is distinguished by three aspects, namely the thematic (scale as an analytical topic), the methodological (scale as entry point) and the non-essentialist ontological turn (scale as a key element in the natural and social world). The criticism is related to the failure to understand these differentiations in the analysis, leading to what he calls fallacies:

1. **Scalar conflationism** occurs when the analysts fail to distinguish among: (a) the scale as a relational property of social relations; (b) phenomena *conditioned* by scale in this sense, by its causal processes, and its emergent effects on non-

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\(^8\) The Northern Way was a pan-regional initiative whose aim was to improve economic underperformance of the three northern regions of the UK, to make their performance figures approach national averages (ODPM, 2004).
scalar aspect of the real world; and (c) non-scalar factors relevant or implicated in the production of scale.

(2) Scalar reductionism occurs when only scale is included as a relevant causal factor in explaining the non-scalar features of a given explanandum. This fallacy involves a one-sided emphasis on scale to the detriment of concerns with place, territory network, or other spatial phenomena.

(3) Scalar essentialism occurs when an ontological turn is taken to the extreme. This can happen in three ways: (a) ideationally, when scale is taken as an a priori mental category or metric rather than an emergent of social imaginaries and processes; (b) materially, when scale is treated as the primary aspect of all social relations without regard to circumstances; and (c) fetishistically, when scale is considered as an ontologically distinct phenomenon that exists independently of its instantiation as a moment of natural and/or social relation. (Jessop, 2009: 89)

The theoretical risks which might emerge from these fallacies and the potential overextension of the scalar language (Jessop, 2009) may lead to a fourth fallacy, scalar rejectionism, which is the absolute rejection of scale.

The recognition of these four fallacies within scalar analysis is relevant to carry into new research, putting scale’s social production as inherently linked to and articulated with other dimensions of spatiality (Jessop et al, 2008 and Brenner, 2009). This understanding of scale along with the temporality component can enrich the findings of specific scalar analysis. These methodological contributions become helpful in addressing scale in a relational approach, avoiding traps, without rejecting its theoretical contribution to the socio-spatial analysis within contemporary capitalism.

2.4.2. Linking scale and governance

It is important to consider that social relations producing scale can be expressed in many forms and temporalities, being potentially disconnected from each other (Jessop, 2009). However, among many scales and temporalities of action, only a few scalar hierarchies become dominant and ‘institutionalized’ to the detriment of many others, depending on the predominant technologies of power allowing the identification of scale and its institutionalization (Ibid). From this perspective, it is possible to establish links with the asymmetrical configuration of power relations shaping urban governance and the way formal (though potentially linked to informal) arrangements at different scales are produced. It can also provide grounds for changing and contesting processes of place-making.
When a scale becomes institutionalized, this is due to the process of regulation of its social relations, based on historical behaviours, customs, norms and institutions producing ‘spatial anchorages’ allowing its stable reproduction (Gonzalez, 2005). Swyngedouw (1997) argues that social relations are unfolded in a contradictory empowering/disempowering way, and their conflicted nature becomes guided and negotiated through levels of governance, the state or other formal or informal ‘scale-defined’ institutions.

The re-scaling of state, or its ‘glocalization’ (Swyngedouw, 1997) into new spaces (scales) of decision-making (democratic and non-democratic) and the increasing participation of non-state actors unevenly interacting across space and contextualized through interlinked geographical scales (Martin and Purcell, 2003), open the discussion to governance as a multi-scalar platform of social relations and decision-making. Several conceptualizations have been related to this process of state re-scaling and restructuration. The ‘hollowing out’ of the national state or the ‘shift from government to governance’ among others (see Jessop, 1995b) are expressions of the emergence of new scales of decision-making, and the incorporation of new actors beyond state’s institutions. This implies, according to Swyngedouw (2005), the restructuring of parameters of political democracy, and the reorganization of the market and organizational relations along the “rethinking of the discursive, social, and material bases of solidarity” (Jessop, 2005) within a specific mode of governance.

2.5. The social construction of governance: definitions and its approach to the city

Conceptually, governance has presented different interpretations and meanings through history (Hirst, 2005). Nevertheless, according to Jessop (2015), it has been over the last 40 years that the term governance has gained major attention, especially with the weakening of the nation-state and the privatization of public responsibilities. In this context, governments started to lose its role as the exclusive arena of decision-making, and new actors and platforms emerged in the context of global political economic changes. The rise of new and dynamic forms of governing has changed the political scenario from the existence of one dominant institutional and territorial arena of decisions to a more interconnected and tangled hierarchy with overlapping interests and networks of power through the different tiers of government (Jessop, 1998):

Governance, unlike ‘government’, looks at the interplay between state and society and the extent to which collective projects can be achieved through a joint public and private mobilization of resources (Pierre, 2011: 5).
In this sense governance can be understood as “a change in the meaning of government, referring to a new process of governing; or a changed condition of the ordered rule; or the new method by which society is governed” (Rhodes, 1996: 652-3, cited in Stoker, 1998: 17). According to Jessop (1995a, 1998), governance is associated with a ‘heterarchical’ process of self-organization at different levels, composed of different autonomous agents that are mutually interdependent. However, he also states that the revival of governance requires a distinction from government:

[G]overnance would refer to the modes and manner of governing, government to the institutions and agents charged with governing, and governing to the act of governing itself. (Jessop, 1998: 30).

The emergence of diversified actors coming from either the state, the private sector or civil society, makes a difference primarily in the processes of decision-making rather than in the outputs, which can be similar to those coming from government (Stoker, 1998). However, the openness to new stakeholders has resulted an increase in the asymmetries of power and influence within governing mechanisms. The embeddedness of the market in political decisions and social restructuring under neoliberalism, involved in the public sector “privatization, liberalization, and imposition of commercial criteria in the residual state sector; [while] in the private sector, deregulation is backed by a new juridicopolitical framework that offers passive support for market solutions” (Jessop, 2002: 461). These conditions for governance have different levels of impact in different regions. In the case of Latin-America the political economic transformations of the late 1970s have been sharpening the market-led approach based on privatization and pro-growth economic agendas. This has been reflected in governance through a massive reduction of state influence in economic decision-making and by the influential inclusion of the private sector (De Mattos, 2010).

According to Jessop (1998), in the pursuit of economic development there has been an increasing fascination with governance as a response to both market failure (that is, failure in the efficient economic allocation of goods and services through free markets) and state failure (that is, failure in the achievement of policies in the public interest instead of the individual). However, governance should not be considered as a simple and straightforward substitute for those failures, otherwise there is a risk of governance failure. Unlike market and state failures, governance failure is less obvious because its components include negotiation and changeable scenarios. Therefore “governance failure would presumably consist in the failure to redefine
objectives in the face of continuing disagreement about whether they are still valid for the various partners involved. (Jessop, 1998: 38).

Governance presents several dilemmas for its operation, namely, cooperation vs competition; openness vs closure; governability vs flexibility and; accountability vs efficiency (Jessop, 1998). This reflect the inherent features of governance as a socio-political construction asymmetrically constituted, which is embedded in specific political economic contexts and still regulated by the power of the state. Therefore, it can be argued that governance, or rather, different modes of governance are socially produced embodying intense and dynamic interactions at different scales (McGuirk, 2003), which can eventually be contested.

2.5.1. Urban Governance

The transfer of the notion of governance to city matters has been depicted by Harvey (1989a) as a shift to an entrepreneurial mode of urban governance. Here governments, especially at local level, acts as promoter of the city in order to attract investment from multinationals, in a process closely related both to economic global change and to patterns of social consumption (Kearns and Paddison, 2000). Urban governance unfolds on the one hand as a product of the structural changes depicted earlier through the promotion of cities, triggering inter-urban competitiveness for investment (Fainstein, 2010) with different degrees of success in different cities. On the other hand, urban governance as a process is a platform that has “the power to reorganize urban life” (Harvey, 1989a:6), through bringing the resources and demands of diverse actors into the process of city decision-making (Kearns and Paddison, 2000).

According to Kearns and Paddison (2000), those changes embedded in an entrepreneurial urban governance have increased the process of spatial differentiation in terms of service and infrastructure demands, aligned with social differentiation within the city through new lifestyles and consumption behaviour. The links between people and places has become diffuse due to the overlapping social relations at different scales within the city. The consequences of this sort of diversity and differentiation are linked to socio-spatial polarization and exclusion, inherently associated with issues of class, gender and/or ethnicity, in which the emergence of new spaces of consumption produced through urban regeneration have played an important role. These spatial consequences often place urban governance aims, managing and regulation, in contradiction to the major problem of social justice which might lie outside these conceptions.

The complex characteristics of urban governance deployed as partnerships, networks or regimes raises concern about both the internal mechanisms of coordination and the way the processes unfolded at multiple scales intersecting with any specific level of governance, especially at the local level (McGuirk, 2003). There have been different attempts to theorize
the changing processes of urban governance both at local or regional level: urban regimes, growth coalitions, network policy, institutional thickness, etc. (Macleod and Goodwin, 1999) However, these approaches have failed to integrate the influential role of the state at those levels and usually took for granted the spatial scales in which unfold (ibid).

Usually, though not exclusively, is at local scale where urban space becomes the site of conflict and integration of scalar governance (Keil, 2003). However, as developed in section 2.3, that scale cannot be understood as pre-given but as part of complex socio-political processes. In that sense, processes of urban change through strategies of urban regeneration represents one expression of this social production: locally-based though produced from a multi-scalar perspective. If the social production of urban governance operates at multiple scales, the idea of a cross-scale decision-making processes, rather than the ‘global framework/local space of action’ binary, becomes relevant in understanding how urban governance is actually produced, helping to explain the emergence of specific socio-spatial configurations.

2.6. Critical appraisal of Urban Regime Theory

If urban governance as a process implies the asymmetrical interplay of several socio-political actors linked to different institutional structures, defining guidelines, strategies and implementations that shape urban space, it becomes relevant to understand the operation of such relations. In this regard, theorisations of urban politics have been a fruitful arena of analysis, addressing issues of power relations linked to decision-making (Davies and Imbroscio, 2009). According to Pierre (2011) urban politics is an important approach because it “defines and regulates how the city should be organized, how it should allocate its resources and how – and by whom – it should be governed” (1). This definition involves some assumptions that are useful in unpacking the various existing approaches to urban politics (Boudreau, 2017). Regarding the first part of the above quotation about the regulation of the city, the city or the urban is established as the arena of urban politics. John (2009:17) states that “[a]t its most straightforward, urban politics is about authoritative decision-making at a smaller scale than national units – the politics of the subnational level”. Under this definition, the urban would be a bounded space (Davidson and Martin, 2014), which from a dominant Anglo-American perspective, left urban politics as an approach with a marked municipal bias (Boudreau, 2017:25).

The statement about resources allocation can refer to political decisions but also to the scale at which the provision of wellbeing is made. Whilst in some places central government plays a key role in this task, in others it is local authorities that make most of the decisions about supporting their communities (Pierre, 2011). Bringing back again the Anglo-American context
which is more strongly tied to the latter, urban politics analysis usually ended up being embedded at the local scale.

Finally, the question about who governs and how is probably the most relevant in the understanding of urban politics, and arguably constitutes the gateway to the debate of governance from a multi-scalar perspective. Usually urban politics has been analysed from two main standpoints: the elite approach in which power and decisions are concentrated in few hands, usually business elites (Harding, 1995), and the pluralist approach in which power is seen as fragmented and decentralized (Judge, 1995), which implies competition among interested players (Boudreau, 2017).

These two schools of thought, mostly using agent-led approaches without major explanation of the dominant capitalist forces beyond the local, began in the 1970s to establish bridges with the emergent neo-Marxist and neo-Weberian approaches. Molotch (1976) developed the ‘Growth Machine’ which was based on elite theory and refers to the elite’s influence that exerts pressures for growth, modifying land use with the objective of obtaining profit (Molotch, 1976, 1993). This approach is based on the Marxist distinction between use-values and exchange-values linked to property (Harding, 1995). Later on, the seminal work of Stone’s analysis of Atlanta (1989) began a fruitful debate on urban regimes as a theoretical approach, going beyond elite and pluralist perspective, bridging the interdependence between local government and business in creating a governing process.

It can be argued that urban politics theories such as urban regimes or growth machines have contributed to establishing the role of politics in urban theory bearing in mind political economic standpoints. This means that, for the purposes of this research, such approaches, if analysed critically for contexts beyond the Anglo-American, can be used to recognize the interplay of forces beyond the local scale.

2.6.1. General definitions of urban regime

Within the study of urban politics, urban regime theory has gained relevance and interest among scholars because of its close relationship with issues of power and decision-making linked with urban development (Harding, 1996). Urban regimes are mainly about the process of decision-making through informal arrangements between public institutions and private interests, working together in a collaborative manner “in order to make and carry out governing decision” (Stone, 1989:6).

Urban regimes are based on arrangements from different actors with mutual interests that are able to build coalitions and establish a common agenda (Ward, 1997). These actors must be able to provide the necessary resources (monetary investment, skills, information, etc.) to
pursue the agenda (Stone, 1993, 2005). When Stone (1989) depicts the actors involved in the governing coalition within the public-private frame, private interests are not exclusively limited to business (though this is usually dominant). Indeed, different communities can have a different mix of participants, hence social organizations, foundations or labour-union leaders can also play an important role in the formation of a specific coalition.

This approach implies a governing problem rooted in both the separate and related conditions between institutional capacity for governing (Pierre, 2014), drawing on the need for (local) government to establish arrangements with non-governmental actors in the definition of common agendas. Through urban regimes and under specific socioeconomic arenas, the elaboration of policies is defined by the following factors: “(1) the composition of a community’s governing coalition, (2) the nature of the relationships among members of the governing coalition, and (3) the resources that the members bring to the governing coalition” (Stone, 1993:2). Therefore, the production of strategies, guidelines or policies is firmly rooted in the internal mechanisms of power relations among the actors involved. Hence, the usefulness of urban regimes as an analytical framework draws on the possibility to recognize these mechanisms that facilitate coalitions building in a context that is diverse and heterogeneous (Lipietz, 2008).

An important feature of the urban regime is how, unlike with pluralist approaches, it transcends the barriers of certain government cycles so the regime’s stability over larger periods of time is therefore a key factor in its success (Stone, 1993). Urban regimes recognize the multiple levels of political decisions and question the ‘taken for granted’ pluralistic idea of its penetrability and openness, due to the recognized existence of class and its stratifications that triggers social and economic inequalities (Stone, 2005). Although urban regimes have an agency-led approach (Harding and Blokland, 2014) through the study of collective agency formation at urban scale (Oosterlynck and Swyngedouw, 2013), it has a political economic perspective and understands urban redevelopment “as part of the fundamental process of restructuring” (Stone, 1993:16). According to Fainstein (2001) regime theory is situated as a synthesis between the structuralist and the liberal pluralistic understanding of power. Hence, the control of capital is recognized as the key expression of power, and “the logic (of capitalism) is itself also recognized as fabricated through human activity, including resistance by other groups to capitalist aims” (ibid: 16).

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9 Stone depicts these groups as ‘private interests’ as well. The distinction he made regarding business interest in a coalition is exclusively framed in what he calls the “two basics institutional principles of the American political economy: (1) popular control of the formal machinery of government and (2) private ownership of the business enterprise” (Stone, 1989:6). Principles that certainly vary in other contexts such as the Chilean.
According to Dowding (2001), before Stone’s Atalanta research in 1989 there were different attempts to produce typologies of regimes (Fainsteins 1986 and also Elkin, 1987). However, the following categorization of regime formation based on Stone (1993) (Table 2-2) represents a useful framework for the identification of regimes which is proposed to be reviewed for the analysis of the research’s case study.:

<table>
<thead>
<tr>
<th>Table 2-1: Urban regime typologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance regimes</td>
</tr>
<tr>
<td>Developmental regimes</td>
</tr>
<tr>
<td>Middle-class progressive regimes</td>
</tr>
<tr>
<td>Lower-class opportunity expansion</td>
</tr>
</tbody>
</table>

Source: Own elaboration based on Stone (1993)

These typologies should not be understood simply as nested categories but as part of a social construction process happening in specific contexts. Therefore, considering the temporality of these typologies within governing processes, they might be intertwined with each other.

2.6.2. Urban Regime criticisms

The idea of the urban regime as a widespread approach has prompted intense debate and criticism due to its deep roots in U.S. reality (Wood, 2004), which many asserts, makes it difficult to apply in contexts different from those with strong local power and less concentration of power in central government, for example in the case of the UK (While et al, 2004). In the European context, higher levels of governance as well as political parties have greater power and influence in local decision making, and the corporate sector may not have the same direct and horizontal relations with local institutional power as in the US. Ward (1996) argues that difficulties in cross-national theoretical transfer have been expressed in empiricist and localist approaches that focus more on case study outcomes than on mechanisms. This bias has therefore resulted in an emphasis on agency rather than structure (Imbroscio, 1998). However, approaches adapting the analysis to other places, especially in the UK context (Ward, 1997, Mossenberg & Stoke, 2001, Dowding et al. 1999) show that the recognition of differences should not deny the existence of “signs of convergence between the two countries” (Harding, 1995:47).

Davies (2002) states that whilst the urban regime approach acknowledges the structural role of capitalism, it does not explain how this affects politics, how economic dynamics is
important to understanding why business dominates regimes and why it is not so feasible to have lower-class coalitions or regimes. In that sense, urban regimes might need to be linked with other theoretical approaches such as Regulation Theory (Lauria 1997, quoted in Imbroscio 1998).

Bearing in mind the constraints of the approach, subsequent contributions have moved both theoretically and practically beyond the limits of the local, towards research on urban politics at metropolitan and regional levels (Keil, 2011, Oosterlynck and Swyngedouw, 2013), directly referring to them as regimes. The work of Keil (2011) in the Frankfurt region, provides a detailed understanding of its processes of globalization over time, identifying in the analysis the role of political parties’ actors, discourses associated with policies and strategies, and social struggles. There is a recognition of multiple actors at different scales involved in the regime and how their discourses have changed their orientation, from the inclusion of Frankfurt in the competitive system of global cities to the internalization of its global status based more on its inward development. Keil (2011) establishes the main differences with the US context: the welfare state, the operation of the party system, the role of municipalities in federal frames. German regimes, therefore, do not rely as much as the US on the:

…mobilisation of private-sector actors in pursuit of growth but more on the institutionalised, or corporatist networks of power in the organised and state-centred capitalism found in Germany where state strategies have historically played a more central role at all levels of government (Ibid: 2499).

Oosterlynck and Swyngedouw (2013) analyse Brussels’ periodization of scaling and rescaling of urban regimes from a national colonialist political economy to locally-based transformations. Interestingly they refer to various urban regimes rooted in their historical geographical approach. The combination of urban regimes and a Gramscian approach was useful in explaining the fusion of the state and civil society in building hegemonic urban visions, which were also mediated through Regulation Theory to embed urban politics in regimes of accumulation and modes of social regulation at wider scales (Ibid:86). This allowed an analysis of changing urban regimes towards a localized approach addressing issues of structure and agency.

From this it is possible to sustain a clear evolutionary and flexible understanding of regimes (Stone, 2005), specifically regarding the process of coalition formation in which there are no
fixed actors, who are basically determined according to the agenda to be addressed, in a problem-solving perspective\textsuperscript{10}.

2.6.3. Scale-sensitive urban regimes

Harvey (1989b) argues that urban politics cannot be dissociated from the broader aspects of capital accumulation processes, essential to the understanding of the spatial outcomes (physical as well as relating to social relations and processes) within cities. Urban regimes need to be theoretically ‘pushed further’ in order to understand how the concept of regimes can be applied in a context that is highly multi-scalar, with forces that operate “in and through spatial scales beyond the urban” (Macleod & Goodwin, 1999 p 508). This sort of reluctance to address issues of scale alongside the lack of development regarding the state (Macleod and Goodwin, 1999) becomes problematic outside the context of the US.

Attempts to bridge governance and urban regimes with broader theories such as regulation theory and/or a neo-Gramscian approach (Jessop, 1995, 1997, McGuirk, 2003) have been useful in potentially expanding their role into the process of rescaling of state power and the process of capital accumulation. Whilst Regulation Theory is emphasised in mechanisms (institutions, norms, etc) that enable and regulate capital accumulation, the neo-Gramscian understanding of the state focuses on the role of “institutions, organizations and forces within” (Jessop, 1997:52) the state. However, the idea of regulation as a macro-level framework linked with meso-level coalitions is still in an early stage of development (McGuirk, 2003), and there continues to be a lack of understanding of the conceptual and methodological implications of these relationships (Macleod and Goodwin, 1999).

Closer to the understanding of the state and institutional power, a neo-Gramscian analysis can provide “some useful angles with which to interpret the politically constructed ‘informal’ networks of association and/or governance – situated at various spatial scales– which help to mould the contemporary state” (Macleod and Goodwin, 1999:515). According to Jessop (1997) urban regimes can have links with the historical bloc and the hegemonic bloc embedded in the neo-Gramscian approach. The first is related to the complex and contradictory unity of an accumulation regime and its mode of economic regulation, and the second relates to the interplay of social forces and the class alliances mobilized to support a particular hegemonic project. In relation to the latter, it is possible to find connections with the regime analysis as the hegemonic bloc, mainly applied at national state scale, can be also analysed at both supranational and sub-national scales. This is particularly relevant in a context of the state re-

\textsuperscript{10} Problem-solving does not mean that urban regime agendas are focused only on short-terms goals. Stone (2005) clarifies, based on his book on the Atlanta regime, that what he calls \textit{selective material incentives} in city redevelopment, respond and depend on long-terms objective and agenda setting.
scaling and the increasing relevance of new scales of economic development\textsuperscript{11}, allowing potential links between urban regimes with a local hegemonic bloc, tied to its historic bloc (ibid).

It is important to highlight that the theories discussed so far are just complementary to each other, and that the link with meso-level modes of governance or regimes requires further methodological bridges. Specifically, the regulation approach is predominantly focused on a broad understanding of institutions involved in the overall regulation of capital accumulation instead of the self-organizing mechanisms within governance. Hence, the regulation approach “can at best contextualize the nature and succession of urban regimes rather than explain them” (Jessop, 1997:72).

The study of urban politics and particularly the impact of urban regimes and growth coalitions remain under debate. One problem of urban regimes is related to the ‘taken for granted’ local scale as a unit of analysis, neglecting political economic processes at broader scales, being an approach that tends to fall into the ‘scalar trap’, privileging the debate at this particular scale (Stoker, 1995, Wood, 2004). As response to this, McGuirk’s (2003) calls for ‘scale sensitive’ urban regimes. Through a review of the case of Sydney, she provides a preliminary multi-scalar assessment of urban politics, providing intersections between processes produced at multiple scales and the social production of urban governance. Here urban politics “are viewed as both embedded in and constitutive of wider-scaled processes and relations, playing a particular (and changing) part in their scalar organization” (McGuirk’s, 2003:202). Therefore, the understanding of the urban politics aspects of governance as both product and contributor to the scalar context can provide useful theoretical contributions in understanding the complexities of multi-scalar urban governance as “part of a wider system of political-economic interdependence” (Ibid:204).

2.6.4. Some considerations for urban regime analysis

For the application of regime theory in cross-national cases, especially in much less explored cases such as those from the global south, it is important to establish some cautions about regime analysis. Beyond the vast literature on case studies analysing the existence or not of urban regimes in several cities both in the US and Europe, a key focus should be the understanding of urban regime theory as a conceptual framework for the analysis of urban governance and the forces that mobilize specific urban processes. In that sense, according to

\textsuperscript{11} Jessop’s analysis (1997) is focused in economic governance, pointing out that economic development might not be the exclusive priority of urban regimes. It is necessary an integrated view on the conformation of urban regime paying attention in the translation of economic issues into political ones by actions of the state and “mediated by the structurally inscribed, strategically selective nature of political regimes” (Ibid: 72).
Stoker (1995) the explanation of a governing process is more important than just stating whether or not a particular city displays features of an urban regime.

According to Van Ostaaijen (2010), methodologically, regime analysis must identify some of the key components of the approach, namely the agenda, the coalitions that are built (actors incorporated), the resources that actors bring together (political power, funding, social support, etc) and the type of cooperation they have demonstrated (formal, informal, etc). Having identified these components, Stoker (1995) has provided three critical aspects to consider for further analysis regarding urban regimes: (1) the understanding of power applied to empirical studies; (2) the need to avoid the local trap in which regimes are settled and; (3) the understanding of continuity and change of regime (p 55). I would argue that, in accordance with Purcell (1997), regime analysis must develop a clearer explanation of the spatial nature of socially produced urban outcomes. That would be a fourth aspect to consider (Table 2-2).

### Table 2-2: Aspects of regime analysis

<table>
<thead>
<tr>
<th>Main aspects</th>
<th>Approach</th>
<th>Research implications</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Understanding of power</strong></td>
<td>How is it exercised? What kind of power is it? The nature of the actors’ relation is relevant to understanding what kind of association exerts a specific kind of power to create capacity to govern(^{12}). Power as social production.</td>
<td>How many kinds of power is it possible to identify? How the understanding of power relations overlaps or change through time and specific political economic moments?</td>
</tr>
<tr>
<td><strong>Escaping the localist trap</strong></td>
<td>Incorporation of actors and institutions beyond the local scale. Multiscalar form of cooperation to enrich the explanation of socio-spatial local change, and, in turn, the impact of this process at other scales. Local scale is not pre-given.</td>
<td>How is understood the multiscalar approach to avoid the trap? From a local scale perspective counting on other scales as context or as intertwined scales directly involved in decision-making?</td>
</tr>
<tr>
<td><strong>Continuity and change</strong></td>
<td>How agendas can be maintained or changed as well as the nature of the regime (Stone’s regime typology). It can also be linked to the capacity of reshape an already defined regime.</td>
<td>How are processes of continuity and change produced and reproduced in a context of diffuse and fragmented governance? How is the understanding of a regime stability reassessed?</td>
</tr>
<tr>
<td><strong>Spatiality</strong></td>
<td>Understanding of the ways coalitions mobilize resources in order to produce and reproduce urban space. Combinations of the social production models with the production of space model.</td>
<td>How are urban reconfigurations achieved and by whom? How the space produced reinforces groups socio-political influences and distributions of power among actors involved?</td>
</tr>
<tr>
<td><strong>Counter-regime capabilities</strong></td>
<td>Mechanisms and strategies made by regimes’ opponents to reconfigure dominant urban agendas.</td>
<td>What has been the actions made in attempting to contest dominant regimes and create new ones? Is scale jumping an effective strategy?</td>
</tr>
</tbody>
</table>

Source: Own elaboration based on Stoker (1995), Purcell (1997) and Stone (2015)

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\(^{12}\) Stoker has four definitions of power (1995): *Systemic Power*: privileged groups in the socioeconomic structure; *Social Control*: domination of interests through resource mobilization; *Coalition Power*: bargaining of autonomous parts, unstable due to difficulties of sharing compatible goals and complementary resources; and *Pre-emptive power*: the power of social production, the key contribution of urban regimes: leadership.
Changes associated with the rescaling of the state provide another important aspect of change: grassroots movements as non-state actors that have been gaining relevance over time. According to Stone (2015) their “capacity to pursue an agenda of social reconstruction remains to be built, but the room within which it could be built appears more available than it was in the era of redevelopment” (p 115). Arguably, this should be considered as a fifth aspect to consider. However, this transition, which might be interpreted as a counter-regime, is not a simple task because it requires significant amounts of power. Harding and Blokland (2014) argue that the creation of a counter-regime from opposition groups is extremely difficult, especially when contesting the structure and the informal arrangements made by the ruling regime. In their words “[o]pponents win battles but rarely wars” (102). Here, through the argument of urban regimes linked to a multi-scalar approach, it is also feasible to provide links between processes of counter-regime building with strategies of scale jumping as mechanisms to contest at least some of the dominant definitions of a city.

2.7. Chapter conclusions: Towards multi-scalar regimes

This chapter outlined a theoretical framework for the analysis of strategies of urban regeneration from the perspectives of both political economy and the decision-making of agents acting in and on the city. From this standpoint, urban regeneration interventions can be both the result and the producer of uneven development, and their expressions can be rooted in conflictive institutional and extra-institutional relations at different scales.

Theoretical approaches linked to scale-making become useful in obtaining more accurate insights about the spatial scales in which socio-political interests are positioned as well as the scalar nature of the relations among these interests. Using this approach, some problematic assumptions usually taken for granted in regime analysis of the case study can be overcome: (1) while the local scale (Valparaíso) is the focus of the research, the analysis must consider its interplay with other scales such as the national and supranational, but also the scale of local communities; (2) beyond centralization of power, other scales (and actors) matters in the complex formation of urban governance.

Here it is assumed that the areal features of scale (spatio-temporal fixation) work in a relational way with several (hierarchical) networks of associations produced at different levels. The politics of scale opens an entangled and complex interplay of actors constructing urban governance and give scope for contestation through scale jumping as an attempt to reshape urban changes. Social contestation is a sensitive point considering the mobilized nature of the communities of Valparaíso (Chapter 8). In particular, the case study is also related to place as
spatial dimension, as the site of social interactions and as the arena of place-making, expressed in the ongoing process of regeneration.

As a second approach, the study of urban politics and particularly of the impact of urban regimes and pro-growth coalitions provides valuable insights into the understanding of agents’ relations in the construction of governance. For the case of Valparaiso, a renewed use of urban regimes analysis, more flexible regarding coalition building, power and change through time can, from a multi-scalar perspective, be a valuable theoretical framework for analysis beyond the global north. In turn, through the case examined it is expected to provide contributions to theoretical debates on scale and urban politics. One aim of the research is to find more clear intersections to bridge these approaches, usually analysed separately.

The interplay between scale and urban regimes can mutually enrich their respective approaches. On the one hand, the politics of scale may need urban regimes to develop a clearer explanation of the relations and agreement mechanisms (coalitions) produced by agents in processes of decision-making, struggles and contestation embedded in the scalar construction. On the other hand, the scalar approach is highly important in moving urban regimes (urban politics) beyond the local scale, understanding that decisions on the local have interests from and are produced throughout several scales.

2.7.1. **Hypothesis, research questions and objectives**

From the theoretical perspective provided, the research hypothesis is as follows:

Valparaiso’s urban regeneration is the *product of* a process of governance in which the interplay between the state, unevenly represented at various scales, and the private sector, have built a pro-growth agenda through temporal and fragmented coalitions. In turn, urban regeneration strategies have *produced* scalar expressions of uneven development, triggering social mobilizations and configuring a contested construction of urban governance.
The research questions and the objectives are as follows:

<table>
<thead>
<tr>
<th>Research Questions</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Research Question: Why have the strategies of Valparaiso’s urban regeneration failed to address the structural problems of its urban deprivation?</td>
<td>To understand, from the perspective of urban governance, the causes and reasons of the unsuccessful processes of urban regeneration identified in Valparaiso. This question provides the context for the following questions.</td>
</tr>
<tr>
<td>RQ 1. In what ways does the social production of urban governance at different scales in Valparaiso help to explain/shape ongoing processes of urban change in the city?</td>
<td>To analyse the scalar nature of urban politics in Valparaiso in the production of (uneven) urban outcomes.</td>
</tr>
<tr>
<td>RQ 2. How is the formation of urban alliances/coalitions (re-) produced through time regarding urban regeneration agendas?</td>
<td>To clarify how agents get involved with each other in order to push specific urban agendas, and to verify their temporal overlaps with other agendas.</td>
</tr>
<tr>
<td>RQ 3. To what degree and in what ways do social movements become effective counterparts to strategies at different scales of urban regeneration?</td>
<td>To analyse the role of social organizations in the configuration of Valparaiso’s urban governance at different scales. To analyse their strengths and weaknesses as stakeholders in the city development.</td>
</tr>
</tbody>
</table>
Chapter 3. Methodology

3.1. Introduction

This chapter is about the methodological approach of the thesis. It establishes the features of the research process from its epistemological stance to the methods used during the fieldwork conducted after developing the theoretical framework that shaped the primary structure of the thesis defined in the first year of the PhD. Through this chapter, the researcher’s worldview is explained.

Section 1.2. discusses the epistemological considerations of the research based on a social-constructivist worldview, using a retroductive approach as the research strategy and the review of case studies as an approach of inquiry considering its advantages and constraints. In relation to the case study approach, the experience of the fieldwork, which was conducted in two stages, led to a more specific definition of Valparaiso as a case study. This meant that instead of having one single case (Valparaiso), the research developed three deeply interrelated cases (The World Heritage Site, the port extension and the city waterfront). Section 1.3. describes the methods used for data collection from interviews, document analysis and archival work. The following section, 1.4. focuses on the process of data collection during the fieldwork, which was divided into two stages during 2015 and 2016, and its mechanism of analysis, aimed to show how this process led to a coherent approach to the research project. Finally, section 1.5. addresses the main constraints encountered during the fieldwork alongside personal reflections regarding the PhD as a learning process in complex research.

3.2. Research approach and strategies: epistemological considerations

3.2.1. A social-constructivist approach

The aim of assessing the role, discourses and positions of actors involved in urban governance as a central part of the research implies reliance on several experiences of participants involved in Valparaiso’s urban regeneration process. Valparaiso constitutes a highly contested scenario when the debate concerns urban matters, which means there are different positions, sometimes in agreement, but more often in opposition. In this regard, the research adopts a social-constructivist stance, based on the understanding of phenomena in which the meanings of the case are provided by social interrelations (Creswell and Plano Clark, 2011). Under this approach, it is assumed that there are no absolute truths but there are collective interpretations of reality (Blaikie, 2007). Moreover, the observer’s attachment to theories, concepts and their own background knowledge makes it impossible to produce ‘true’ discoveries about the world (ibid:23). In that sense, there is a reliance on various positions and subjectivities, which
collectively construct ‘truths’ reflected in the case of Valparaiso through the city’s regeneration and its political process.

Aligned to this, the researcher’s positionality is also a factor to consider. According to Creswell (2007), it is important to recognize one’s own position in the research in order to understand and acknowledge how interpretations are made in relation to one’s personal, cultural and historical backgrounds. The research is produced through an interpretivist positioning, as the perspectives and experiences provided by participants are interpreted by the researcher, who in this case is someone originally from Santiago, with previous knowledge of city and urban planning, and who studied abroad.

Although under a social-constructivist approach there is a high reliance on participants’ views, and their embeddedness in the social construction of urban governance in Valparaiso, the structures underpinning these constructions cannot be ignored. Social relations both produce and are framed by structures which establish boundaries; hence the social-constructivist approach is intertwined with a structuralist perspective of these social relations.

### 3.2.2. **Neither inductive nor deductive, or both? Retroduction as a research strategy**

The extensive and consistent theoretical debates regarding both scales and urban regimes used for this research, might logically lead to ‘theory testing’ through a deductive approach. However, as the analysis is made through a case study approach (see next sub-section), the particularities of the Valparaiso’s process of urban regeneration can be related to an inductive approach, where data collection ‘on the ground’ is relevant for producing generalizations (Blaikie, 2007). Although some research, such as that of López’ (2002) on Santiago’s process of creative destruction, combines deductive and inductive approaches, have some similarities with this research (robust theoretical explanations and case study approach), the differences are produced through the nature of the research inquiry. The aim of the present research is to provide an understanding of the social articulations among actors embedded in governance construction as an explanation of current urban changes in Valparaiso. As these articulations are not so evident and require unveiling, a retroductive strategy becomes useful as the approach of inquiry.

Retroduction, according to Blaikie (2007), “starts with an observed regularity, but seeks different types of explanation” (p 9). To do this it is necessary to look at the underlying

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13 For more details see section 3.5.
14 According to Blaikie (2007), both social-constructivist and structuralist alternatives can be used under the retroductive research strategy (see next sub-section), in which the structure (context) and the mechanisms (people's reasoning) can operate together.
structures and mechanisms which produced such regularity (ibid.). These structures and mechanisms can be understood as tendencies or powers mobilizing things that unfold in particular ways (Lewis-Beck et al, 2004). One important step is to establish what constitutes a regularity, and for this it is important to define a hypothetical model to establish its existence. The hypothesis built for this research considered the experience obtained in the field intertwined with a deep theoretical exploration. This allowed me to provide an alternative explanation of a given reality regarding decision-making in Valparaiso, questioning the centralization and market-led approach of the state as taken for granted in the explanation of the negative assessment of urban regeneration.

Finally, as structures and mechanisms may not be directly observable (Blakie, 2007), the methods selected and how they are used become important. Under the assumption that governance is built through several temporary coalitions at different scales, interviews became highly relevant, though the type of questions and the pace of the conversations themselves are fundamental in obtaining supporting data to confirm that hypothetical assumption.

3.2.3. Assessing the case study

Socio-political processes happening in and for urban space production present complexities that require in-depth analysis, especially at the point of explaining issues of power, coalition formation or social contestations. The rationale for choosing a case study approach is precisely because it allows this kind of assessment (Berg, 2009, Yin, 2014, Flyvbjerg, 2006). According to Flyvbjerg (2006), case studies are relevant because they produce 'context-dependant' knowledge and expertise, in contraposition to universal and predictive theories. Yin (2014) argues that, beyond exploratory preliminary research, it is possible to develop and overlap both descriptive and explanatory research through case studies. These case study features are relevant for the analysis of Valparaiso, where a preliminary description of the political economy and historical context in which governance is produced is fundamental in analysing the socio-political processes embedded in decision-making and urban change.

Creswell (2007:73) defines the case study as a qualitative approach that allows the inquirer to explore a bounded system (a case) or multiple bounded systems (cases), involving in-depth data collection and multiple sources of information, from interviews and observation to documentation.

Before undertaking the fieldwork, and using three types of case studies, namely intrinsic case study, instrumental case study and collective case study (Berg, 2009, Creswell, 2007), I identified that Valparaiso has characteristics of the first two. The intrinsic case study refers to the case’s exceptional features that make it interesting in itself, while with the instrumental case study the purpose is to explain other external situations, which can be helpful to refine
theoretical explanations (Berg, 2009). In relation to the first, I found Valparaiso exceptional because it is a spatially and socio-politically attractive case, as a World Heritage Site in which urban governance decisions deal (at many scales) with tensions between the search for urban competitiveness and local contestations. Based on the second, the analysis of Valparaiso through coalitions of various forces at different scales influencing urban governance was considered a potential contribution to the debate around scale and urban regime theories.

The third type, the collective case study, implies the selection of multiple cases to explain an issue (Creswell, 2007). This option began to gain strength after the fieldwork. Indeed, at the beginning of the research process Valparaiso was considered as a single case study, but after unpacking the analysis linked to the strategies of urban regeneration in the city it ended with the recognition of three intertwined case studies, as depicted in Chapter 1. In the end, it can be argued that both the instrumental and collective case studies better represent the research features. The intrinsic perspective became relativized, not because of the city features, which indeed are recognizably exceptional, but because of its political process of urban change, which might have some similarities elsewhere.

3.2.4. Defining the Units of Analysis of the case of Valparaiso

By narrowing down the scope of the research through adopting the case study approach, it became relevant to recognize the unit or units of analysis, which means the establishment of boundaries associated with the research questions and propositions (Yin, 2014) prior to data collection through the fieldwork. The unit of analysis can be a problematic and confusing concept as it involves certain definitions derived from the research questions. Case studies can be a small group of individuals or some local services which can be studied within a geographical area (Yin, 2009).

Through the case, the focus on urban regeneration agendas and the multi-scalar process of coalition building help to define the units of analysis in terms of study populations related to geographical space. A definition of the main actors involved in the political process of urban change and governance is necessary. For Valparaiso, the study populations are defined by the interplay among policy makers, state and supranational officials, politicians, private sector representatives, social organizations and academics.

To address this, it became useful to bound the case in focus and time to establish the scope of the data collection, and to distinguish “data about the subject of [the] case study (the ‘phenomenon’) from the data external to the case (the ’context’)” (Yin, 2014: 34). When this is aligned with the research questions it suggests a division between dominant actors involved in governance (policy-makers, officials, and private sector), those outside the dominant space of decision-making though actively organized (social organizations), and the actors who are
relatively external to the process but important to contextualize the research problem (academics, politicians). Regarding the case study time boundaries, the timeframe from 1995 to 2015\textsuperscript{15} also helped to define the specific geographical areas of study. Although Valparaíso is mentioned throughout the research as ‘the case’, the experience in the first stage of the fieldwork made me realize that in fact there were three cases, albeit overlapped and interrelated, namely (1) The UNESCO World Heritage Site and the city coastline represented by (2) the port extension project (Terminal 2) and (3) the city waterfront and its shopping centre (Puerto Baron).

Therefore, the criteria for the selection of these three case studies can be synthesized as: (1) their importance to regeneration aspirations in the city, both symbolically and materially; (2) their convergence for multi-scalar power relations and decision-making in the city, in which the cases present overlapped and conflictive interests regarding their consolidation and/or materialization\textsuperscript{16}; and (3) the response of social movements linked to their changing strategies of contestation and their heterogeneous nature and composition, with different approaches to oppose projects.

3.3. Research methods applied in the fieldwork

Based on the research questions and the characteristics of the project, the study is based on qualitative methods, seeking to explain the production and overlapping of scales in urban governance in order to understand processes of urban regeneration, the coalitions built for this purpose and the social strategies of contestation. According to Berg (2009) qualitative methods are important in searching for the meaning and understanding of a specific situation. To do so, once the problem is identified

... qualitative researchers use an emerging qualitative approach to inquiry, the collection of data in a natural setting sensitive to the people and places under study, and data analysis that is inductive and established patterns or themes (Creswell, 2007:37).

The collection of data usually required more than one method of inquiry to later review it and produce more meaningful analysis. Cochrane (1998) argues that the provision of different

\textsuperscript{15} Before the fieldwork, the time boundary involved the period between the first recognized strategic proposal for the region in 1995 (Carmona and Muga, 2009) and the big city fire that happened in 2014. But experience in the field, and the important facts that occurred especially around the coastline project in 2015, led to an expansion of the timeframe up to 2015.

\textsuperscript{16} Materialization refers to Terminal 2 and Puerto Baron, not yet executed.
sources and forms of evidence gathered from the same event is important, so the triangulation of data becomes relevant because it helps to obtain better or more substantive evidence from the case (Berg, 2009). The research project relies on the discourses and positionalities of key players in the process of urban regeneration to assess how they shape guidelines for strategies and agreements for their implementation. However, other methods are necessary, especially in a context in which counterpositions can contradict each other. The following methods were used:

(1) semi-structured interviews with key participants associated with urban regeneration;

(2) review of formal documentation and strategies used and proposed for Valparaiso;

(3) archival work.

Although the research is based on qualitative methods, the use of quantitative data (secondary sources) provides a complementary source of information regarding general figures that help to either contextualize the case or bring support to some of the analysed discourses. The quantitative data used included data provided by the Port Enterprise EPV and investments figures gathered from the urban regeneration programmes.

3.3.1. The interviewing processes

Before undertaking the fieldwork, I made a general table of key actors who could be potential interview participants. This was based on my previous knowledge of Valparaiso which allowed me to contact initial actors who enabled me, in a snowball effect, to contact more informants and create a sufficiently robust amount of information. Alongside the initial strategy, a focus on academics was useful as a way of getting a better context and understanding of the case as well as discussing aspects of the research itself. In the end, 54 people were interviewed in two stages of fieldwork: 22 in 2015 and 32 in 2016.

The use of semi-structured interviews as a method allowed me to move freely from the prepared questionnaire to more specific questions insofar as participants opened up that option or if they moved on to important topics not initially considered for the research. As I expected to gain insight into their understanding of certain processes and events (Bryman, 2004), this method provided both flexibility for the interviewees’ answers and a structure of questions to be covered in each interview.

One key aspect of the interviewing process was coping with the diverse array of participants from economic and political elites to members of local organizations. As the research is based on urban politics as a theoretical approach and agenda setting, there is an undeniable focus on
the elites and the search for potential coalitions formed in order to pursue specific interests. However, the selection of study populations required the research to move beyond the evident ‘elite’ participants coming from formal positions of government (Cochrane, 1998), namely policymakers, heads of departments and so on. Although they are relevant for the research, it was also important to contact other actors who constitute the elites producing agendas of urban change, such as businesspeople, voluntary and non-for-profit agencies, etc. (ibid.). Moreover, besides the who, it became important to establish how participants contributed to achieving the research aims. In that sense the selection of study populations based on their degree of involvement in decision-making regarding urban regeneration helped me to distinguish between participants deeply involved in the processes and those who provided context for the research (Table 3-1).

There is always a risk of overconcentration on elites as it might be logically assumed that they will be the key players involved in governance. But this bias fails to address other less powerful actors who are still important in urban politics. The case of Valparaiso presented several examples of social organizations with different degrees of strength in contesting certain institutional measures. The identification of these groups was also relevant to understanding their degree of involvement in urban governance.

During the fieldwork, I realized that beyond the well-known social organizations active in the city it was important to contact social actors located in the hills. The rationale for this was because many participants questioned the representativeness of the usual organizations of the city, claiming it was important to contact local leaders more attached to their neighbourhoods. This suggested the importance of interviewing low-income participants from vulnerable areas within the World Heritage Site. Therefore, different approaches to participants were made in order to engage with them and gain their confidence in the interviews. They ranged from very formal meetings (elites), in which interviewees usually took more control through their answers, to more relaxed and informal interviews (former officers, members of social organizations) where the exchange of questions and answers was more balanced, more like a conversation. Regarding access to vulnerable places, in one case the community leader offered me to pick me up in a public area to go up the hill, and another person recommend that I should not walk alone, but the fieldwork was not in fact particularly risky.

In a procedural manner and regardless of the differences between the interviews, all of them were conducted in a ‘progressive way’ (Table 3-2). This meant starting from more general opinions to warm-up the conversation and then moving towards questions aimed at obtaining the core data being sought.
<table>
<thead>
<tr>
<th>Interviewee Category</th>
<th>N° Interviews</th>
<th>Relation with Valparaíso’s urban regeneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>National officials</td>
<td>5</td>
<td>In charge of the design and implementation of ‘Plan Valparaíso’ (Presidential Commission) and PRDUV (SUBDERE).</td>
</tr>
<tr>
<td>Regional officials</td>
<td>4</td>
<td>Located at the Regional Secretariat MINVU. Elaboration of metropolitan planning modifications, execution of rehabilitation plans in the WHS and provision of housing subsidies.</td>
</tr>
<tr>
<td>Local officials</td>
<td>6</td>
<td>In charge of local planning: PLADECO and Local Masterplan. Planning and execution of the local heritage agenda.</td>
</tr>
<tr>
<td>Supranational officials</td>
<td>2</td>
<td>Counterparts of the Chilean state in the design and implementation of PRDUV. Representative of ICOMOS in Chile to evaluate the WHS.</td>
</tr>
<tr>
<td>Port enterprise officials</td>
<td>2</td>
<td>Planning and implementation of plans and projects along the coastline.</td>
</tr>
<tr>
<td>Private Sector</td>
<td>6</td>
<td>Promotion of both large and small-scale development in the city. Supporters of the tourism agenda and associates of PRDUV.</td>
</tr>
<tr>
<td>Social organizations</td>
<td>13</td>
<td>Leaders of organizations with different compositions and objectives regarding the city development. From leaders against large-scale projects on the coastline to representatives focused on everyday practices and internal issues.</td>
</tr>
<tr>
<td>Politicians</td>
<td>3</td>
<td>Relations depend on the level represented. At national level the case is seen in terms of elaboration of laws and lobbying. At regional level resources provision is key, and the local level engages more closely with the conflicts in the city.</td>
</tr>
<tr>
<td>Academics</td>
<td>12</td>
<td>Scholars from Valparaíso and Santiago. Considerable knowledge of urban studies and the case itself.</td>
</tr>
<tr>
<td>Navy</td>
<td>1</td>
<td>In charge of surveillance of the coastline</td>
</tr>
<tr>
<td><strong>Total of interviews</strong></td>
<td><strong>54</strong></td>
<td></td>
</tr>
</tbody>
</table>
### Table 3-2: Interview stages

<table>
<thead>
<tr>
<th>Stages for data gathering</th>
<th>Specific outcomes</th>
</tr>
</thead>
</table>
| General opinions and perceptions | - Evaluation of the regeneration process  
- Main achievements and pending tasks |
| Actors’ specific roles | - Interests linked to strategic agendas  
- Historical and/or current participation  
- Evaluation of ‘others’ |
| Main Coalitions of interest | - straightforward/conflictual relations  
- Main constraints (e.g. regulations) and ways to overcome them |
| Defining actors’ own positions | - Major influences in the building of agendas from institutional to ‘hidden’ decision-making (moving from the visible to the invisible aspects of associations) |
| Strategies of contestation (social organizations) | - Degree of organization, aims  
- Where they come from  
- Levels of association with dominant actors |

#### 3.3.2. Document Analysis: key strategies of urban regeneration

A review of official documents such as strategies and policies linked to the city’s urban regeneration was undertaken. Official documents are important because they provide important sources of statistics (Bryman, 2004) and enable one to read the “language and words of participants” (Creswell, 2009: 180), especially (but not only) those linked to the state. Among the documentation examined, the strategies and plans of urban regeneration from the years 1995 (‘Reactivation Plan’), 2002 (‘Plan Valparaiso’) and 2006 (PRDUV) constituted a core stage of the research. Equally important was the review of documents and studies of the Port Enterprise of Valparaiso (EPV) such as the Port Masterplan and annual reports alongside commissioned studies undertaken by universities.

The review of official laws constituted an important source of information as they legally established rights and duties regarding the operation of plans or structural changes such as those produced in port activity. Private studies and documents available to the public were also reviewed.

In this way it was possible to identify dominant institutional discourses around the city’s development and to verify coincidences and mismatches in relation to the information obtained from participants, who in turn provided more (political) meaning than written documentation\(^\text{17}\).

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\(^\text{17}\)The relationship between documents and interviews has a reciprocal interdependence for the analysis. The context of the documents’ production can be reflected in the most dominant discourses gathered from the interviews on the one hand, and the degree of influence of actors can be tested through actual documents on the other.
3.3.3. Archival Work

During the fieldwork, I examined the records of the main regional newspaper *El Mercurio de Valparaíso*. This newspaper is the regional edition of *El Mercurio*, the oldest and most influential right-wing mass medium in the country\textsuperscript{18}. The rationale for focusing on this newspaper has to do with its influence in the city and because it distils the positions of most of the elites existing in Valparaíso and occasionally the country. In fact, during the review of information it was possible to observe its influence through editorials and reports calling for economic changes such as the development of a new touristic agenda (Chapter 6) and the privatization of the port (Chapter 5).

The review of data covered the period from 1995 to 2015, though public libraries were used only for documents before 2001 because after that it was possible to review the newspapers through the Internet, making the search process easier. Complementarily, other media sources were used insofar as the information obtained was not very clear or simply could not be found. The objective was to find the main discourses linked to the city’s WHS and coastline, and to related debates. This task was also useful for producing a detailed organization of the data within a timeframe, creating a framework based on important specific events, linked to the information provided by interviewees.

3.4. Data collection and timing

The data was collected over a period of six months, divided into two stages: the first stage lasted six weeks and was done in 2015, and the second took four and a half months during 2016. During the first stage, I focused on undertaking semi-structured interviews with actors I already knew and who acted as gatekeepers to access further participants. This period was valuable for obtaining a first insight into the pertinence of the research questions linked to the case study and an opportunity to increase the number of potential interviewees. The experience in the field allowed me to develop a self-reflective approach to my role as interviewer (Cochrane, 1998) and the way I interacted with interviewees.

Between the two stages, I reviewed the objectives and research questions, attempting to adjust them in relation to the case, but without losing the original theoretical meaning. This period was also used to adjust the questionnaires, to analyse documentations and to begin transcribing the interviews.

\textsuperscript{18} It is worth mentioning that *El Mercurio*, was created in Valparaiso, and its publication there was one of the many advanced features of the port-city during its heyday period. *El Mercurio* actively participated in the overthrow of President Salvador Allende’s government, and was a firm supporter of the military dictatorship.
The second stage, longer in time, allowed me to contact the interview participants with less pressure and more precision, as well as to start the archival work and to obtain geo-referenced data for map elaboration.

3.4.1. **Data analysis**

For the reduction of data, once I had finished the transcriptions, I produced a series of ‘topics’ identified during the fieldwork. These topics were the most recurrent themes throughout the interviewing process, usually linked to projects on the coastline, the role of actors in city matters, and the WHS. Alongside this I pre-defined broad topics linked to my theoretical framework, namely *scale, urban regeneration, coalitions* and *political economy*. These topics helped me to establish a starting point for the analysis, while always bearing in mind my research questions.

Nevertheless, as the analysis of interviews relies on the discourses and positions of interviewees, several new themes emerged during the analysis of transcriptions. I used the software N-Vivo which helped me to produce an organized and systematized approach to analysis of the data. Although in social sciences the usual approach is to let the codes emerge through the data (Creswell, 2009), the alternative of a mixture between predetermined and emergent codes can also be useful, especially for theory examination (ibid:187). Through this method, it was possible to find which topics (codes) were the most relevant in relation to the case (s) and in which ways theoretical aspects were considered or not for the analysis. The amount of systematized information also allowed me to restructure the thesis outline based on the interplay between topics with robust evidence and those with relatively weaker evidence, helping me to build a balanced dissertation structure throughout the chapters.

For documents related to policies and the media, a discursive approach to analysis (Hastings, 1998) was used. This approach was a useful tool for addressing the meaning of texts in relation to the regeneration of Valparaiso. In particular, the media was also analysed and included in codes as well as the interviews, allowing me to produce cross-analysis with key aspects gathered from the interviewees.

3.5. **Ethical Issues and Fieldwork reflections/limitations**

In relation to ethics, all interviews made during the fieldwork followed the guidelines provided by the UK Data Protection Act, ensuring confidentiality and with the informed consent of the interviewees. All interviewees allowed the use of their names for research purposes. In relation to the documents, all data was based on material in the public domain. Under the current Chilean transparency law, it was possible to obtain documentation not available on official
websites. Considering that in the research no sensitive topics were addressed, it can be said that, in the formal sense, there were no ethical issues.

However, from the nature of the research itself some ethical issues deserve further reflexion. As expected, from the analysis of actors involved in decision-making, in explanations of the uneven social-spatial expressions in Valparaiso, the focus on elites can constitute a critical point. Although socio-spatial inequalities could be reasonably analysed from the perspective of those affected by urban changes, a focus on elites implies a different approach, by the assumption that it is mainly through their actions and associations that urban changes end with such unjust outcomes. Among aspects to consider is the researcher’s interaction with different values and (influential) interest embedded in a context that is highly political, requiring a fair interpretation of those values and interest (Simons, 2014). Elites in the context of Valparaiso, as in any medium size city in Chile, usually know each other and they are used to sharing personal information about other participants. In that sense, to avoid potential harm to implicated individuals (Creswell, 2007), this type of information was not included as a source for the analysis.

As Cochrane (1998) argues in connection with the interview section in this chapter, the study of elites carries the risk of relying too much on them or believing that all decisions are related to these actors. In that sense, from my perspective the widening of participants beyond the elites becomes both an ethical and practical stance, based on the belief that urban politics requires the consideration (though asymmetrical) of several actors to understand urban changes.

For the analysis of participants’ discourses and positions, my own positionality as a researcher became an important aspect to address. First, as an individual who understands in broad terms the conflicts in Valparaiso and as someone with a political position regarding this, the risk of bias was something potentially present during the field experience. In this regard, a self-reflective position at the point of interaction with participants was very important in order to engage fairly with their positions and discourses, which were often opposed to each other. Bearing this in mind, I can affirm that, first, my previous knowledge can be regarded as an advantage. Second, being from Santiago could have been considered an obstacle as people from Valparaiso are very localist, and resistant to the strong influence of the country’s capital in terms of political decisions, investments, and presumably, ‘non-local’ research. However, the fact that I studied in London can be considered an advantage that somehow ‘overcame’ any issues about where I came from (although I was asked constantly), and something that in fact helped me to contact participants more easily.
Finally, regarding the fieldwork experience, it did not present major difficulties regarding the openness of participants to sharing their views about the subjects discussed. However, although valuable information was obtained, it cannot be denied that my role as a ‘first-time’ interviewer might have prevented me from achieving more robust data, especially in the interviews made during the first stage of the fieldwork. There was a learning process during each meeting, in which the complex and ever-changing interplay between the interviewer and interviewees meant that sometimes small details (e.g. when to interrupt to maintain the focus or when not do this to avoid a change in the focus) could determine the degree of success of an interview.

The lack of response from some important potential interviewees was also a limitation. For instance, despite personal contact with an officer at the National Congress, who helped me to easily obtain an interview with a Senator during the first stage of fieldwork, this did not mean that it would be the same for the second stage. Indeed, it was impossible to obtain a date with other Members of Parliament, even though I was in contact with their direct advisors. More serious was the denial of an interview with an important member involved in maritime activity in Valparaiso.

Another limitation was the lack of resources, which prevented me obtaining additional support in conducting some stages of the fieldwork. This has had its pros and cons. On the one hand, it allowed me to be thoroughly familiar with all the information gathered from interviews and the media in a process of permanent reflection around the research project without interpretations made by others. On the other hand, for instance, if I had had assistants, it could have helped me to produce more exhaustive archival work covering more media sources and to identify potential situations perhaps not reflected in the analysis in the following chapters.
Chapter 4. Setting the scene: The political economy of Valparaiso in neoliberal Chile

4.1. Introduction

The aim of this chapter is to provide an understanding of the shifts in the Chilean political economy and its relationship with Valparaiso, particularly related to its port-city configuration. From a historical perspective, it shows how the city has been especially sensitive to structural changes, produced both by global constraints and by national political decisions. An emphasis is placed on the shifting relations among stakeholders involved in governance, providing a context for the analysis of the case study elaborated in the following chapters. The case of Valparaiso shows how, following its heyday, changes in the political economy were influential in consolidating the sustained period of deprivation it experienced, creating the impetus for new approaches and attempts towards economic diversification in the city from the late 1990s.

This chapter is based mainly on a literature review of political economy and history, though it also incorporates data gathered from interview participants, especially in the section on the port of Valparaiso. Interviewees were particularly important in linking secondary data with direct impressions regarding the impact of structural changes in the port-city. The review of policies, laws and official documents was used to produce essential guidelines on key aspects of the research such as port modernization and the strategies of urban regeneration themselves, which are necessary for the analysis in the chapters that follow.

Section 4.2 reviews the main political and economic changes of the country, depicting three periods:

1. The import-substitution model applied in Chile after the 1929 world crisis, in a process that moved towards the consolidation of national industry and fostering of inward investment.

2. The turn to neoliberalism under Pinochet’s dictatorship. Here the radical application of the model and its adjustments after the 1982 crisis are reviewed, in a period in which, social actors are left aside, and the state apparatus is drastically eroded.

3. The neoliberal version of democratic governments which will show how structural changes made before were maintained, with an approach based on economic growth, macroeconomic stability and subsidiary social help, providing the scenario in which the case study takes place.

Section 4.3 focuses on Valparaiso and its port, and keeps some aspect of the structure previously described, though with a more spatial approach. This section describes the process of decay that started in Valparaiso and how political decisions alongside technological
improvements triggered the division between the port and the city. There is a special focus on processes of port privatization and the resulting enrichment of a small number of capitalist interests. Section 4.4 depicts the three main strategies of urban regeneration made in Valparaiso in relation to their key objectives. It is argued that the regeneration strategies of Valparaiso over time have become more institutionalized and have moved in turn from a broad approach of urban development to a more detailed one, in a project-based strategy linked to tourism/heritage. Finally, the conclusion argues that the analysis of the political economy does not only provide a context for the research but unfolds trajectories in which shifting social and political relations are closely tied to structural changes.

4.2. Valparaiso in context: From inward industrialization to neoliberal restructuring

4.2.1. The import-substitution model: the social coalition

After the 1929 Great Depression, Chile was, according to the League of Nations, the most affected country due to its considerable dependence on the export-led model within the liberal capitalism reigning at that time (Solimano, 2012), a situation deepened with the substitution of saltpetre, which sustained the country’s economy, by a synthetically-produced version. A dramatic effect was perceived in Valparaiso, which as the main Chilean port and centre for imports and exports, was highly sensitive to the international crisis. As a response to the crisis, a process called import-substitution industrialization emerged in Latin America as its own version of the ‘Keynesian model’ of the developed world (Silva, 2007). The strategy “relied on state-led efforts to construct basic industry, develop infrastructure, and build domestic manufacturing to substitute for imported manufactures behind high protective barriers to trade, subsidies, and restrictions on capital mobility” (Ibid: 67). According to Salazar (2012), governance was defined as what he calls the ‘entrepreneurial state’, which meant the dominance of the national scale in control of the economy, where private entrepreneurs, as well as other social actors, had to exert their “right to petition” (66) to intervene in decision-making. However, the implementation of the import-substitution model in Chile had different stages aligned with the political periods that shaped it.

After an unstable and uncertain political period, the first measures to strengthen the industrial development and to protect the country’s economy were made from 1932 to 1938 (Solimano, 2012). The extraction of saltpetre in the north of the country, was commercially developed in the port of Valparaiso from which it was exported, reflecting a connection of the city with diverse foreign capital (Quezada, 2015).
After that, two periods are identified in the state-developmental period (Table 4-1): (1) from 1938 to 1952, when Radicals, Socialists and Communists were in power under the *Frente Popular* (Popular Front); (2) the period from 1953 to 1973, when right-wing governments took over, followed by a move to the left which ended in the first socialist democratic government of Salvador Allende in 1970.

Table 4-1: Political stages of the Import Substitution model

<table>
<thead>
<tr>
<th>Stages</th>
<th>Features</th>
<th>Landmarks</th>
<th>Constraints</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frente Popular 1938-1952</td>
<td>Relatively stable period to settle the model</td>
<td>Creation of CORFO.</td>
<td>Ley Maldita (Cursed Law)</td>
</tr>
<tr>
<td></td>
<td>Creation of public enterprises and partnerships with private sector</td>
<td>Significant recovery in the economy.</td>
<td>End of Frente Popular</td>
</tr>
<tr>
<td></td>
<td>Increment of social policies and rights, major inclusion of urban labour&lt;sup&gt;20&lt;/sup&gt;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>From the right to the left 1952-1973</td>
<td>Deepening of industrialization process</td>
<td>New state enterprises (e.g. Empresa Portuaria de Chile (Port Enterprise of Chile, EMPORCHE))</td>
<td>High inflation and balance-of-payments difficulties</td>
</tr>
<tr>
<td></td>
<td>Inability to move towards a more complex industrialization stage</td>
<td>Chilenización of Copper and Agrarian Reform.</td>
<td>Increase in social tension</td>
</tr>
<tr>
<td></td>
<td>Nationalization of land and companies</td>
<td>Nationalización de Copper</td>
<td>Fiscal deficit and International interventionism</td>
</tr>
</tbody>
</table>

Source: Own elaboration based on Silva (2007), Ffrench-Davis (2014) and Solimano (2012)

The first stage of implementation was rather stable, with several economic advances such as the development of infrastructure, energy production, sugar production etc. These improvements were linked to the creation of the Corporación de Fomento de la Producción (Chilean Development Corporation- CORFO), an institution that still remains influential today, as analysed in Chapter 6. The violent end to the Frente Popular after the Ley Maldita<sup>21</sup> (Cursed Law), initiated a second stage that saw significant political change and social upheaval. Under two right-wing governments social expenditures cuts and changes in public-sector salary mechanisms were made which created an unstable period with several public

<sup>20</sup> Industrialization would, however, be to the detriment of the agricultural and mining sectors (Silva, 2007).

<sup>21</sup> This Law was made during the last Radical government within the Frente Popular, under pressure from the United States. It established the Communist Party illegal, beginning the prosecution of its members, placed in concentration camps. It constituted a period of several restrictions and repression of social movements.
demonstrations (Solimano, 2012). This gave strength and support to left-wing parties, expressed first in the new political centre led by the Christian Democrat Eduardo Frei, promoting policies such as the Chilenización of copper\textsuperscript{22}. However, attempts to move to the second stage of industrial modernization (Ffrench-Davis, 2014) failed because of uncontrolled inflation. Moreover, social tensions arose as a result of both leftist forces aiming to intensify processes of restructuring and landowners’ opposition to agrarian reform.

Finally, under the socialist government of Salvador Allende, known as Unidad Popular (Popular Unit), attempts to produce structural changes through the intensification of previous reforms were made. The Nacionalización of copper, which unlike the Chilenización policy, made all the U.S. privately owned companies public, constituting what is today the key pillar of the Chilean economy. However, it also triggered the direct intervention of the United States to overturn the socialist project. If radical increments in public expenditures produced positive economic and productive figures at the beginning of the government (Ffrench-Davis, 2014), the fiscal deficit and high inflation as well as the almost total lack of international loans to the country left the government in a delicate situation, made worse by foreign capital flight and social polarization (Solimano, 2012). The government was ousted by the coup of 11 September 1973, starting the 17 years of Augusto Pinochet’s dictatorship and the shift from the import-substitution model to neoliberalism.

4.2.2. The social coalition during the import substitution model

The relative successes and failures of the state-led model have already been extensively analysed in economic terms\textsuperscript{23}, thus one of the purposes of this research is to provide a political approach through the relations among its main actors. In that sense, Silva’s (2007) identification of a ‘social coalition’ was key to sustaining the import-substitution model. In a broad sense, this coalition involved the participation of several actors through time, always having the state as both mediator and leader of the coalition.

The social coalition included industrialists, the managerial and professional middle classes, and urban labour. Industrialists benefited from industrial policy, the middle classes and labour benefited from social policies, and urban labour additionally benefited from more favourable labour laws. The developmental state apparatus and centrist and centre-left parties were the threads that held these disparate interests together, for large-scale industrialists were certainly not allies

\textsuperscript{22} Acquisition of copper companies compensating foreign owners in a process that finished with the 51\% of the properties of companies in hands of the state (Solimano, 2012)

\textsuperscript{23} For a comprehensive review see Ffrench-Davis (2014), which provides a complete analysis of the period, and the following stages up to 2012.
of organized labour and the middle classes and blue-collar workers did not see eye to eye. (Ibid: 74).

The stability of the Frente Popular from 1938 to 1952 made the coalition work well. However, as the political economic scenario began to change, the coalition became more unstable in the period from 1952 to 1973. State economic measures under right-wing governments (1952-1964) that were eroding social rights created friction with robust leftist organizations. As popular movements and parties were gaining strength in the 1960s context of revolutionary actions elsewhere, the centre-oriented government of Frei Montalva (1964-1970) faced increasing social demands on the one hand, and on the other increasing unpopularity with elites who were losing their ‘properties’ as a result of policies such as Agrarian Reform. Certainly, this ‘clash of classes’ would be deepened under the Salvador Allende government, ending the social coalition and therefore the industrial model once the military regime took power.

4.2.3. The Chilean laboratory for the neoliberal experiment and its shifting coalitions

Between 1973 to 1990, the Chilean dictatorship implemented the most radical version of the neoliberal model, in a context of fear, repression and prosecution of leftist militants, social classes, students and workers, accompanied by serious human rights violations. From the mid-1970s Chile represented the original experiment of the free-market economy (Harvey, 2005, Silva, 2009), the “first test with real people in real time of a body of economic theory” (Fernandez and Vera, 2012: 9). The period of 17 years is well-known because of the arrival of the so-called ‘Chicago Boys’

They were a group of Chilean economists who had studies at Chicago University, under the supervision of one of the key exponents of the neoliberal approach, Professor Milton Friedman. (Ffrench-Davis, 2014, Silva 2009, Solimano, 2012) have studied these changes: the radical liberalization of the markets; abolishing price controls; reducing import tariffs; welfare reduction; concentration on the export of natural resources; and privatization of public enterprises. Regarding the last of these, for example, public enterprises were reduced from around 300 in 1973 to 24 in 1980 (Ffrench-Davis, 2014), ending up in the hands of only a few corporations. Interestingly the mining sector (copper) remained mostly public.

The ‘shock doctrine’ was tied to several social effects arising from policies aimed at macroeconomic discipline through fiscal adjustments. For instance, almost 100,000 public-sector workers lost their jobs in just one year (Solimano, 2012). Another radical measure was the reduction and weakening of the state in the provision of ‘collective consumption’. The
health and pension system became privatized, the labour market deregulated, and public education weakened and commodified. Regarding housing, the state abandoned its production leaving the responsibility to developers through public subsidies. With the state as a mere regulator and subsidiser of basic rights, no longer based on socially collective rights but on individual consumption, the dictatorship radically reconfigured the economic, political and social scenario (ibid).

4.2.4. **Reshaping the coalition under the dictatorship**

The political features in the dictatorial Chile were marked by a regime having a single absolute power, the abolition of political parties and the reconfiguration of the hegemony among economic elites. The influence of elites in decision-making, regarding who were involved and how, has been usually defined through the dividing line between a period of *pure* neoliberalism and a more pragmatic approach, having the turning point in the crisis of 1982 (Ffrench-Davis, 2014). Without denying this key landmark, but in an attempt to give more accurate approach linked to the reconfiguration of the coalition aimed at controlling the economy, Silva (1993) divides the regime into three periods. He states that, in order to understand the shift towards neoliberalism it is not enough to focus on state restructuring and ideology. It is also necessary to give attention to power relations among businessmen and landowners, within the international context that shapes these relations:

… [A] full explanation of the policy shift from import-substitution industrialization to neoliberalism and export-led growth in Chile and elsewhere also requires an explanation of the social groups – however narrow – to which states’ elites turned for support. For in capitalist economies, where much of the productive apparatus is in private hands, *state actors must find upper-class allies willing and able to respond to policy initiatives*. To argue, however, that *shifting coalitions* of capitalists and landowners are a necessary factor of policy change does not mean that other actors are inconsequential. *State structure, ideology, and international factors also played important roles in shaping the coalitions and policy*. The main question is *when and how* external factors, domestic institutions, and social groups matter in such processes. (Ibid: 529-530, Italics added)

The concepts used in the quotation above can have interesting ties with the urban regime approach, giving importance to the role of agency, and the necessary collaboration between the state and private elites, which can correlate with the local process happening in Valparaiso (Chapters 5 to 7). It also provides evidence of a scalar aspect in the way coalitions are shaped.
and changed within specific temporalities. Although the spatial component is not so evident, as it is based on macroeconomic shifts, it could be argued that it is possible to build bridges with a more spatial and geographical perspective, insofar the coalition starts delivering investments such as housing or infrastructure according to the rules of the neoliberal model.

As the military regime almost completely erased the role of social and political actors in decision-making, the coalitions were reduced to elites and the state (Pinochet). The following Table 4-2 depicts the periods in which coalitions changed.

<table>
<thead>
<tr>
<th>Period</th>
<th>Elite actors in coalition and Expectations</th>
<th>Political Scenario and Relations</th>
<th>Political and International Context</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1973-75) Gradual adjustment</td>
<td>Domestic markets: Manufacturers and landowners Gradual reduction of tariffs while still protecting them</td>
<td>- Military Junta - Close ties with government as many gradualists took places within it.</td>
<td>- Political: Manufacturers still dominant from the Import-substitution model. As landowners, they were supporters of the coup</td>
</tr>
<tr>
<td>(1975-82) Radical neoliberalism</td>
<td>Radical Internationalists: Banking, insurance, real estate Radical import liberalization, export dependency</td>
<td>- Pinochet as Junta’s sole leader - ‘Chicago Boys’ made close ties with Pinochet. Key Position in government (Finance)</td>
<td>- International: Private commercial banks as source of foreign saving and international liquidity (petrodollars) put internationalists in better position</td>
</tr>
</tbody>
</table>

Source: Own elaboration based on Silva (1993)

It is important to highlight that during these three periods there was an overlap between the dominant coalition and economic changes. In other words, when domestic market actors dominated, it did not mean that internationalist capitalists were not present, or conversely when the ‘Chicago boys’ dominated the agenda, manufacturers (those who survived) and landowners remained influential to some extent. The point here, in agreement with Silva, is to understand the shifting processes of governance from a longer historical perspective to explain how it took place and shaped the uneven relations and later transformations of the city of Valparaiso.
All in all, after a period of economic growth, the 1982 crisis produced a fall in GDP of 14 per cent and unemployment rates of 20 per cent (Solimano, 2012), forced the re-inclusion of regulations that had been abandoned during the period of radical neoliberalism. The Regime also initiated a process of state ‘nationalization’ of the private debt (Ffrench-Davis, 2014)\textsuperscript{25} of 21 financial institutions (Solimano, 2012). It is interesting how these changes had a correlation with urban planning matters. The Urban National Policy of 1979, which abolished any restriction on land expansion (expecting that this freedom would regulate land values by itself), also had to be partially re-regulated in the Urban National Policy of 1985. Under this new policy, some definitions were reversed, especially the one that regarded the land as unlimited for urban development. (Vicuña del Río, 2013). The period characterized by this pragmatism started to show signs of improvement especially in the last years of the regime. However, as Ffrench-Davis (2014) points out, the regime’s propaganda about the sustained increase of macroeconomic figures from the 1982 crisis to 1988, premeditatedly obscured any mention of the pre-crisis period. In total, the restructuring undertaken by the military regime resulted in an increment of only 2.9% of the GDP, more than the Unidad Popular government (1.2%), but below the previous two presidential periods during the import-substitution years (3.7% and 4.0%). The new economic model was characterized by high figures for exports but also by high rates of unemployment (18%). (Ibid).

Notwithstanding these poor and volatile outcomes of the model, the democratic governments of the Concertación from 1990 continued the same economic path. In the context of social protests and the emergence of far-left armed groups organized to overthrow the regime, Pinochet agreed with conservative parties to have the referendum of 1988, basically under two conditions: the model would be kept, and future prosecutions of human rights violations would be avoided. The consolidation of the model is rooted in much deeper and complex changes built throughout the dictatorship. As Solimano (2012:76) depicts,

\begin{quote}
The economic transformation to a free market economy, carried out in Chile in the 1970s and 1980s, was not only a technocratic experience of aligning relative prices, exchange rates, balancing the fiscal price and opening the economy abroad. It was also a functional cultural transformation to the creation of a market society around the desire for profit and the consecration of private property as a maximum value.
\end{quote}

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\textsuperscript{25} From 1981 to 1986 the state absorbed the private debt of financial institutions, which it intervened in and re-privatized (Solimano, 2012). This operation meant an estimated fiscal cost or around 40% of the country’s GDP (ibid) and the increment of the government’s participation in the total external debt from on third in 1981 to 86% in 1987 (Ffrench-Davis, 2014).
4.2.5. Return to democracy, the consolidation of the model and the emergence of new social movements

The years of the *Concertación de Partidos por la Democracia* (1990-2010) were marked, in broad terms, by a focus on consolidating the regained democracy, promoting economic growth and increasing social investments (Silva, 2009). Following these years President Piñera (2010-2014) became the first democratic right-wing president since 1958, followed by the beginning of the *Nueva Mayoría* (New Majority) coalition led by President Bachelet (2014-2018) (Table 4-3). Regardless of these changes of power, one of the key features of the Chilean neoliberal model has been the provision of several mechanisms aimed at stabilizing the economy, avoiding the features of the irregular dictatorial period, but always within existing structural frameworks (Fazio 2003).

### Table 4-3: Presidents of Chile and Mayors of Valparaiso from 1990

<table>
<thead>
<tr>
<th>President</th>
<th>Period</th>
<th>Mayor of Valparaíso</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patricio Aylwin</td>
<td>1990-1994</td>
<td>Hernán Pinto</td>
<td>1990-2004</td>
</tr>
<tr>
<td>(Concertación)</td>
<td></td>
<td>(Concertación)</td>
<td></td>
</tr>
<tr>
<td>Eduardo Frei</td>
<td>1994-2000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Concertación)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Concertación)</td>
<td></td>
<td>(Concertación)</td>
<td></td>
</tr>
<tr>
<td>(Concertación)</td>
<td></td>
<td>(Alianza por Chile)</td>
<td></td>
</tr>
<tr>
<td>Sebastian Piñera</td>
<td>2010-2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Alianza Por Chile)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michelle Bachelet</td>
<td>2014-2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Nueva Mayoría)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


*Alianza por Chile* bloc (dominant parties): National Renovation, Independent Democrat Union

*Nueva Mayoría* bloc (dominant parties): *Concertación* + Communist Party

Source: www.servel.cl

Under the *Concertación*, social expenditure increased substantially, though this did not necessarily imply an increase in quality, arguably because, as Ffrench-Davis (2010) explains, lots of investments had to address the sustained disinvestment that happened during the dictatorship. However, the *Concertación* governments essentially expended in social areas insofar the country’s economic growth was ensured. Under structural frames highly dependent on capital movements due to wide economic opening. This way of governing according to the
behaviour of the market (Fazio, 2003), was also tied to the political scenario which decisions unfolded. One main concern at the beginning of the 1990s was to ensure governability in a democracy still watched over by the military\textsuperscript{26}, and the fear of losing it (Silva, 2009). On the one hand, governance was built under the so-called ‘Politics of Consensus’, leading to a clear coalition between the government and the entrepreneurial class. On the other hand, social actors were extremely weakened, and the remaining organised groups, mostly associated with the left and far-left\textsuperscript{27}, were seen as a threat to ‘governability’. These conditions helped to install an almost endless scenario of ‘political transition’ during which popular movements were continuously eroded, the left excluded (Ruiz, 2015) and the relationship with economic elites in decision-making over-emphasized (Fernandez and Vera, 2012).

Throughout the 1990s, the country experienced, in a context of further privatizations such as basic service companies, significant increases in its GDP and average annual salary. In this process, social policies, targeted rather than redistributive, were relevant in reducing poverty, aligned for instance with the important reduction in the housing shortage\textsuperscript{28}. However, as governance was produced in coalition with reduced numbers of the economic elite, increasing their capacity to accumulate wealth, the change of century saw, unlike in other Latin-American countries at that time, the displacement of poverty by inequality as the new key issue to address (Ruiz, 2015).

From the 2000s, the government of Ricardo Lagos, whose campaign slogan was ‘Growth with Equality’ created high expectations from the centre-left. However, his government has been recognized as having had close links with the entrepreneurial class while keeping workers’ unions under control (Solimano, 2012). According to Contreras and Ffrench-Davis (2014) there was a gradual abandonment of counter-cyclical macroeconomic approaches towards total openness to capital, consolidating the broad shift from ‘productivist or developmental macroeconomics’ to ‘financierist and neoliberal macroeconomics’. Whilst the Government of President Lagos was characterized by an impressive increase in public works and transport infrastructure though the system of Concesiones (Concessions)\textsuperscript{29}, the period of President Bachelet, the first woman to hold the office of president in Chilean history, was characterized

\textsuperscript{26} Augusto Pinochet remained as Commander in Chief until 1998. Then he became Designated Senator (for life), as laid out in the Constitution of 1980, until the 2005 constitutional reforms.

\textsuperscript{27} Although most of these groups were an important part of the process in the restoration of democracy, they were not considered part of the Concertación coalition, highlighting the Communist Party.

\textsuperscript{28} According to MINVU (2006) the housing shortage reduced from 771,935 in 1992 to 543,542 in 2002. According to the CASEN survey in 2013, the shortage was 459,397 (MINVU, 2016).

\textsuperscript{29} The system of Concesiones corresponds to a PPP mechanism, defined by law in 1996. The mechanism consists of fostering private investment in economically attractive infrastructure works, profiting from its exploitation for a specific period (up to 50 years), transferring the assets later to the state (MOP, 2016)
by focusing major expenditure in social areas. However, these political measures based on economic growth as a key driving force and under the rule of technocracy continued, which meant that social measures were essentially based on subsidies without addressing structural problems of inequality. By 2008, Chile was the fifth among the freest economies in the world (in a tie with the UK), and third most free in terms of international free trade (just behind Honk Kong and Singapore), but it was also the fifth most unequal country in Latin-America (Salazar, 2012). Later, in 2010, Chile would be recognized as being the most unequal of the OECD countries.

In this context, and according to Ruiz (2015), social movements and organizations began to experience a rearticulating process, based on new parameters of social construction. The leftist political parties would not necessarily be the sole representatives of discontent, and

[n]ew middle-class and salaried groups, outside the dominant matrix of political representation and far from the old social scenario, follow[ed] a path of formation that has no other way than the overflow of the enclosed politics. And a crisis of political legitimation explodes (Ibid: 75).

Social claims started to demand structural changes as a mechanism for reconquering social rights, questioning trickle-down policies and the inherent inequalities produced by the market (Silva, 2009). These social expressions had their peak during the right-wing government of President Piñera, a businessman who had built his fortune since the dictatorship. The university student movement, arguably the most continuous social force active since the return of democracy, mobilized hundreds of thousands of people onto the street across the country in 2011, demanding structural reforms in education. The movement had such impact that they could include people affected by the privatized health and pension system. Consequently, the movement put on to the table key issues affecting Chilean society, producing an important shift in the electoral programme for the second government of President Bachelet, which promised more structural reforms30.

The reviewed period can be summarized in terms of the role of the main actors consolidated in coalition between the political and economic world, working more or less together in decision-making in order to secure governability and economic growth. As proper expression of the neoliberal model, the state considered the popular and middle-classes as individuals whilst the large-scale entrepreneurs and businessmen were considered as a class (Ruiz, 2015),

30 The actual impact of policies of taxation, free education and the creation of a new political constitution replacing the one drawn up in 1980, are, however, a matter of current political debate, especially regarding their implementation.
regularly involved in government to protect their own class interests. However, the addition to this of the emergence of a new social movement, cyclical in terms of strength but continuous through time, represents a new scenario aimed at breaking the established rules. This scenario, I argue, is clearly reflected in Valparaiso, as an expression of the clash between state and capitalist interests in accumulation through its port, heritage and natural resources, and its social organizations defending their city.

4.3. **Changing relations between the port and the city**

The port permeated the city in good and bad ways (Carlos Lara, Scholar, Interview, 12 March 2015)

The port of Valparaiso and its processes of change have been tied to the development of the city since its origins. During the 19th and early 20th centuries the city enjoyed its most buoyant period thanks to port activity that was fully incorporated into the world trade system. As the country’s liberal economy was based on imports and exports with the arrival of foreign capital, the port of Valparaiso became the most important in the Southern Pacific (Vergara-Constela and Casellas, 2016). The boom in saltpetre approximately from 1883 to 1929 (Solimano, 2012) and the increasing importance of copper, was also a key factor in attracting the migration of capitalists from Europe (especially Britain) and increasingly from North America, who settled in the city. From the 19th century Valparaiso experienced an important transformation in terms of an incipient industrial development, which in comparison with Santiago was characterized by qualitative features related to improving technology, growing efficiency and a larger concentration of labour force (Estrada, 1987). However, what made Valparaiso a dominant force above Santiago “besides its political economy independence, was the credit economy, the commercial houses and maritime delivery services heading to the copper economy [and saltpetre], which generated capital accumulation” (Bailey, 2012: 68). Commercial organizations were key drivers of the economy as they controlled exports and imports through the port, using their profits to provide loans and investments (ibid). Culturally, migration helped to build an urban society based on modernity, diversity and tolerance31, configuring what would be the first cosmopolitan Chilean City (Pizzi and Valenzuela, 2009).

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31 It is important to highlight that these features must be understood in the context of an underdeveloped post-colonial country, where the speed of changes, although evident, can by no means be compared with the dynamism experienced in the European context (Estrada, 1987). In the end, the international centre-periphery relationship of the economy to Britain as a hegemonic centre, is found within Chile with Santiago-Valparaiso at the core.
With the emergence of the Panama Canal in 1914 at the start of the First World War, the dominance of Valparaiso started to diminish, and this, according to Trivelli and Nishimura (2011), marked the beginning of the continuing process of decline in the port’s activity and its impact on the city. The Panama Canal put Valparaiso outside maritime trade routes, reducing the number of ships calling at the city (El Otro Lado de las Cosas, 2001), reconfiguring trade at global scale and undermining the role of the local scale.

The world crisis of 1929 and the crisis of saltpetre put an end to the most glorious era of the port-city. Paradoxically in this context, while Santiago already superseded Valparaiso in economic and political weight, this was the point at which the port’s major extension and improvements were implemented. Indeed, the extension of the port of Valparaiso took place from 1912 to 1931, almost the same period during which the world events described above happened. Moreover, in 1912 the port of San Antonio started to operate in the same region, reconfiguring the country’s port activity, as analysed in Chapter 5. The shift from the export-led economy towards ‘inward industrialization’ took place as a response to the crisis, and according to the academic Luis Alvarez (Interview, 10 March 2016), it was the political decision to move towards the import-substitution model what actually affected the port’s performance. As the structural changes led to a reduction of the country’s foreign trade, the city’s local economy was obviously affected as it was deeply dependant on such trade. Although it is not possible to find a consensus regarding the main cause of the city’s decline, it can be argued that it was a series of linked issues that triggered a downwards spiral towards the city’s economic deprivation. National decisions regarding political economy and international constraints linked with new technological improvements produced several effects at different scales.

The years of import-substitution industrialization produced the reinforcement and creation of new local industries, which although they did not proliferate in Valparaiso as much as in Santiago, they kept the activity of the port afloat (Trivelli and Nishimura, 2011). Nevertheless, Valparaiso started to lose its upper classes, who left the city and moved either to Viña del Mar, which would take on a new urban centrality, or to Santiago, which experienced a process of rapid growth. Regardless of these constraints and the creation of the neighbouring port in San Antonio, Valparaiso remained the main Chilean port.

During the 1960s in the context of the new public enterprises created by the state, a key moment regarding port activity was the creation of the Empresa Portuaria de Chile (Chilean Port Enterprise, EMPORCHI), acting as a national port authority in charge of exploiting, preserving and administering Chilean ports (Ministerio de Hacienda, 1960). The period was also characterized by the elaboration of important planning instruments at metropolitan scale.
In 1965, the first Plan Intercomunal de Valparaíso (Intercommunal Masterplan of Valparaiso, PIV), defined the residential and industrial zones in a larger area comprising Valparaiso, Viña del Mar, Concon, Quilpue and Villa Alemana, through a complete transport infrastructure plan linking the entire system (Poduje, 2009). Some public works were executed at that time, while others happened later, during the 1990s and 2000s in the context of the case study. According to Luis Alvarez, the national state aimed to consolidate a platform for the city’s expansion up to 500,000 inhabitants through transport, health and education infrastructure. Important infrastructure was built, but the turn towards neoliberalism counteracted the developmental plans and deepened the city’s crisis.

The shift towards neoliberalism during the 1970s and 1980s meant that many industries were closed or moved to Santiago, with the loss of more jobs. According to the academic and activist, Pablo Andueza (interview, 02 May 2016), this period was characterized by almost zero public investment in the city, the only exception being the construction of the new National Congress towards the end of the military regime. Although foreign trade was revitalized under the dictatorship32, with the port’s new operational model based on containerisation and new political reforms in the port’s activity, the relationship between port performance and the effects on the city changed drastically. Political and technological changes did not involve the creation of new jobs but quite the contrary.

4.3.1. Port modernization in the global economy: privatization and labour deprivation

From the beginning of the 1980s, the port started to experiment with radical changes regarding its operation. These changes were based on decisions at the national level. Most of these changes took place in order to develop the port’s efficiency and productivity (MOPTT, 2005), arguably because of the increase of the demand to export and its poor response capacity. However, the first steps towards modernization revealed how the reconfiguration of the social coalition reviewed in the sections above were taken into practice in Valparaiso through political decisions backed up by the law. The incorporation of the private sector in the port activity to promote efficiency was made at the expenses of workers’ rights, undermining the power of the unions, and resulting in job losses at the time. According to Aravena (2011), Law 18,042 of 1981 implemented under the dictatorship was essential to encompass the inclusion of private actors in port activity. Alongside this, Law 18,032 of the same year, abolished port workers’ rights that allowed them to be the owner of their jobs, a right guaranteed since 1966. Moreover, the use of technologies linked to the use of containers reinforced the negative effect

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32 This revitalization was only partial considering the serious effects of the 1985 earthquake on the port, sharing its operational tasks with the port of San Antonio, also affected by the earthquake (Poduje, 2009)
on workers, as they were no longer ‘necessary’ in such large numbers. Spatially, new demands for land to store the containers produced a spatial and functional division, which was known as the ‘wall of containers’, on the city coastline (Figure 4-1). Political and technological transformations drastically modified the relationship between the port and the city, and social effects would increase through the following years.

Figure 4-1: Containers along the coastline

Source: El Mercurio de Valparaiso, 2001

The most radical change in port operation was made during the return to democracy. Under President Frei, Law 19,542 Moderniza el Sector Portuario Estatal (Modernization of the State Port Sector) (MOPTT, 1997) took effect. With this, the state enterprise EMPORCHI was divided into several autonomous port companies distributed across the state-owned ports of country. While those companies remained as public entities under the national Sistema de Empresas Públicas (System of Public Enterprises, SEP)33, they adopted a business model incorporating private capital for the operation of their berthing fronts (Texido and Marín, 2010). With the aim “to boost and stimulate the investment process in infrastructure, technology, port management, and promote competition in the sector” (MOP, 2009: 11), port

33 The SEP is an advisory organism of the state, representing the state in enterprises in which it is a partner, or owner (SEP Chile, 2017). Regarding the case at that time, influential private stakeholders debated the future of Chilean ports. On the one hand, the Port Maritime Chamber sought to be included in the management and administration of the port, but without privatization. On the other hand, Ricardo Claro, former owner of Compañía Sudamericana de Vapores (CSAV), demanded access to the private sector in the same way as with the sanitary companies (full privatization) (El Mercurio de Valparaiso, 1995a).
companies had the task of defining a *Masterplan* and an *Investment Reference Calendar*, to take all the necessary measures to achieve their goals. Within this framework, private companies, through a concession of up to 30 years, would be allowed to exploit the berthing fronts, making the necessary investments to increase their efficiency.

The involvement of the private sector in the entire port operation process triggered high levels of uncertainty for port workers at that time, deepening the state/private sector relationship at expenses of other social forces. The 1999 demonstration, called *El Puertazo* was a major mobilization in Valparaiso with the cessation of all activity in the port, for the mobilization demanded labour guarantees in the light of the arrival of new private actors in charge of port activity. Jorge Bustos, activist and former member of the port workers’ union, depicts the process of change in the following way:

The leaders [of the movement] were in the port workers’ union, affected by the contradictions of the imposed law of port modernization, Law 19,542 ... [T]hat [law] came to dispossess the petty bourgeoisie, the creole bourgeoisie, of their jobs! But it also affected us. It is an issue that was not well understood because as port workers we used to say: “my son is going to become an accountant of the enterprise; my son is going to become chief of operations”. There was a sort of expectation that our children would be ... and that this would remain as it was in the old times. However, with this issue of economies of scale, we started to understand that there were not going to be 300 managers any more. There were only going to be 2 (laughs) ... or 1 (laughs), so therefore we were all f***ed up (Interview, 18 April 2016).

The impact of the so-called ‘Port Modernization Law’ produced mobilizations strong enough to force the government, the private sector and workers to sit down together and negotiate aspects such as pensions, compensation and the increase in the number of workers to be maintained in the new port model (Aravena, 2011). However, as the new port system required a smaller labour force, the relationship between the port and the city started to be reconfigured once again, with workers that were either retired (some with very poor pensions) or forced to reinvent ways to afford their living costs (not always successfully). Jorge Bustos explains the contradiction between the new model of accumulation, based on technology and efficiency, but setting aside those who worked in the port, now of no use in the new model:

The state encourages privatization, or in this case monopolistic concentration, generating a duopoly, an oligopoly with a maximum of 4 operators in Chile, when [originally] there were 370 (...) They introduced the technology whilst the
old men remained with the same precariousness in terms of studies, training, etc. Therefore, there is an issue between production that is looked at only from the point of view of technology and not from the point of view of the human beings who participate in the work (Interview, 18 April 2016).

The substantial increase of the private sector participation on the port activity deepened the coalition forged during the dictatorship, this time under democratic governments that continued further privatizations across the country, putting social actors aside for the sake of progress. Nevertheless, mobilizations such as *El Puertazo* showed that social forces could, at least under that specific historical moment, established certain conditions to the general agreement on the port future, although without undermining the coalition. Along with the port development, the national state began to draft the strategies aimed to regenerate the city and diversify its economy. Those strategies will be analysed throughout the cases study in Chapter 5, 6 and 7, yet the following section will briefly explain them for their assessment later in connection with the research questions.

### 4.4. Changing the economic base through urban regeneration strategies?

The elaboration of different strategies to regenerate Valparaíso since 1995 are the result of institutional attempts to overcome the declining historical situation of Valparaíso explained above. One previous influential landmark for the strategies can be found in the 1991 *Cabildo* (Municipalidad de Valparaíso, 1991), which involved several meetings of local authorities, private actors, and civil society defining the future of the city, agreeing on subjects such as the need to open up access to the coastline, and initiating concern for the city heritage.

Although the last condition was very important in defining what the main guidelines for city change would be, it would only be through the centralized structure of the Chilean state that those ideas started to become more concrete. Centralization is a determining factor in understanding decision-making as well as planning related to urban development in Chile (Hidalgo and Zunino, 2011). However, as argued in this research, centralization is not the only factor when political trajectories from local demands to actual outcomes are analysed. Nevertheless, in concrete terms, three strategies of urban regeneration were delivered, all from

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34 The Cabildo was a space of citizen participation used during the colony in Latin America. As Valparaíso does not have a foundation date, it was agreed in 1991 that the city anniversary will be associated with the first *Cabildo* in 1791, 200 years before.
the national government. They each represent a different scope and set of objectives, although it is possible to identify continuity through them.

4.4.1. Development Programme for Valparaiso: setting the city’s future

President Frei’s Plan de Desarrollo de Valparaíso (Development Programme of Valparaíso) (MSGG, 1995) can be considered a first important step towards a comprehensive approach to face the city’s structural problems sustained over the years. Although this so-called ‘Reactivation Plan’ was in fact based on a presidential announcement made in 1995 putting together a series of initiatives already known at that time (El Mercurio de Valparaíso, 1995c), it had the capacity to formally establish the government commitment with the city and set the main guidelines for its development. The programme was framed by the reduction of the regional proportion of the country’s GDP at that time, from 12 per cent in 1974 to 9.5 in 1992, and the industrial proportion which decreased from 42 per cent in the 1960s to 21 at the beginning of the 1990s. (MSGG, 1995: 5). These figures demonstrate important constraints within the region, though recognizing an important potential for development, mainly linked to the future of the city of Valparaiso, highlighting its relevance within the region.

Among the key initiatives of the ‘Reactivation Plan’ were:

(1) Andean-port international corridor: Associated with the corridor connecting the southern cone of America, the modernization of the port (though not its privatization) was framed by a National Policy of Port development aimed at responding to the “Radical opening of the economy” (MSGG, 1995: 11) on which the Chilean model was based. Major infrastructure investments were announced regarding transport, such as the Camino la Polvora and its Acceso Sur (see Chapter 5) to begin in 1996, as well as several logistical measures and investments linked to customs warehouses, and an outer port (later known as ZEAL). These measures aimed at port efficiency and competitiveness, were also viewed as a mechanism to expand the activity in the city and give room for potential development of tourism.

(2) Development and consolidation of the city’s tourism features: The clearly named ‘Sea Border Real Estate Project’ was proposed as the key project, under the understanding that “the organizing element of this port-city is its urban area facing the sea and as such it should have an orderly and positive coexistence, involving [the] intensive exploitation of port, real estate and tourism” (MSGG, 1995: 16).

(3) Development and consolidation of productive-industrial activity: Through the creation of industrial-entrepreneurial parks, whose most attractive location is around the town of Placilla,

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35 These are the initiatives linked to the case study of Valparaíso. Although there are other measures such as basic infrastructure for the region, those announced for Valparaíso constituted, arguably, the main structure of the Reactivation Plan.
an interior urban area within the Valparaiso commune was expected to be developed through PPPs fostered by subsidies from CORFO.

Improvements in urban features of the city of Valparaiso: the Programa de Recuperación y Remodelación de Ejes Transversales de la Ciudad de Valparaiso (Regeneration and Remodelling Programme for the Transversal Axis of the city of Valparaiso). The aim was to intervene in six structural avenues of the city that connect the coastline with the hills, through investment in public space as a mechanism to foster private investments. Each axis received US$ 2 million. Alongside this was a first attempt to promote the change of use of heritage housing into restaurants, hotels and museums, and the announcement of the urban renewal subsidy for the historical centre.

In general terms, this programme set the main guidelines aimed at city regeneration. There was a clear focus linked to port activity and the infrastructure needed to encourage its competitiveness for foreign trade. The rest of the measures were more complementary, it could be argued, due to their incipient features in comparison with the port. Therefore, big urban projects within the plan are presented merely as general ideas, except for the subsidies and the ‘Transversal Axis’, whose implementation and results would fall far short of expectations, as shown in Chapter 6.

4.4.2. ‘Plan Valparaiso’: political will towards an economy out of the port

The Comision Asesora Presidencial para el Desarrollo de la Ciudad de Valparaiso (Presidential Advisory Committee for the Development of the City of Valparaiso), ‘Plan Valparaiso’ (Ministry of the Interior, 2002) constituted a cornerstone of the strategic processes aimed at regeneration of Valparaiso. It inherited the main guidelines and projects from the ‘Reactivation Plan’, though with more centralized and discretionary powers to execute the plan. In the context of the country’s bicentenary, ‘Plan Valparaiso’ was the expression of the political will of President Ricardo Lagos to “give dignity back to the porteño”.

To understand the scope of the plan it is important to highlight two previous processes: (1) the creation of the Empresa Portuaria de Valparaíso (Port Enterprise of Valparaiso, EPV); and (2) the failed proposal to UNESCO in 1999 to declare Valparaiso a World Heritage Site (WHS). ‘Plan Valparaiso’ was officially created through Decree 205 of 2002 (Ministry of the Interior, 2002), establishing the Presidential Commission and an Executive Secretariat to run the programme. The vision and the main goals of the strategy were based on the document Proyecto Valparaíso: Una estrategia para reactivar la ciudad (Valparaiso Project: A strategy
to reactivate the city) written by the consultancy *El Otro Lado de las Cosas* (2001). This document set out the main guidelines for the city’s regeneration (Table 4-4), based on a deep, though sometimes capricious, analysis, highlighting both weaknesses and strengths. Some strengths are related to the city brand, its heritage linked to its topographic and urban/architectural features, its waterfront and, controversially, its disconnection from the country’s modernity (poor, out of the market, with lack of public space, etc.). All these strengths “must be worked [together] to make them a good business for the porteños” (El Otro Lado de las Cosas, 2001: 97, emphasis added).

<table>
<thead>
<tr>
<th>Regeneration Strategy</th>
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<tbody>
<tr>
<td>(1) Accentuate the uniqueness of Valparaiso by restoring and preserving its valuable areas</td>
</tr>
<tr>
<td>(2) Open the coastline for tourist activity and for local citizens</td>
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<tr>
<td>(3) Boost the port by building a passenger terminal</td>
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<tr>
<td>(4) Add a new engine to Valparaiso: culture, developing the businesses that come from it as cultural tourism, education, multimedia content industry.</td>
</tr>
<tr>
<td>(5) Extend the offer of Valparaiso to the whole world and not limit it just to the local level</td>
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<table>
<thead>
<tr>
<th>Key Goals</th>
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<tbody>
<tr>
<td>(1) To become a world-class tourist attraction</td>
</tr>
<tr>
<td>(2) To have a building unique in the world, the symbol of Chile, dedicated to poetry and cultural activity</td>
</tr>
<tr>
<td>(3) To have the first cultural carnival in the world</td>
</tr>
<tr>
<td>(4) To have a high-quality university cluster</td>
</tr>
<tr>
<td>(5) To host the first cluster of companies dedicated to the development of Spanish-language multimedia content</td>
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</tbody>
</table>

Source: El otro Lado de Las Cosas (2001)

Unlike the ‘Reactivation plan’, ‘Plan Valparaiso’ represented the first clear institutional steps towards diversification of the economy, mainly based on growth, where culture, tourism and heritage constituted a central part of the strategy, especially in the potential scenario of Valparaiso as a WHS, which was finally declared in 2003 (Chapter 6). The port activity was seen as ineffective regarding the actual benefits it provided to the city (Chapter 5). ‘Plan Valparaiso’ efforts moved away from EPV port plans. However, this did not mean they were completely disconnected, as the waterfront project involved coordination among them, but the goals were different regarding the city’s economic future.

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36 This consultancy is widely known for its link with the *Concertación*. In the context of the plebiscite that ended the dictatorship, they oversaw the political campaign of the ‘NO’, against the continuity of General Pinochet in office.

37 For instance, after undertaking 14 focus groups, the report affirms that the people of Valparaiso have an identity crisis, reflected in a self-image of superiority, experience of submission and loss, open resentment to modernity, and hidden feeling of inferiority compared with others (El Otro Lado de las Cosas, 2001: 16).
4.4.3. **PRDUV: Towards the consolidation of tourism as a new pillar of the city economy**

In the context of Valparaíso and its historic quarter becoming a WHS in 2003, the state of Chile and the Inter-American Development Bank (IDB) signed a US$ 73 million contract in 2005 to invest in the city through the *Programa de Recuperación y Desarrollo Urbano de Valparaíso* (Programme for the Regeneration and Urban Development of Valparaíso, hereinafter, PRDUV) also called *Valparaíso Mío*. The International Bank contributed US$ 25 million with matching funds from the state, though the latter later increased their contribution to US$ 48 Million. With several investments made in public space, the delivery of housing and commercial subsidies, and infrastructure during ‘Plan Valparaíso’, the PRDUV constituted a more resolute approach to regenerating the city. This was partly because it provided direct resources to execute projects and had a clearer (though still centralized) operational structure. Its aim was “to contribute to the revitalization of the city of Valparaíso, making the value of the city’s urban heritage the foundation of new economic, cultural and social activities that benefit the population” (IDB, 2006: 1).

The strategy was structured around five areas denominated *Entorno Patrimonial Integrado* (Integrated Heritage Environment, EPI), where the investment would be located, defining a total area far larger than the UNESCO site (See figure 4-2). The strategy also broadened its scope to include institutional strengthening at municipal level, social investments and communication and participation, though the larger investment sums would be targeted on physical interventions.

Among the features of PRDUV, it is possible to highlight its direct focus on heritage as a driver for urban regeneration, while still giving support to plans around university development and the industrial hub. However, as shown in Chapter 6, it was the development of the tourism agenda that dominated PRDUV, backed up by the WHS declaration and several public incentives to invest in tourism. Moreover, the division between the strategies of urban regeneration and the plans and projects produced by the port enterprise would be even more evident, as the waterfront project would be exclusively led by EPV, leaving PRDUV in charge of investment within the urban areas.
4.4.4. *Period post urban regeneration strategies*

By 2012, when PRDUV came to an end, Valparaiso had experienced several urban changes, though, as analysed in Chapter 8, they were very different from the original expectations. Although there was an idea at local level to pressure the state into requesting a new loan to execute a sort of ‘PRDUV-2’, this failed, mainly due to two natural disasters that happened in the city: (1) the 2010 earthquake affected the final stage of PRDUV in terms of resources allocation; and (2) the big fire in 2014 that affected more than 10,000 people, many of them living in informal settlements in the higher part of the city. The latter required a focus on that area under the 2014 ‘Reconstruction Plan’ instead of on the historical aspects of the heritage city.

Nevertheless, this period showed that the concern for the poor city areas was only temporary. On the one hand, it can be argued that at that time the tourism industry gained its own impulse through the consolidation of Concepción and Alegre Hills and its incipient extension into neighbouring areas (for detailed analysis, see Chapter 6). On the other hand, the execution of the EPV’s masterplan led to several conflicts with organized members of civil society regarding two key projects: the waterfront based on a Shopping Centre *Puerto Baron* in 2006...
(Chapter 7) and the port extension with Terminal 2 in 2013 (Chapter 5). Throughout the following chapters it will be shown that the ‘post-strategies’ period is configured by: (1) the tension between the institutionally supported port and city heritage agendas; (2) the heterogeneous (and oppositional) features of the social movements contesting those agendas; and (3) the influential role of supranational actors such as UNESCO. It is argued that this period represents the epitome of long-term attempts to regenerate Valparaiso, through a complex set of relationships of actors at different levels temporarily working together to either support or contest the urban agendas.

4.5. Chapter conclusions

The review of the Chilean political economy, as well as giving a context in which the case study is analysed, has helped to provide a specific focus on the shifting coalitions produced among state, capitalist and social forces, moving from the state-led development towards neoliberalism. This approach has been useful in understanding how the social coalition sustaining the import-substitution model radically changed during the dictatorship, to a new structure replicated and perfected during the Concertación years. If during the developmental state period, unions, industrialists and middle classes asymmetrically took a role within governance, after the neoliberal turn, dominance was exerted by internationalist businessmen supported by the dictatorial state. These radical changes were maintained and perfected in the 1990s through the rule of technocracy and market involvement in political decisions. This implied the ‘hollowing out’ of the state and the almost total obliteration of social forces, the very social forces who played a key role in the restoration of democracy.

The import-substitution model in Chile consolidated the national scale as the dominant scale of decision-making. The state was the guarantor in providing both the economic conditions for inwards development and the provision of collective consumption. After that period, state dominance is relativized because of its own erosion through privatization and the influence of foreign economic forces after the radical opening of Chilean markets. The downscaling of responsibilities also reached municipalities, which were now in charge of public health and education, though still monitored and financed, in a competition-led model, by the central state. The administrative structure of the state remained highly centralized, but with its role reduced, in broad terms to regulation and subsidies.

In this context, the port and the city of Valparaiso, proved to be highly sensitive to structural political economic changes as well as to global-scale constraints. Due to the nature of port activity being highly dependent on foreign trade, the period 1914-1930, marked by technologic developments and the world economic crisis, initiating a sustained period of decay in
Valparaiso. Moreover, the subsequent political economic periods mentioned above did not help to reinforce Valparaiso’s performance but on the contrary they hindered it. Import-substitution implied the ‘closing of doors’ to foreign capital, which negatively affected port activity. Later, under neoliberalism, even if the opening markets might have helped to reverse the port-city conditions, the arrival of the container, and the 1980s-1990s period of port privatizations, led to an almost complete split between port activity and city development. The ‘Port Modernization’ Law can be understood as the last stage of the structural reforms to port activity, which started during the dictatorship with the incorporation of the private sector and the erosion of labour rights, providing the ideological and material platform for the changes made in 1997. In the meantime, the city, still dependent on the port, began to move towards new approaches for urban development with clear multi-scalar features.

The different strategies of urban regeneration for Valparaiso were the result of the idea of diversifying its local economy, making it no longer dependent almost exclusively on port activity. The three strategies analysed show continuity in terms of the general guidelines. However, the interplay between city regeneration plans and the port development agenda changed in terms of their purpose and scope. The ‘Reactivation Plan’ was more comprehensive in its aims though vague regarding the implementation (except for those actions promoting port modernization). Later, as ‘Plan Valparaiso’ removed port activity from its agenda it produced a more specific strategy with the emergence of tourism and flagship projects as key aspect of its proposal. Finally, under PRDUV the plan became more detailed though more reduced in scope, concentrating effort in the tourism agenda. The shift from a comprehensive though broad to a targeted though detailed approach to regeneration, also demonstrates a process of institutionalization in relation to structures and modes of operation, supported by supranational agencies, especially after the 2003 UNESCO declaration.

The strategies of urban regeneration, as will be detailed in Chapter 6, implemented guidelines derived from the structural changes made during the dictatorship, socially nuanced during the democratic period: the state providing basic investments, subsidies and infrastructure to foster the arrival of private investment, setting aside social participation or reducing it to mere information. If the disasters that occurred in 2010 and 2014 turned the focus towards the people living in the hills, especially those in vulnerable conditions, the dominant agendas linked to capital accumulation in the coastline (Chapters 5 and 7) and to heritage and tourism (Chapter 6) made that focus only temporary. In general terms, the political economy of Valparaiso in its last stage remained the same. However, the complex interplay of interest acting through urban development projects, and the emergence of several groups of social and institutional actors at different scales, configured a tangled and contested scenario regarding the future of the port-city.
Chapter 5. Towards the end of the port-city? Changing spatial configurations and the continuing dominant port agenda

5.1. Introduction

This chapter analyses the role of the port in understanding Valparaiso’s development. The port and the city are indivisible parts conditioning the life of the inhabitants, from a flourishing historical period configuring the city (as it is perceived nowadays), to a long period of deprivation that has still not been overcome. As explained in Chapter 4, the attachment of Valparaiso to its port puts the city in a sensitive position due to its dependence on changes in the political economy and improvements in technology produced at either national or global scales, which have drastically changed the economic and spatial relationship between port and city.

Currently, the contribution of the port activity to the municipal annual budget is 8% of its ‘Permanent Own Income’ (Universidad Adolfo Ibañez, 2015). Although this percentage is insufficient for the municipality to produce structural plans and policies within the city, the location of the port within the city remains relevant. A study made by Universidad de Valparaiso (2008) shows that the number of people employed by the port and its related activities, account for 9.46% of the total labour force of the comuna. Therefore, the decision to maintain the port within the city matters as the city still relies on the port and the impact of its discretionary decisions.

After the Modernization of the State Port Sector Law in 1997, the Port Enterprise of Valparaiso (EPV), formed in January 1998 made its first Masterplan in 2000 with several updates up until 2015. In 1999, EPV bid for the operation of the first berthing front called Terminal 1 (Figure 5-1). The tender was awarded to a Chilean-German Consortium under the private partnership named Terminales Pacífico Sur (TPS). This started a 20-year period of operation in January 2000 (MOP, 2005), and the remaining berthing fronts were operated by EPV itself, until the Enterprise’s extension plans. The bidding for Terminal 2 (Figure 5-1) was awarded in 2013 to the international consortium OHL, operating through its Chilean subsidiary Terminal Cerros de Valparaíso (TCVAL). Whilst the port extension plans reflected a successful performance of the port activity, it also raised the concern of several social organizations and academics, claiming that the impact of Terminal 2 would negatively affect the city.

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38 The item ‘Permanent Own Income’ of the municipal budget is made by several forms of tax collection. If we considered the total municipal budget, approximately US$93 million (National Municipal Information System, SINIM), the contribution of the port is reduced to 3.2% (all figures are based on 2013)
development (Figure 5-2). However, these claims became intertwined with several other interests, entangling the debate around the port activity and its effects on Valparaiso.

**Figure 5-1: Current Berthing Sites and Fronts in the Port of Valparaiso**

The port area is divided into sites: 1, 2, 3, 4 and 5 (Terminal 1); 6, 7 and 8 (Terminal 2) and Baron Pier (future waterfront Puerto Baron).

Source: Author based on Plan maestro EPV (2015)

The port extension brought about by Terminal 2 shows how capitalist interests and state expansion plans can either oppose or align with political and social positions, configuring a complex set of coalitions, especially in the context of the city’s World Heritage Site (WHS), where other actors’ interest became intertwined with the port project. In this scenario, local tourism and entrepreneurial positions arguing for the future of the city’s economy and heritage clashed with the port extension, while other social actors argued that the city needed the port as the most important aspect of the city’s economy.

This chapter is based on interviews with key people from the port, the political arena and social actors, as well as reports and quantitative data. Here it is argued that structural changes in port activity did not erase the relationship between the port and the city but reconfigured it, both functionally and spatially. In this regard, the port remained as a key activity, though more focused on national trade goals than its local effects or benefits, despite institutional support at the local scale.
The remainder of the chapter has four sections. Section 5.2 analyses the shifts in the role given to the port by the different strategies of urban regeneration since the mid-1990s, showing how the port appeared to become invisible from the 2000s. Section 5.3 goes into more detail about how conditions of internal and external competition started to dominate the region after the 1997 ‘Port Modernization’ Law, rescaling the activity. The changes in the port activity meant the production of new spatial relations in the city based on labour force reconfiguration. Section 5.4 examines the role of the different actors involved in governance linked to port activity, showing the formation of coalitions between private actors and social organizations to either defend or contest the port extension. Finally, conclusions are drawn regarding the changing, but still remaining, influence of the port within the city agenda.

Figure 5-2: Port Area and the WHS

Source: Own Elaboration
Figure 5-3: Timeline Port Development

1995 
Reactivation 
Plan
1997 Port Modernization Law
1998 EPV is created
1999 ‘Puertazo’
2000 TPS awarded Terminal 1 operation
2001 Valparaiso UNESCO’s WHS
2002 Plan Valparaiso
2006 PRDUV Finished
2008 Acceso sur
2006 EPV publicly considers Terminal 2 project
2011 TPS Extends Terminal 1 for 10 years more of operation
2011 First Tender for Terminal 2 fails
2013 Second Tender for Terminal 2 Awarded by OHL (TCVAL)
2014 Terminal 2 begin environmental evaluation
2015 Terminal 2 have 600 environmental observations
2015 TCVAL extends exit clause for 1 year

Source: Own elaboration
5.2. The shifting role of the port through the lens of regeneration strategies

With the arrival of the Development Programme of Valparaiso (Reactivation Plan) in 1995, the port of Valparaiso began the process of reconstruction, still affected by the 1985 earthquake. Its re-development was far behind San Antonio, which had almost finished its reconstruction works by then. That same year the bill for port modernization was announced for discussion in the National Congress. Alongside this, several infrastructure investments were announced such as Acceso Sur (South Access), a 23 km road through the old Camino La Polvora (La Polvora Path) connecting the residential and industrial area of Placilla-Curauma, and a logistic outer port, the Zona de Extensión de Apoyo Logístico (Logistic Support Extension Zone, ZEAL) (Figure 5-4). These initiatives aimed at creating an entire new logistical system for the port activity in a city with serious difficulties for further expansion due to its geographical and urban features. In turn, the city would benefit from the removal of cargo trucks circulating through its most important streets, and along with the containers stacked along the coastline.

Although the ‘Reactivation Plan’ has been identified by participants with the sub-plan of public space regeneration called Ejes Transversales (Transversal Axis), discussed in Chapter 6, it is clear that a key focus of the programme was the port development followed by important though complementary projects. Certainly, the plan was sensitive to “the port-city integration, particularly in relation to the impact it might have on the tourist potential of Valparaiso” (MSGG, 1995:13),
though this was expected under the goal of “the competitive positioning of the Port of Valparaiso in the regional, national and international port system” (ibid:12). The plan put the port at the centre of the debate and recognized the inherent features of the city that could potentially be exploited for tourism.

This priority on the public agenda appeared to change with the arrival of Plan Valparaiso in 2002. According to Pablo Andueza, an activist from Ciudadanos por Valparaíso (Interview, 02 May 2016), the plan aimed to regenerate the economic base towards services, under a post-industrial logic. Indeed, the official decree that promulgated the creation of the plan (Ministry of the Interior, 2002) made no mention of the word ‘port’ in its text. During that period, the port decline was a factor causing city deprivation, and the cause of the spatial barrier between the city and the sea, among many other issues. Regarding the conclusions made by El Otro Lado de las Cosas (2001), the study:

... shows that the destination of the city cannot continue to be linked to port activity and forces a careful study of state investments aimed at maintaining its competitiveness in the cargo market (88).

This argument is reinforced by the private consultant involved in Plan Valparaiso and PRDUV, Gisela Hassenberg, who recognizes the value and contribution of the study for the plan, arguing that:

the port gives us very little, it provided very few jobs. If you extend the port, you will not get anything. The study of El otro Lado de las Cosas by Eugenio [García] says (...) Why not do what is done in all other parts of the world? In all other parts of the world port efficiency in the end killed the life of the port. Remaining stuck to that is to remain attached to poverty (Interview, 31 March 2016).

Although the study establishes important facts and figures regarding the reduced impact of the port on the city at that time, it disregards the potential impact associated with the competitive model of port companies and the national goals of foreign trade. The port performance figures in subsequent years, as shown below, prove that the port was indeed improving rapidly, especially after the opening of Acceso Sur. Interestingly, the final decisions regarding Acceso Sur and its relationship with the city was one of the main achievements during the Plan Valparaiso years, as significant public investments were made to access the city through tunnels, reducing the impact of trucks. It can be argued that the Plan Valparaiso’s core proposal benefited from that political
decision, which was a key factor in consolidating its flagship project: a new city waterfront. So Acceso Sur was, paradoxically, fundamental to continuing an agenda in which the port would no longer be the core of city development.

With the inclusion of Valparaíso as a World Heritage Site (WHS) in 2003 and later with the creation of PRDUV in 2006, the perception of separate paths increased. On the one hand, PRDUV continued the agenda based on heritage and tourism as explained in Chapter 6. On the other hand, EPV continued with their plans to make the port more efficient, and moreover it took charge of the waterfront project as owner of the land (See Chapter 7). This project and EPV’s extension plans would make the tourism-heritage and port agendas converge again, though in a very contested way.

5.3. The scales of port development: Profitability and local economic marginalization

After port repairs finished in 1999 and the new model based on private operators began, the port of Valparaiso started to increase its figures of loading transfers considerably, making the port the country’s most important in terms of container loads (Figure 5-5). The port of Valparaiso experienced a great period from 2005 when figures rose sharply until 2009, after which figures suffered a drop, explained by the effects of the 2008 subprime crisis. Although from 2010 figures recovered, they never reached the rate of growth experienced before 2009.

Figure 5-5: Evolution of Total Loads in the Port of Valparaiso 2000-2015 (millions of Tons)

Source: Own elaboration based on Puerto Valparaiso (2016)
Based on these figures, TPS, the operator of *Terminal 1* became a dominant player regarding port activity in Valparaiso because of its high percentage contribution to the entire port loading, currently in charge of 90% (Universidad Adolfo Ibañez, 2015), and its role in the competition at regional level with the port of San Antonio.

5.3.1. **Competitiveness at multiple scales and the emergence of Terminal 2**

The successful figures achieved by the port started to justify plans to extend the port’s capacity before it reached its maximum capacity. This justification became necessary in the highly competitive scenario present at regional scale (Southern Cone\(^{39}\)) and local scale. Here, the multiscalar features of the port activity became expressed through the dialectical relation between competition and collaboration (Smith, 1993) to ensure different goals depending on the scale at which is observed. To exemplified this, the relation between the ports of Valparaiso and San Antonio is a key factor in the context of national goals relating to foreign trade. On the one hand, both ports share 52% of the country’s container movements (MOP, 2009) which implies collaboration in order to strengthen the regional performance, aimed to produce national competitiveness at international level. On the other hand, the need to improve port logistics and increase their capacity of loading movements fostered a strong competition between them to become the main port of the country and ensure their profitability.

Although San Antonio moves larger tonnages of total loading than Valparaiso\(^{40}\), the main competition is in container transfers (Figure 5-6) where both ports have shared the lead in loading transfers. Despite the lack of extension capacity at Valparaiso in comparison with San Antonio, the logistic operation designed and supported with ZEAL and *Acceso Sur*, had made Valparaiso highly competitive up to then. The agenda by-competition was reflected in 2006 when Germán Correa, President of EPV at that time, showed how international Shipping Companies had moved operations from San Antonio to Valparaiso (El Mercurio de Valparaíso, 2006a). Nevertheless, in recent years San Antonio has gained more dominance over Valparaiso. This can be explained by the higher loading capacity of San Antonio, and despite the fact that Valparaiso has not yet reached its maximum capacity, it is possible that the larger space offered in San Antonio is more attractive. Indeed, Valparaiso would not be able to accommodate San Antonio’s 2014 figures, considering the addition of fractional loads.

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\(^{39}\) The Southern Cone comprises the countries of Chile, Argentina, Uruguay and the southern parts of Brazil and Paraguay. For the purpose of the maritime routes it should be also included Perú.

\(^{40}\) This would include containers, fractional loads, solid and liquid bulk cargo. The port of Valparaiso does not transfer bulk cargo.
In this context, the extension plans in Valparaiso attempt to respond to its potential shortage of internal capacity on the one hand, and external pressure coming from San Antonio on the other. The rescaling of the port activity through the Valparaiso-San Antonio competition transcends the port boundaries and moves towards a regional scale of operation. For Cristian Moreno from the Development and Studies Area of EPV it is important to advance in “the understanding of the territory as a port-logistics region, which should increase its still deficient multimodal connectivity” (Interview, 15 April 2015). From an institutional position, he argues:

… that today, more than ever, the state is absolutely aligned with the port authorities. In what sense? Ports must grow. The port is not only the coastal border, the port is something much more complex than the coastal border, the port is a key player in the logistics of the region for which it acts as the port. In the case of the Valparaiso region we have the ports of Valparaiso, Quintero and San Antonio. That is the port front of the region. And the port of Valparaiso is a gear in that port front. That port front connects via railroad through the highway with the dry port of Los Andes that is in the mountain range, to the north of Santiago. Along these roadways are located extra-port warehouses, distribution centres, therefore, it is much more than the activity of the port that today many try to bring to what happens in the very place of the transfer that is just the coastline. The State, through the Ministry of Transportation, has already adopted that vision, and that is our strength. In the beginning, for instance, the issue of port growth was seen as competition between ports, a vision of the state which has changed in little more than a year. It said, “no longer do the ports have to compete, they have to complement each other”, and this is where the step is taken in understanding scale – that of a port-region and a logistical network. (Ibid).

There is a very consistent view of the port within a major regional system: it must be able to respond to national requirements. This upscaling to the region towards collaboration seeks in the end to be competitive at supranational scale, in particular with Collao in Peru. However, under this perspective there is still a requirement to increase the port of Valparaiso’s capacity to support this regional platform.
If collaboration at regional scale is necessary to boost the national system, this must be unavoidably made though competition within the same scale. Confirming this, and relativizing the statement above, Sonia Tschorne, former Minister of Housing Urban Planning and vice-president of the EPV directory argues that regarding political decisions around the port, both from the state and some politicians’ positions:

… it is not strange that they declare that San Antonio port is going to be the large-scale port of the central zone, even though they are going to continue the simultaneous developments in Valparaiso. Let me just raise this idea: if TCVAL withdraw, which [if this continues] may be able to compete a little with Puerto San Antonio (...), we are done! Valparaiso stops being... [actually] it is no longer the main port, but [if they withdraw] it will be no longer important for the national maritime system. That will be very complex, because, [although] the port does not employ many people, [and someone can say] “hey, 60% of those who work in the port are not from Valparaiso”, I said “hey, it’s not that, that’s just a detail”. It is about how [the port] mobilizes transport, how it mobilizes the entire port and inter-port system”
RC: Within the state’s company system, port companies compete...
They will have presented it to you as complementary. But we all know that it is competition. They are going to talk about a great logistics platform in the central zone in which the development of the port of San Antonio will be reinforced as the priority of the zone. However, it is going to continue with the improvements of Valparaiso... but the fact that the Treasury did not accept giving approval to the investment to purchase Yolanda sector\(^{41}\), gives you a sign...

RC: That the state is looking to San Antonio more than Valparaiso?
That’s it! (Interview, 13 April 2015)

Indeed, the competitiveness of both Valparaiso and San Antonio are linked on the one hand, to their short-medium term capacity and the effectiveness of their operation and, on the other, to be able in the long term to be the place where the Puerto de Gran Escala (Large Scale Port, PGE) will be located. Both port companies have been developing feasibility studies to justify their relevance in each city. Although the decision of the PGE has been frozen due to the current low demand in the ports\(^{42}\), the signs indicate that San Antonio would be ahead in this race, due to its capacity for growth, and having fewer constraints from both the urban and social mobilization perspectives. Despite the autonomy of the port enterprise in designing their masterplans, their ties with national level plans regarding political definitions and budget turn their priorities towards that scale. Here the city scale remains as a secondary concern in terms of decisions, though highly conditioned by these decisions with important effects on their internal development.

The Port of Valparaiso’s responses has also been intertwined with the competition/collaboration process at local scale, in the relation between Terminal 1 and the future extension of Terminal 2, either to dominate the activity there or to compete with San Antonio. In 2011, a year in which the total transfers of the port were over 11 million tons, the president of EPV, Alfonso Mujica, argued that the port capacity would be exceeded by 2016-2017 (La Tercera, 2011), considering the maximum capacity of the port (12 million tons according to EPV’s Masterplan, 2012). With the pressure to duplicate its capacity, EPV invited bids in 2011 and 2013 for the control of Terminal

\(^{41}\) Yolanda Sector is the area defined by the EPV’s Masterplan to build the Puerto de Gran Escala (Large Scale Port, PGE). The PGE is expected to be the main port of the country. Both San Antonio and Valparaiso are competing to be the final location of this infrastructure.

\(^{42}\) In November 2015, the president of EPV declared in the media that the currently planned extensions for both Valparaiso and San Antonio were enough so far to fulfil the loading demand, considering the decrease of annual national growth figures affecting port activity (El Mercurio de Valparaíso, 2015).
2 for the next 30 years, under which the operator, awarded to TCVAL, would develop the port extension project.

However, the process relating to the selection of the new port operator requires a brief historical review, in which collaboration between influential stakeholders shows its fragile nature. The competition for operational control of the port was already made public in 2002, when EPV originally decided to give Terminal 2 in concession to multiple operators. According to the media, TPS, which was already in charge of Terminal 1, opposed this, claiming lack of justification for such a measure by EPV. The response of the president of AGUNSA group, José Manuel Urenda, who was interested at that time in the operation of Terminal 2, argued that the real competition was not internal but with the port of San Antonio (El Mercurio de Valparaíso, 2002). EPV finally dismissed this tender option in 2003, arguing for the protection of its patrimony and its potentialities to be exploited properly (El Mercurio de Valparaíso, 2003a). Here two interesting facts can be illustrated: The reluctance of TPS to share its dominance within the Port of Valparaiso, and EPV’s objective to get a more competitive port in competition with San Antonio.

In 2006, EPV was already considering the extension of Terminal 2 towards the north, resulting in a platform of 14 ha with 800 linear metres (El Mercurio de Valparaíso, 2006b). During this period EPV received several studies, but these mostly related to the modification of Terminal 1, which was under the control of TPS. According to Senator Carlos Montes, the extension plans reflected an “anxiety about the displacement of Valparaiso by San Antonio” (Interview, 15 April 2015), given that “San Antonio continues to grow at a different pace...” (Ibid). The anxiety depicted by the Senator became clearer after the failed tender of 2011 when EPV did not receive any bids from interested actors, which ended in a new and final tender in 2013 under more flexible terms of reference (See Sub-section 5.4.3.).

Although the 2013 award of Terminal 2 constituted a step forward for the Port Authority plans to consolidate Valparaiso’s competitiveness, several situations have undermined its expected execution. On the one hand, social movements protested with the intervention of UNESCO in relation to the impact of Terminal 2 on the Historic Quarter (Sub-section 5.4.3.). On the other hand, from 2015, TCVAL had to respond to the around 600 observations the Sistema de Evaluación de Impacto Ambiental (Environmental Impact Assessment System, SEIA). This is especially relevant, because in the Chilean institutional system, the environmental assessment is made after the tender adjudication. With this, public institutions at different levels have to produce observations ranging from impacts on the city, on heritage and the port construction itself. Due to
these delays, but mainly because of San Antonio’s capacity to grow, Valparaíso is nowadays below in terms of loadings.

5.3.2.  **Labour effects and the spatial function of the port**

Following the changes produced by the semi-privatization of the port and its negative effects in terms of jobs losses, Terminal 2 created a new scenario of uncertainty as well as tension with the relatively consolidated tourism industry (Chapter 6). Whilst it was expected to generate 1000 new jobs with the port extension, the impact of Terminal 2 on labour sources could be seen even before it was built, affecting the very characteristics that define Valparaíso’s identity and heritage. One emblematic case has been the removal of the *Sudamericana* fishing cove, located in the area in which TCVAL started to operate. After a series of mobilizations and tense negotiations for compensation from EPV, the fishermen were finally displaced from the city, highlighting the precariousness of labour for people living in Valparaíso. Due to the magnitude of the future Terminal 2, a similar situation currently threatens boatmen located between Terminal 1 and 2 and workers at the floating dock shipyard, ‘Sociber’ (Figures 5-7 and 5-8)

The relation produced between labour and space regains relevance around the debate over Terminal 2. With the extension plans, the port-city relationship emerged in the debate due to the spatial impact of future containers stored next to the UNESCO site. These relations are certainly far beyond the mere physical aspect, according Jose Llano, Scholar an activist at *Centro de Residencias para Artistas Contemporáneos* (CRAC):

> The core of the port [problem] does not rely on a physical issue but is deposited in the configuration of these different nodes of relationships or networks (...) Somehow you realize that the port ... of course, are spatially the containers (...) [But] the containers do not matter! This is a detail of the problem. The issue is that the port logistics changed the spatial configuration of the port, it changed the configuration of the work and its spatialization in the port, and therefore it changed the urban projections regarding how the [relationship between] city and port is configured... (Interview, 15 March 2016)

The negative externalities expected from Terminal 2 came therefore from a major transformation, historically linked and materially expressed, of the port’s activity itself. The port-city relationship instead of disappearing rather reconfigured itself, which is spatially reflected in the overlapping of city agendas carried out institutionally at different levels. The emergence of Terminal 2 created a clash of interests between the port agenda and the tourism-heritage agenda linked to the WHS.
They are asymmetrically intertwined, since one seems to impose on the other due to the nature of the actors, political aims and institutional support. In the middle, workers and local people’s needs appear either as a ‘collateral effect’ of potential urban changes or a ‘bargaining chip’ when promises of further jobs opportunities are made.

*Figures 5-7 and 5-8: boatmen and *Sociber floating dock shipyard*

Source: Rodrigo Caimanque, March 2018
5.4. The politics of port development: Cross-scalar institutional support and local divergences

The execution of the port agenda has been very controversial regarding both its extension and the new waterfront project linked to a shopping centre (analysed in Chapter 7). The attempts by social organizations and some academics to undermine these projects in defence of the city have also helped to open up the debate on them. However, from the institutional side, especially in relation to the port extension, the support has been consistent and more monolithic. EPV’s plans have received support at all levels from central government to the municipality, regardless of their asymmetrical levels of influence in these matters. As expressed before by Cristian Moreno at EPV, there is full commitment from the state for the growth of ports. Along the same lines, Jorge Martinez, former president of the Regional Chamber of Commerce and an opponent to the Terminal 2 project, states that:

the port represents the state and the political authorities of [President] Piñera and [President] Bachelet aligned with the state and not with the city, and that is very hard because you have a senator, your Intendente43 your governor and your mayor aligned with state policies that you feel are harmful to the city. (Interview, May 13, 2016).

The depth of the relation between the state and the port goes beyond the institutional level, involving an intertwined ‘exchange’ of political actors taking leading positions within the EPV Board. Figure 5-9 shows how high-level politicians have had positions within the board, highlighting former national ministers at Concertación such as German Correa, a recognized political actor in the process of Chilean democratic reconstitution who was president of EPV from 2006 to 2010. Sonia Tschorne, former Double Minister of Housing and Planning and National Goods during the Lagos presidency and responsible for the implementation of several policies under ‘Plan Valparaiso’, is currently Vice-President of EPV. As the activist Arturo Mitchell points out, politics and port activity are closely tied, and this can be an argument explaining why the port agenda, despite criticisms and the actions of opponents, has been so strongly supported. Certainly, as EPV is a state enterprise, the support of the state can be understood, though not necessarily

43 Intendente is the name given to the Head of the Regional Government, appointed by the President of Chile.
taken for granted. In the end, this ‘institutional support’ has clear links with the way political actors actually get involved in decision-making associated with port activity.

The links between actors involved in the port board and high-level political responsibilities are quite clear, illustrating the politicized arena in which decisions are made. Another example showing the intertwined features of the city agendas is provided by actors such as Ivan Valenzuela, former Vice President of EPV who was previously in charge of ‘Plan Valparaiso’, under the plan that considered the port as a poor driver of the city’s economic development. The role of Gabriel Aldoney, one of the fiercest defenders of Terminal 2 and the waterfront project, has been
interesting: twice Regional Intendente, President of EMPORCHI before its modernization and President of the first EPV Board. Aldoney’s appearances in the regional political arena as Intendente seems to be strategic regarding important recent historical moments in port activity. As a well-established man of the port, his first period coincided with the tense period of approval and implementation of the ‘Port Modernization’ Law in 1997. His second and current period is happening while the implementation of the Terminal 2 and Puerto Baron projects are involved in tense debates, especially after the UNESCO pronunciation about the future of the coastline (Chapter 7).

At the municipal level, the Mayor’s involvement can be understood as rather informal. Although the Port Authority has communication with all mayors, most of their participation can be reduced to ensuing negotiations after decisions have already been made by the port, or simply symbolic actions when they are invited to board meetings. The lack of involvement of the local authority in decisions about the port has important repercussions, especially regarding the potential benefits of the port’s activity to the city. Lacking the tools to obtain important resources due to the centralized taxation system, municipal support can be linked merely to the possibilities of obtaining marginal benefits, even at potential cost to the heritage site. Paulina Kaplan, Director of the Department of Heritage Management at the municipality, argues that:

> what needs to be understood is that Valparaiso was declared a World Heritage Site for being the first port of the Southern Cone in the late 19th and early 20th centuries, and it has to remain as port! And that also involves some things that we have to lose, but they have to be compensated for. (Interview, 22 March 2016)

Currently, a compensation mechanism is being discussed to ameliorate the effect of the future Terminal 2. This alternative seems to produce a consensus among authorities at local and regional level44. The potential benefits of the compensation can be related to urban design improvements, such as the architectural competition set up by EPV to improve the access to Prat Pier. However, this consensus at the local level does not necessarily have echoes in the Municipal Assembly, where some of its members have doubts, at least, about the appropriateness of Terminal 2. Sonia Tschorne highlights the difference between Mayor Castro’s position and that of some members of the Assembly:

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44 The content of these compensation schemes is still under debate after the proposal made by EPV in 2016 with the ‘addendum 1’ that responds the observations made by the Environmental Impact Assessment System, (SEIA). This is a debate that exceed the boundaries of this research.
They support development; they understand that there is nothing worse than the status quo. Now, the Mayor is one thing and the Councillors are another. They came together to talk to me, then others went to the port to stop the project. So, they were told, “well, suggest what can be done!”, (...) Valparaiso becomes uncompetitive, and it is a port! They must also understand the role that needs to be played in the national context and must understand that as a port enterprise we must ensure that the planned developments are carried out ... but it has not been easy (Interview, 13 April 2015).

From the words of this important member of the Port Enterprise Board it is possible to recognize relevant but contradictory aspects to consider regarding the scales of decision-making. On the one hand, regardless of the position of local authorities, the port position confirms that its actions are a matter of national scale, and for this the port of Valparaiso has to be competitive. Therefore, although the local authority is heard, this does not mean that their positions might have any effect on the structural aspects of the strategic plan. On the other hand, to achieve that goal the port authority needs local support to help to confront any other sources of local opposition. This becomes relevant considering that the delays in the port extension put considerable pressure on the Port Authority’s performance. In this context, the plan needs to be validated within the city, having in the mayor a key supporter.

Therefore, while the port strategies searching for competitiveness at regional scale to back the country’s competitiveness internationally might have strong institutional and political support at national level, the local scale also matters. The Port Authority needs to downscale to the city level to secure political support, which could be very useful in the light of social and political opposition to the project, as analysed in Sub-section 5.4.3.

5.4.1. The Port Enterprise as a key player in city matters

While the historical and current role of the port in the city of Valparaiso is undeniable, in a context in which the port-city relation has been reconfigured, it is necessary to be precise about the scope of this relationship. The port of Valparaiso produces significant revenues, but the question is who is benefiting from this? According to a report requested by EPV (Universidad Adolfo Ibañez, 2015), in 2014, the port produced US$ 164 million in sales without considering the amounts associated with indirect complementary activities attached to the port itself\(^45\). A key problem is

\(^{45}\) In this case the total is estimated in US$ 320 million.
related to the resources collected by the municipality in terms of taxes. The same report calculates the port activity contribution at almost US$ 10 million per year in terms of patents, which is the most important mechanisms of tax collection at municipal level. However, this amount is distributed across various municipalities and Valparaiso only receives 3 million, paradoxically less than Viña del Mar, which is without a port yet receives 4.4 million. Despite these disparities and the small participation of the port in the municipal budget, the lack of local resources and the port influence in the labour force make Valparaiso highly reliant on the port, despite its discretionary powers. Maria Virginia Vicencio, Director of Urban Development at Regional Ministerial Office of Housing and Planning, explains that:

The needs of the port are understood only from the port perspective. Then, what we think is missing is to combine that with a view from the city to the port, from the city to its coastline. This is a city that does not reach the sea, at least in its central part. There is a complex issue here because there are decisions taken at a higher level and there is the local population’s need to have an area with free access to the coastline, so there is conflict (Interview, 23 March 2015).

One of the main claims against the Port Enterprise is in fact the way that they have produced their plans and taken decisions. The ‘Port Modernization’ Law allows EPV to make its decisions within its own Board, and as the owner of the land they have full capacity to make straightforward, and according to many, hidden decisions on the future of the port. Although EPV argues that they have made permanent links with civil society in order to promote transparency, especially through surveys and social activities, these mechanisms do not go beyond the mere provision of information. The dominance of the port agenda becomes hegemonic, and other institutions have, in the end, to attach themselves to its agenda. María Virginia Vicencio explains that in meetings regarding urban matters:

the port is called [to participate] as a protagonist in all this story. The port has considerable influence. It is important to listen to what their interventions are, what their projections are in order to cross information and making the corresponding decisions. Because there are some things that can be adjusted, but there are other things that are decisions of strategic matter of the state that have to be considered, which are almost ‘a fait accompli’ (Interview, 23 March 2015).
A serious limitation of the Chilean planning system is related to its lack of power within the port estates. According to Miguel Dueñas, Urban Advisor at Valparaiso Municipality, the local masterplan only defines the port land use already framed by the metropolitan masterplan and cannot regulate beyond the sea border (Interview, 22 March 2016). Therefore, city planning instruments cannot say much about large scale projects such as the port extension until it is actually done, and then the local masterplan needs an ex-post modification of the instrument to regulate the new land produced. With urban planning regulations having their ‘hands tied’, the port can plan on its land at discretion, being only conditioned by ex-post assessments such as the environmental impact, as mentioned in Section 5.3. This implies potential impacts on a sensitive urban area such as the Plan and some lower hills of Valparaiso. Taking a different position, Cristian Moreno from EPV, tends to understate the negative effects of the port extension based on eventual changes after the end of the port concession:

Now, let’s not forget that Concesiones have a fixed term, that is, they [the operators] are for between 20 and 30 years. You may say “No, 30 years is a lot”. For a city, 30 years is nothing. If Terminal 2 is built, in 30 years we’re going to have to question ourselves: “Well, what do we do with this land gained from the sea? Is it going to be a terminal? Is it going to be a city?” (Interview, 15 April 2015)

Although these future options can, in theory, be a possibility, they seem to be far from concrete considering the growth expectation projected by the port itself and its race with San Antonio to become the future Large-Scale Port. Moreover, there is a structural issue conditioning port activity at the Latin American level. According to Mastrantonio (2009), in Latin-America the relation between quantity of ports and the area covered by them do now allow their regeneration into new activities. On the contrary, there is a need to keep them, especially in the context of rapid growth of trade through the open market that is developing.

Based on this debate, what seems to be at stake here is to find ways of producing effective contributions from the port to the city, creating mechanisms to capture the wealth produced by port activity for fair redistribution across the city. This is a measure that requires deep institutional and political willingness to decentralize, otherwise, “as long as there is not a real, one could say, a real contribution from the port to the city, the truth is that this city is carrying a burden for free” (Carlos Lara, Scholar at Universidad de Valparaiso, Interview, 12 March 2015).

Despite the Port Authority’s discretionary attributions, the controversial measures taken so far have triggered a series of positions, both in favour of and against Terminal 2. Several interests emerge
out of the formal institutional arena and become relevant to understanding the intertwined relations among actors affecting to different degrees the apparently straightforward agenda. At this point it is possible to identify a strong coalition between the national state and EPV, counting on the support of the Mayor. But this coalition cannot be completed without the role of TPS operating Terminal 1, as they provide a level of stability linked to its productivity. However, the following section will illustrate the fragility of the coalition once Terminal 2 was introduced into the port system.

5.4.2. *The elites and the port extension: A ‘families’ matter’?*

Structural changes explained in Chapter 4 implied the involvement of the private sector in the execution of public strategies, but also in decision-making itself. In the Chilean context politics and economic power are highly intertwined\(^{46}\), a product of the process of concentration of wealth by a very small, though influential group of business companies. Port activity has not been an absent part of these private interests. A few ‘families’ such as Von Appen, Matte and Lucksic, who are among the wealthiest families of Chile, control most of the operations of the state ports across the country.

In particular, the role of Von Appen (TPS) in the trajectory of the tenders for Terminal 2 requires special attention. Table 5-1 shows how in the context of the port extension plans, the economic group was able to exert pressure institutionally in order to keep its dominance over the operation of the port of Valparaiso. Their influence can be seen through actions such as requesting the Tribunal de Libre Competencia (Tribunal of Free Competition, TDLC) for a relaxation in port restrictions to allow them to compete in the future port extension bidding. Moreover, between the 2011 and 2013 tenders for Terminal 2, TPS agreed with EPV to build the extension of the Terminal 1 berthing front in exchange for 10 more years of operation. These actions show how TPS interests permeate the public arena to accomplish their purposes through overtly monopolistic practices.

A few months before the EPV’s 2013 bidding process, TPS presented a quite different extension proposal to the Port Authority. Knowing the EPV’s extension plans from the existing Prat Pier to the north, the TPS counter proposal, led by the architects Alberto Texido and Gonzalo Undurraga, extended Terminal 1 by attaching it to the pier (Figures 5-10 and 5-11), creating a continuous berthing front, and leaving a space for the current boatmen working in the area.

\(^{46}\) Although these relations have been well known in general terms, the 2015 scandal of private companies illegally providing money to politicians to fund political campaigns opened a series of investigations that crossed the entire political class regarding the involvement of private interest in the elaboration of sensitive public policies.
### Table 5-1: Processes towards the award of the Terminal 2 operation

<table>
<thead>
<tr>
<th>Year</th>
<th>Situation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>President of EPV gives the first hints regarding the port extension toward the north under existing sheltered waters.</td>
</tr>
<tr>
<td>2007</td>
<td>TPS (Von Appen Group) asks EPV to modify restrictions to compete in the potential new bidding for the port extension. This request is sent to TDLC.</td>
</tr>
<tr>
<td>2009</td>
<td>TDLC keep restrictions, but allow companies already operating in the port, such as TPS, to compete. However, they will have to decide, if they win, which terminal they will continue operating.</td>
</tr>
<tr>
<td>2011</td>
<td>First tender for Terminal 2 fails. No proposals are presented. Restrictions for existing operators within the port remained in force. Von Appen present new request to TDLC to reduce restrictions. In parallel the extension of Terminal 1 is approved for 10 more years operating the berthing front.</td>
</tr>
<tr>
<td>2012</td>
<td>TDLC allows TPS to participate in the new bidding on conditions that favour ‘non-involved’ interests in the port. Before the bidding, TPS presents an alternative project merging Terminal 1 and 2. EPV rejects the proposal as being outside the terms of references.</td>
</tr>
<tr>
<td>2013</td>
<td>New tender for Terminal 2: in the first stage of ‘involved’ parties, no-one presents proposals. One week later, two proposals are presented by non-involved parties (Urenda and OHL). OHL is finally awarded the concession.</td>
</tr>
</tbody>
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47 The 2013 tender for Terminal 2 divided the reception of proposals between ‘involved’ parties (those with existing activity in the port of Valparaiso such as TPS), and ‘non-involved’ parties. The last group were able to submit proposals later, after knowing the ‘involved’ parts bids, being therefore able to propose better alternatives.
EPV rejected that proposal on the grounds that it was presented out of time and did not meet the guidelines provided by the port masterplan. Nevertheless, among the arguments for rejecting the proposal, besides for mere administrative issues related to the tender’s terms of reference, the main problem was the potentially exclusive benefits obtained by TPS as the single operator of the entire port. For Cristian Moreno from EPV, the TPS project:

was a proposal that suited their interests very much. Imagine that in addition to the two sites they already have, one more is generated, creating three sites that, if they were to be in a tender tomorrow, you can imagine who would have the competitive advantage in adjudicating on the whole terminal there. That is, it was clear it was a ‘tailor-made shoe’, which in our opinion was ‘dressed’ in works of urban integration, but the substance of the matter was an improvement of what currently exists in that terminal, expanded... (Interview, 07 March 2016).

One of the key arguments for the alternative project, according to the scholar Alberto Texido (Interview, 5 May 2016) was its lower impact on the city in comparison with EPV’s proposal. His argument goes beyond mere physical considerations, affirming that the authority’s proposal threatened the diversification of the city economy, because it eliminated the chance to have a potential waterfront with different activities other than the port.

Reviewing the whole process of the port extension, the TPS counter proposal can be seen as part of a bigger strategy to maintain its dominance in Valparaiso’s port. Regardless of the nature of the alternative project in terms of design and impact, it can be deduced that Von Appen’s main purpose was to put pressure on EPV’s president, Alejandro Mujica, who was politically responsible for the failed port tender of 2011 and the extensive delays with Puerto Baron (El Mostrador, 2013). In other words, TPS’s proposal might be either accepted or not, but would win in either case. If accepted, they would probably be awarded the second tender. If rejected, it would be useful, at least in the medium term, to bog down the process. As EPV’s political decision was made based on potential cost, the proposal was rejected, in the expectation that the new tender would be successful.

48 In fact, Daniel Morales from the College of Architects took part of the TPS proposal and produced a third alternative. Although Texido argues that it is less technical and more based on architectural design, this version has been used by organizations as a mechanism to apply pressure against the port plans. Several alternative proposals have emerged since then.
The second tender was finally published in 2013, and among potentially interested ‘involved’ parties were the Von Appen and Matte groups. However, once again nobody presented proposals at that point. Arguably the Matte group was focused on the recent award of the port of San Antonio, so their interest was not as strong. After all the moves with the TDLC to be able to participate in the bidding, Von Appen did not present a proposal. According to the media, this was assumed to be a strategy of ‘all or nothing’ creating uncertainty in the process and expecting that other ‘non-involved’ parties would not present proposals either, causing the tender to fail again. However, one week after the Von Appen move, the Urenda Group, interested in Terminal 2 from the beginning of the 2000s, and OHL (TCVAL) both presented offers. The latter was finally awarded due to its economic proposal. Although this can be considered a triumph for EPV, to some extent the coalition with TPS lost the stability reached during the 2000s, and a tense environment was created around the port project, involving new actors and coalitions emerging in the debate. The strategy of TPS might have failed at first glance, but the following events show that the process was not finished yet.

5.4.3. **Coalitions against the port extension and the divergent positions of social organizations**

The development of the port has produced a remarkable mismatch of positions from social to political actors, producing unusual coalitions among very heterogeneous groups. Although groups who have been against Terminal 2 have gained an important voice, especially through the media and the support of academia, their claims are far from being considered as the single voice of residents. Several groups in favour of port activity have undermined the representativeness of those against Terminal 2, arguing that their claims are closer either to personal or business interests. The positions of social actors both against and in favour of the port plans have arisen in an environment of mistrust and scepticism regarding the arguments drafted by each side. Some explanations can be obtained by understanding the nature of those organizations and the relationships (declared or not) of social actors with interests like with those described above. This is analysed in more detail in Chapter 8.

According to some participants, the movement against Terminal 2 has two interrelated origins: one from stakeholders around or within the Chilean right-wing party *Independent Democrat Union* (UDI), and another more from a group of social actors mostly associated with an emergent upper-middle class and professional elites. Regarding the first grouping, links between the Von Appen clan and influential citizens such as the former President of the Regional Chamber of Commerce,
Jorge Martinez (UDI former militant) can be found indirectly through the think tank, Fundación Piensa, which brings together businessmen and professionals involved in national and regional matters. The convergence of such influential actors within the city has produced an important communication platform to counteract the EPV project. However, within the same party other members have supported the port. In fact, the Urenda Group who participated in the Terminal 2 tender, have as their owner, Beltran Urenda a former Senator of the Republic and historic militant of UDI (El Mostrador, 2013). Another supporter of the port extension within UDI is the Mayor of Valparaíso, Jorge Castro, though his position has been more ambivalent in relation to the ongoing project, with his focus more on the compensations expected for the city. In the light of the definition of Terminal 2 and the strategy of Von Appen to either impose their own proposals or undermine the official one, the activist Boris Kuleba and former member of Micropolítica states that:

they (TPS) lost the tender and are the same ones that promote the campaign against Terminal 2. They created Fundación Piensa, Mar para Valparaíso that, in the end, are the same little circle of people who oppose it. The same architects who did the TPS project (...) are those who are [involved] in the campaign against Terminal 2 (...). [They say] ‘No, it has to be a coastal border’, and now they have lost, they want to take it to San Mateo. Of course, Terminal 2 is a bad project, but the campaign against it... they are even worse (Interview, 12 April 2016).

From the social organizational side, some groups have campaigned against Terminal 2 under the umbrella called Mar para Valparaíso. Groups such as Puerto para Ciudadanos which includes professionals and local entrepreneurs, the architects’ and professionals’ group Plan Cerro, the College of Architects and the corporation Metropolítica are among the most influential actors against Terminal 2. Here the major voices are represented by architects who can be found in almost all these organizations. For instance, Daniel Morales from Puerto para Ciudadanos is also a member of the College of Architects Board of the Valparaíso branch, Alberto Texido, academic at Universidad de Chile, is a member of Metropolítica, and also a member of the National Board of the College of Architects and, as explained above, he designed the TPS proposal for the port extension. It can be argued that it is through this last link that agendas against EPV’s project began

49 Von Appen is member of Fundación Piensa, but they have not used this platform directly to oppose Terminal 2, arguably due to its investments within the port. Meanwhile, Jorge Martinez has, because of his history and attachment to the city, become an influential voice in the opposition to the port extension.
to coalesce. With this, the role of Fundación Piensa became important as a platform that gives space for different actors to put their positions, largely active opposition to Terminal 2. The construction of this coalition does not necessarily mean business and political interests are co-opting social interests, but it does represent a rather controversial coalition, especially from the perspective of other organizations linked to the port activity. Paz Undurraga, an activist from the historic organization Ciudadanos por Valparaiso argues that the real reason why these social groups are mobilized is because: there are a number of people who feel cheated, that is, conditions were generated for them to make a tourism-real estate business in Alegre and Concepcion hills and today they are going to cover their views [to the sea] ...

**RC: Do you think that’s the reason for the mobilization?**

Yes. I think there is an issue. There is [another] group that would prefer a thousand times to see trucks passing through Anibal Pinto square than to see cafes and restaurants and ‘old style’ pharmacies (Interview, 16 April 2015).

This activist reveals two relevant points in relation to positions about the port-city future. One point is related to the way the campaign against Terminal 2 has been understood. Organizations such as Mar para Valparaiso has widely exploited the port/heritage dichotomy as one of their main vindications, yet this does not necessarily represent the entire set of opposition arguments. They are calling instead for the diversification of the economic base in which ‘that’ specific port project becomes a threat, explaining why there has been a proliferation of alternative proposals. Nevertheless, their strategy of visual campaigning (Figures 5-12 and 5-13) has become the most effective and strong action to position themselves in the debate. This this has been at the cost of reducing the problem, in the perception of many, to a mere issue about city views affecting small-upper-middle class entrepreneurial interests.

Regarding the second point, the evidence provided helps to infer that at least two positions can be found about the port development. On the one hand, there are groups who think that the city needs to develop other economic activities beyond the port, such as tourism through heritage. Thus, the port, albeit important, should not interfere with other possibilities. On the other hand, there are those who believe that port activity must, as the key economic activity of the city, be encouraged, and that secondary activities have to be adapted to the port.
The support for the port extension by some social organizations can be explained in terms of the historical role of the city and certainly the expectations of future employment opportunities as mechanism to tackle poverty. According to one of the studies requested by EPV, people mostly identify with the ‘Port-City’ definition of Valparaiso, followed by the ‘Heritage-City’ (Universidad Adolfo Ibañez, 2015). This perception was supported by several participants interviewed during the fieldwork, based on the assumption that it is the port that actually defines Valparaiso, and the success of the port can mean future opportunities for the city. Isaac Alterman, activist at Asamblea Ciudadana states:
We have the position that we need a bigger port, there are tenders underway and they are already approved and there is no turning back on the issue of port expansion. (...) Because our objective is different, the issue of the view has never been a problem for us, it is not an issue that affects the middle class or the majority of the porteños regarding a container or five containers piled up at the port’s edge, because that’s a port’s edge. (...) For us the central theme is that of poverty, not in 10 years’ time, but as an urgent issue to be solved now (Interview 20 April 2016).

Many participants stated during the fieldwork that the problem with Terminal 2 was an elite issue disconnected from what people living in the hills actually think. Although this generalization regarding what the people in the hills think cannot be assumed in the context of this research, it is possible to get an idea of it from the place-based leader Hector Burgos, president of the Junta de Vecinos (Neighbourhood Union, JJVV) at Santo Domingo Hill, who says:

I think that, for job opportunities and for the arrival of goods (...) I think it’s okay. There have been meetings regarding this. At the first meeting they were asking for people’s opinion and they said it was okay. Why would we want an unoccupied pier? Why would we want to see a dirty pier when it could be clean and operational? TPS cares about that, they care about cleanliness, safety, everything. I can tell because I worked in the port, I worked there for 30 years (Interview, 10 April 2015).

Mr. Burgos do not have the connections to organizations such as Mar Para Valparaíso or the College of Architects. However, his thoughts can be linked with what Isaac Alterman expresses that issues such as the ‘wall of containers’ are minor things in comparison with the potential benefit that increased port activity might bring about.

At this stage, a new coalition was made in order to counteract the EPV’s extension proposal for Terminal 2. Here the monopolistic interest of the current operator of Terminal 1 converged with the aim to maintain its hegemony in the port activity with social and professional interests aimed to preserve the attractive features of the potentially affected hills, linked to their sea views. However, this coalition does not necessarily undermine the dominant relation between TPS and EPV, as their mutual dependence is of primary order for the activity. In other words, if the new coalition, in which actors interact indirectly, produced some tensions between the Port Authority and the operator, this by no means threatens the legal and formal binding them, leaving the actions of contestation in the hand of social and professional organizations.
5.5. Conclusions

The port of Valparaiso has shown from both historical and contemporary perspectives how sensitive its development is to events moving through different scales and temporalities. Changes in the global economy, national political economy decisions, and local labour reconfigurations linked to spatial impact, as well as technological improvements have transformed the port’s activity and with it the relationship with the city. In this context, strategies of urban regeneration have reflected different views regarding the city’s future, particularly after the departure of the port from the strategies themselves. It is with this divergence of paths that city agendas started to impose one agenda over the other in a temporal way. During this period, port activity needed a long-term process of consolidation after the ‘Port Modernization’ Law in 1997, which implied the creation of new institutions across the country and initiated the transfer of tasks and responsibilities to the private sector.

Port changes implied, on the one hand, the definitive reconfiguration of the port labour force, reduced in number, with less power in decision-making and with a significant number of workers extracted from its activity and forced to reinvent ways to make a living within a new elitist economic alternative. On the other hand, with the emergence of private actors as new key players who exploited the port exclusively, the governance of port activity was drastically changed, and as a consequence so was the governance of Valparaiso itself. This is clearly expressed in the Port Authority’s decision to initiate Terminal 2, unleashing a complex and conflictive relationship between and within the port and the city, and the emergence of new interests in the city’s governance.

With Chile opening to the international market and the state delivery of executive responsibilities to the private sector, port activity moved into a multiscalar and dialectical approach of competition for dominance at the regional scale with the port of San Antonio and collaboration between them to achieve national goals at the international scale. Through fostering the accumulation of private capital as a mechanism for strengthening the national economy, port companies encourage a lucrative model, but with few benefits for the cities where the ports are located. The process of rescaling of port activity has expressions at the city scale as well. Private port operators compete for dominance, if not monopoly, of that scale, which is essential for their own accumulation purposes, and which fuels the port network system at other scales.

In the achievements of this pro-growth model, robust institutional support plays an important role. Nevertheless, the case of Valparaiso shows how intertwined relations among actors involved both in the state and EPV become necessary for the political support agenda. Here, what seems to be a
solid institutional backing from the state to the port authority, has been nothing more than a complex skein of influential actors exchanging positions between those two key spaces. Therefore, the port enterprise is configured in a sort of self-enclosed governance both in practice and symbolically, becoming in turn a key player in city matters. It is here that ‘external players’ informally coalesce and, based on their asymmetrical power, are able either to leverage or to undermine this port governing ‘core’.

Although the role of the Mayor of Valparaíso can be considered as secondary within the port institution due to his lack of formal powers in decision-making, the Port Enterprise has always built bridges with the Local Authority. The role of the Mayor changes according to the nature of the project. It can be determinant in the process of the waterfront project as shown in Chapter 7, or rather symbolic in relation to the port extension. A good relationship between the EPV and the Mayor, however, can provide local political support within the city, but also support in the light of social mobilizations in opposition to Terminal 2. Therefore, an inter-institutional coalition can be identified here between the national/regional and the local scale, especially during the period of the last Mayor, Jorge Castro.50

As the entire institutional system requires the private sector to develop their agendas and plans beyond port boundaries, private operators have become influential actors in the city. The partnership between the EPV and the private operator TPS has shown that the relationship is not without tensions, especially when plans threaten the market dominance held by the port operator. The evidence analysed shows that regardless of formal alliances, and after the so far unexecuted port extension, TPS did not hesitate to use its informal links, and create new ones, as mechanisms to maintain its actual control of the port. The spatial strategy of the Von Appen group was able to build a new coalition, meeting a selection of influential citizens, groups of architects and even politicians claiming for the negative spatial impact of EPV’s extension project. Therefore, whilst the governance of the port activity is linked to its constant rescaling either to regional, national or supranational scales, with the coalition opposing Terminal 2, governance is temporarily reconfigured and rescaled too, but to the local, at the scale where social actors can effectively collaborate to build the port extension counterpart. However, as this new coalition cannot

50 It is worth mentioning, although outside the scope of the research, that in October 2016 Jorge Castro lost the municipal election to the left-wing candidate Jorge Sharp. The new Mayor, supported by some of the social actors interviewed in this chapter, has questioned the process of Terminal 2, reconfiguring the relation between local power and the Port Authority.
undermine the formal coalition of EPV and TPS, any action against Terminal 2 after the 2013 tender has been rather indirect regarding the operator’s involvement.

Despite the separate paths taken by the port and heritage-tourism agendas in the early 2000s, with the clash between them after Terminal 2, it is clear that the relationship between port and city instead of disappearing, has been reconfigured. In the long-term, the political and economic resources provided to build the port agenda, could shift a city agenda mainly focused on tourism. However, this shift should not be taken for granted, as the city is still a World Heritage Site and the city’s interest in it remains relevant. This means that the urban component should be considered through the entire port strategy development, certainly involving a wider number of actors who were not necessarily considered before the discussions relating to Terminal 2.
Chapter 6. Diversification of the city economy and the hegemony of the tourism agenda

6.1. Introduction

For Valparaiso, the return to democracy in Chile meant the starting point for new attempts to revitalize the city. The city’s disinvestment experienced during the dictatorship shifted to a process of state-led strategic investments, which developed from the mid-1990s into more comprehensive plans aimed at urban regeneration. In Chapter 5 port activity as a key component of the city’s functioning was analysed, and this revealed a period of restructuring which allowed, mostly throughout the 2000s, a search for new economic alternatives to regenerate the city.

This Chapter will focus on the construction of an agenda based on the city’s heritage whose culmination and consolidation are related to the 2003 UNESCO declaration of the historic centre as a World Heritage Site (WHS) (Figure 6-1).

Figure 6-1: World Heritage Site area and landmarks

Source: Own elaboration
In the context of the different strategies promoted by the state and its attempt to diversify the city economy beyond the port activity, the Chapter analyses how the tourism agenda became dominant within Valparaiso, above initiatives linked to Higher Education Institutions or industrial redevelopment. The evolution of the strategies of regeneration and the increase in complexity with the inclusion of more actors along with the re-scaling in decision-making, show how coalitions are built in specific moments to foster heritage as a key driver for the development of the tourism industry.

The emergence of the relevance of tourism in Valparaiso’s economy, as one of its main components nowadays has been widely recognized. However, if we consider some figures linked to the participation of enterprises and workers in the total of the city activities, tourism (represented by hotels, restaurants, transport and agencies linked to tourism⁵¹) is not as influential as might be expected (Figure 6-2). In the period 2002-2015, activities linked to tourism represented around 6.9% of the enterprises in the comuna, whilst the people employed reached only an average of 4.3% in the same period (Figure 6-1). Nevertheless, these activities are the fourth in importance, far behind Transport/Storage/Communications (20,1%), wholesale and retail (14,4%) and Real Estate/Leasing (10,9%) (www.sii.cl).

![Figure 6-2: Participation of activities linked to tourism in terms of enterprises and workers, Valparaiso](image)

Source: Own elaboration based on Servicio de Impuestos Internos (www.sii.cl)

⁵¹ Due to the absence of official figures and a methodology regarding tourism at comuna level, it was considered the closest activities defined by Servicio de Impuestos Internos (Internal Revenue Service). Although these figures are not entirely consistent but a simple reference (For instance, disaggregate data from retail or real estate would imply more complex methodological procedures), it partially reflects the impact of tourism in the economy of Valparaiso.
Although the figures relating to the contribution of tourism seem not so influential, symbolically it has represented an important asset of the city, and, as the Chapter will argue, tourism reflects the junction of several interests coalescing for its economic exploitation.

The Chapter is based on interviews with key individuals, reports and the media which all show that, framed by a market-led approach and despite tensions among actors at many levels, stakeholders have been able to encourage tourism as a mechanism of urban regeneration, regardless of its outcomes within the city and the WHS.

The Chapter is divided into five sections. Section 6.2 analyses the process of consolidation of the city as a heritage urban area, and its emergent exploitation as a tourist asset. This section shows both public and private efforts building an agenda linked to the reification of the city heritage, especially after the WHS declaration. Section 6.3 addresses the evolution of strategies of urban regeneration around the tourism agenda and the rescaling of institutional relations insofar as political changes were produced at local scale or new supranational actors got involved in city affairs. The following Section, 6.4, analyses the impacts of planning regulations linked to the WHS on private investments and the spatial consequences beyond the site’s boundaries. The last Section, 6.5, discusses the building of different coalitions among actors, showing how, regardless of the centralization of the strategies of regeneration, the interdependence among stakeholders at different scales becomes crucial to define guidelines and their implementation. Local government ties with the state and the private sector have been relevant in consolidating tourism as the city’s so-called new economic pillar.
Figure 6-3: Tourism and Heritage Development Timeline

- 1995 MINVU’s Urban Renewal subsidy
- 1999 WHS proposal submitted
- 2001 MINVU’s Heritage Rehabilitation subsidy
- 2002 Plan Valparaíso
- 2003 Valparaíso Cultural Capital
- 2005 Contract between IDB and Chile
- 2006 PRUDUV
- 2010 Earthquake
- 2013 Second Tender for Terminal 2 Awarded by OHL (TCVAL)

Transversal axes

- 1995 Reactivation Plan
- 2000 UNESCO rejects proposal. State suspend process
- 2001 CORFO’s Puerto Cultura
- 2003 Valparaíso UNESCO’s WHS
- 2004/2005 Masterplan Modification. Historic centre as Historic Conservation Zone
- 2009 Plan RUMBO
- 2012 End of PRUDUV

Source: Own elaboration
6.2. **Shifting to a tourism-heritage-based agenda to regenerate the city**

Valparaiso’s heritage is constructed both physically and socially from its historical economic background, cultural practices and urban features. Based on interviews and some academic sources, Valparaiso’s heritage is built from: (1) the port activity and its influence on the city; (2) the imaginary of an intellectual and artistic elite and a bohemian lifestyle; and (3) a late real estate interest in the context of neoliberalism.

The relation of the port with the city was addressed in Chapter 5, but it is worth mentioning the importance of migration as a consequence of the port, in the construction of a *porteña* society. The legacy of Valparaiso is linked to a society forged in tolerance and diversity in a city with cosmopolitan expression, and an appreciation for the modern and innovative. By the end of the nineteenth century and beginning of the twentieth, people could expand the city by gaining land from the sea, building a complete underground channelling system in a very complex topography to sort out the functional relation between the hills and the plain areas, and creating a comprehensive transport system based on lifts and electric trams to enhance this connectivity (Pizzi and Valenzuela, 2009). Unlike other WHS cities in Latin America whose heritage is related to the colonial era, Valparaiso’s legacy is tied to the port activity and its urban features responds to an industrial influence.

The artistic and cultural life that characterize Valparaiso gained a new impetus in the 1960s. Espinoza (2011) details how this decade was marked with achievements in music, films and documentaries, the first Chilean television channel located in Valparaiso, and the opening of one of the emblematic houses of Pablo Neruda, *La Sebastiana*. Arguably it is from this period that the *porteño* lifestyle of the city started to become a cultural feature presented and disseminated by a new intellectual and artistic elite. The bohemian character of the city emerged and symbolically built an intangible heritage, which resumed after the ‘cultural break’ produced by the dictatorship.

Finally, in relation to the real estate development, despite the valuable stock of heritage buildings available after the changes to the port activity and the departure of city’s economic elites, the real estate interest was instead focused on the neighbouring city, Viña del Mar. The scholar Luis Alvarez argues that the loss of Valparaiso’s urban leadership and hegemony at the metropolitan scale, linked to the physical and economic obsolescence of the land in the ‘old city’, discouraged real estate action:

Viña del Mar had as much heritage as Valparaiso. The thing was that in Viña del Mar the real estate action pulled it down, while in the case of Valparaiso it was
conserved. I have always said that the heritage of Valparaiso exists because of real estate non-action in the 1980s. If this real estate machinery had been produced [in Valparaiso], most of the porteños would have understood this, [so] they would not have had any problem in sacrificing the little heritage burden remaining, located in the most advantageous areas for real estate developments (Interview, 10 March 2016).

The small and irregular plots of Valparaiso left in turn an urban historical platform that, I argue, contextualizes the process of heritage production that will be discussed below with the emergence of the state-led strategies of urban regeneration. Nevertheless, attempts to attract real estate development from mid-1990’s unfolded in a much more contested scenario, particularly with the emergence of citizens organizations in defence of the city heritage.

6.2.1. Culture and city branding: from heritage to tourism

The awareness of Valparaiso’s potentialities regarding its heritage during the 1990s raised the interest of private sector and the emergent concerns of citizens who started to organize around a new debate for the city development. Although the definitive turn of heritage towards a tourism agenda is widely recognized during the 2000s, the positioning of elites can be identified near the beginning of the ‘Reactivation Plan’. Private institutions such as the Regional Chamber of Commerce campaigned for the promotion of the cultural features of Valparaiso (El Mercurio de Valparaíso, 1995b, 1996a) and later the prioritization of tourism over other planned mechanisms of economic diversification (El Mercurio de Valparaíso, 1999a). It can be argued that those positions, also supported by Mayor Pinto at that time, had echoes in the strategies of urban regeneration, especially from ‘Plan Valparaiso’

Although the 1995 ‘Reactivation Plan’ links to tourism were related to the waterfront development, the strategy is commonly associated with the unsuccessful project Ejes Transversales (Transversal Axes). This initiative was aimed at regenerating five important streets connecting the hills with the plan, through public funds (US$ two million at that time) to attract private investments. However, the proposal scarcely achieved its goals. In fact, only two streets were effectively developed (Uruguay and Bellavista, Figure 6-4), with poor impact and producing new tensions between new unexpected uses and those originally projected. The historian and scholar Baldomero Estarda explains:
The authority has not been able to handle the situation because it has not studied it (…) there was the idea of making a civic square, right there is the SERVIU building. In the end they had to put in bars because that place was a place for vagabonds, a place where those groups meet, those tribes… skinheads… And, well, later they put some stands for craftsmen, and now it is already a bit more organized. That is a situation, a whole place that in the end had to be transformed into a place full of bars (…) and the rest of Bellavista street is full of street vendors everywhere. (Interview, 11 May 2016).

Figure 6-4: Bellavista Axis

Despite the poor outcomes of the Transversal Axes they represented an incipient though concrete attempt to produce attractive areas for further private interest. It also reflected a first clash between institutional views of tidy and clean urban spaces and a society’s view and their actual everyday practices, framed within the few formal opportunities in Valparaiso, including the development of alternative mechanisms of subsistence. Nevertheless, the guidelines of the ‘Reactivation Plan’ on the path towards tourism, were taken up by ‘Plan Valparaiso’, going further in the attempt to turn Valparaiso into a global tourist city in the context of urban economic diversification.

Under Plan Valparaiso the city got the label ‘Cultural Capital’, as it was decided to locate a new cultural institution at national level in the city. The announcement by President Lagos in 2000 of
the Consejo Nacional de la Cultura y las Artes (National Council of Culture and Arts), approved in 2003 after a long political process (El Mercurio de Valparaíso, 2003c), was a decision which became a key symbolic and concrete step in the consolidation of the cultural and heritage features of Valparaíso. This label was boosted by the city’s new definition as WHS a few months later, unveiling a strategically aligned process.

‘Plan Valparaiso’ developed relevant sectoral coordination to achieve its aims, involving both pre-existing and new initiatives, directly or indirectly liked to tourism. Key examples are the final definitions of Acceso Sur with the Ministry of Public Works, MINVU’s Subsidio de Rehabilitación Patrimonial (Heritage Rehabilitation Subsidy), CORFO’s strategies to create a technological pole and Puerto Cultura (Port Culture) 52 and the works of the National Monument Council in the context of the UNESCO declaration.

The concrete measures to regenerate the city were tied to a clear discursive approach towards the exploitation of culture and tourism based on heritage. State strategies, municipal actions and private interests acted together (though not necessarily in a coordinated way) to promote the city and to build a new economy based on visitors, profitability and, as Alejandro Corvalán, Regional Director of CORFO at that time called it, the “emerging heritage market of Valparaiso” (El Mercurio de Valparaíso, 2003d). Heritage was understood as the main driver of tourism development, and therefore of economic development. Paulina Kaplan, Director of the Department of Heritage management at Municipality of Valparaiso, states:

> Heritage must be profitable, it must be the engine of development for a society, and that is why all the actions we are doing are in pursuit of the human being, in pursuit of the empowered citizenship of this heritage (Interview, 22 May 2016).

While the focus on profitability is dominant in the heritage discourse, interestingly there is a second focus, still ‘in progress,’ which is to involve the city’s people in the potential benefits of heritage. In the neoliberal context, the first attempts were related to selling the city to potential investors and visitors, and later to the local citizens in a trickle-down process. Daniel Sepulveda, former Regional Ministerial Secretary at MINVU, made this clear:

> We have to build a legend, a myth, a story. That is, what is the interesting experience offered by living in this city? Well, Valparaiso has great potential. You can tell a great legend. A story. Promote an experience. Impose a brand ... but that brand must

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52 The Subsidio de Rehabilitación Patrimonial and Puerto Cultura are analysed further in section 6.5.
be linked to its heritage. That is the first condition. In today’s economy, in the
globalized economy, what actually generates wealth today is the sale of an
experience. If we are able as a city to make a story and put the whole city in motion
to build that story, we can get Valparaiso (in this case) to earn more money (El
Mercurio de Valparaíso, 2004a).

If the declaration of Valparaiso as a WHS constituted a joint effort that would benefit the city, the
actions which followed broke this consensus. Whilst the social actors thought the declaration
would be a strong tool to protect the city heritage, the institutional vision was more related to the
understanding of the city’s urban features as a tourist asset. Cultural tourism went ahead gaining
major relevance in the area of study especially once it gained self-impulse based on private sector
participation. For this, the following strategy played an important role.

PRDUV meant the consolidation of tourism within the WHS. Although the strategy, based on its
EPI’s (Chapter 4), aimed to produce regeneration beyond the UNESCO site, it ended up
consolidating this area through either direct interventions or investments agreed with sectoral
funding. The IDB guidelines to concentrate the investment in Opportunity Areas plus the active
role of the municipality in promoting the city’s tourist areas completed the consolidation of what
the scholar and activist Pablo Andueza defined as the ‘fifth economic pillar of Valparaiso’
(Interview, 02 May 2016). Therefore, tourism, supported by PRDUV consolidated a new
economic area, through the collaboration between public institutions and private interests
successfully acting in a very reduced space: the Concepcion and Alegre hills.

Although PRDUV effectively distributed their resources among their EPIs (Table 6-1), the
investments in the Concepcion and Alegre hills represented a continuation of projects and sectoral
policies coming from the period of ‘Plan Valparaiso’, expressed through subsidies by CORFO and
MINUV. Therefore, by adding both strategic periods, investments in public spaces and
infrastructure, special programmes aimed at renewing historic buildings for either commercial
activity or housing (many of them second homes), all reflected a clear institutional willingness for
targeted interventions. Institutions at all scales consolidated a concrete and symbolic, though
reduced, representation of the city heritage, promoted and exploited by tourism.

The predominance of the heritage-tourism agenda continued with the denominated ‘Plan
RUMBO’ in 2009, a public-private partnership aimed at positioning the name of Valparaiso as a
renewed tourist destination both nationally and internationally. This strategic plan, under
the sponsorship of CORFO and led by the renowned Catalan Group ‘Chías Marketing’, aimed at
doubling the number of tourist visits to the city and tripling expenditure by tourists. It used the III Universal Forum of Cultures held in 2010 in Valparaiso as a starting point to insert the city into the global tourist circuit (Plan RUMBO, 2009). Although the outcomes of these strategies are difficult to measure at the moment, it reflects institutional and private willingness to strengthen the development of tourism as a key factor in the city’s regeneration.

Table 6-1: Resources distribution by Entorno Patrimonial Integrado (EPI)

<table>
<thead>
<tr>
<th>EPIs</th>
<th>% Investment</th>
<th>Amounts (Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPI 1 Barrio Puerto – Santo Domingo</td>
<td>24.9</td>
<td>5.9</td>
</tr>
<tr>
<td>EPI 2 Aduana Square – Artillería Hill</td>
<td>0.9</td>
<td>0.2</td>
</tr>
<tr>
<td>EPI 3 Plaza Justicia – Cordillera Hill (includes Toro Hill)</td>
<td>20.1</td>
<td>4.7</td>
</tr>
<tr>
<td>EPI 4 Financial District – Alegre and Concepcion Hills</td>
<td>38.4</td>
<td>9.1</td>
</tr>
<tr>
<td>EPI 5 Barón Neighbourhood – Brasil Avenue</td>
<td>15.7</td>
<td>3.7</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>23.6</td>
</tr>
</tbody>
</table>

Source: Own elaboration based on PRDUV’s final report (MG Consultants, 2012)

The tourism agenda would become further institutionalized, and arguably produce successful outcomes in terms of the international positioning of Valparaiso as an attractive place to visit, but at the expenses of the uneven development of the city, creating new expressions of inequalities within the WHS (Chapter 8) and the rest of the city.

6.3. Rescaling institutional relations: entangled relationships

With the emergence of strategic proposals for the regeneration of Valparaiso, urban governance gained complexity over time, implying also a rescaling of goals, aims and relations among actors. If the state actions began in a straightforward way with the ‘Reactivation Plan’, as soon as general guidelines required more specific definitions and political commitments, the process became institutionally more intricate and contested as new players at other scales became more involved in decision-making.

The Presidential Commission ‘Plan Valparaiso’ put the elite of Chilean political power together to make key decisions, with a small Executive Secretariat in charge of the Plan’s execution. Although it was a small group, its political power supported by the Commission gave them major responsibilities in coordinating sectoral investments and aligning them to the plan’s vision. Alfonso Salinas, a member of the Executive Secretariat explains the meaning of ‘Plan Valparaiso’:
There was this Presidential Commission that was to meet with the Intendente, and he received them along with some gentlemen who were all part of the presidency staff and with the mayor, who was Hernán Pinto. The board was chaired by neither more nor less than Insulza\textsuperscript{53}, and constituted by Nico Eyzaguirre, [Minister of] Treasury, the MINVU with [Minister] Ravinet and all those who have something to say in the matter. Everyone was sitting in one hall at La Moneda\textsuperscript{54}, around a long table with all the actors there, monitoring and reporting on the development of this ‘Plan Valparaiso’ and its different lines of action: “How is the progress on the waterfront?” – “Well, we need to get a decree with the EPV president, the general manager”; “And the heritage issue?” – “Well, we are reviewing the subsidies of MINVU”; “What about the technological pole?” – “We are having conversations with CORFO, to make a building in the centre of Valparaiso, in that ‘Hucke’\textsuperscript{55} building”…

I don’t know, I’m just making it up. And each of those issues is within an agenda attempting to promote them, to execute them.

It was basically about relations, meetings all the time, with the Minister of Housing, with the Undersecretary of ‘whatever’, with someone from CORFO, with someone from Fundación Chile, with Eric Goles to bring in the Institute of Complex Studies, as it is in Valdivia. We were putting together the pieces of this ‘chessboard’ that is the way to generate this Plan (Interview 18 March 2015).

From the words of this former influential officer it is possible to understand the Commission’s levels of discretionary powers and political support to execute several very different projects. With a direct link to the President, it is constituted a clear top-down initiative, considering that the main members of the Commission were from national level ministries, including those in charge of the Ministry of Interior and the Treasury. The centralization of ‘Plan Valparaiso’ had concrete expression in the Commission itself, where the Mayor of Valparaiso participated too, but only as an invited member (Ministry of the Interior, 2002). The regional level authorities were also part of the Commission, though as the authorities were appointed by the President, their influence was rather less than that of the ministerial authorities. Symbolically the centralization of ‘Plan

\textsuperscript{53} Minister of the Interior.
\textsuperscript{54} La Moneda is the name of the Government Palace in Santiago.
\textsuperscript{55} ‘Hucke’ Building was a typical Chocolate factory in Valparaiso. Like many others, Hucke moved its headquarters out of the city.
Valparaiso’ was expressed in the location of the Executive Secretariat in Santiago, triggering tensions with Valparaiso.

However, the speed of changes in the city was undermined by internal institutional bureaucracy, alongside acknowledged inexperience within some of the state administrative system. More importantly, the sectoral character of the state administration produced tensions between the Executive Secretariat and the Ministries. In fact, it is interesting that interviewees who had worked at MINVU at that time refer to the policies made as ‘theirs’, not necessarily as part of ‘Plan Valparaíso’. Finally, it can be argued that at the centre of the problems were the tense relationship between Santiago and Valparaiso, alongside social mobilizations against flagship projects such as the cultural centre in the former city jail, and the subsequent mistrust of private actors investing in the city due to the emerging adverse environment at that time. ‘Plan Valparaíso’ represented the national scale interest over a city, and although key structural initiatives may possibly have taken place in the city during this period, internal constraints plus institutional relations at other scales undermined the full achievement of their purposes.

One of the key achievements made during the ‘Plan Valparaíso’ years was the UNESCO declaration in 2003 that gave life to PRDUV. This programme not only aroused the interest and expectations of the porteños, which was less ‘abstract’ than its predecessor, but it also included new actors from other scales in decision-making. Although PRDUV remained as part of the central government in SUBDERE, the mayor had a more important role in the process, especially from the political perspective. Moreover, PRDUV was logically linked to the IDB as co-financing supranational institution and unavoidable tied to the state commitments with UNESCO. Another important difference was the location of the denominated Programme Executing Unit in Valparaiso, thus avoiding unnecessary tensions with local people. The attempts to change the nature of the programme resulted, according to the last director of PRDUV, Roberto Barría, in:

... the most decentralizing action in terms of resources that I have seen, because it places central resources directly in the locality, and generates a platform, complex, but a platform that in the end, does not go through the region ... what could be more decentralized? Let the money go to the locality (Interview, 26 March 2015).

Indeed, and in alignment with Roberto Barría’s statement, some important investments were led by the municipality. However, the entire strategy in terms of objectives and spatial definitions was developed by central government, and all the decisions about fund transfers were made at that
level. Alfonso Salinas, at that time Executive Secretary of PRDUV, illustrated its overlap with ‘Plan Valparaiso’ by stating in the media:

The basic objectives [of PRDUV] are the urban revitalization of the city and the institutional strengthening of the municipality. And while most of the projects will be carried out in the area declared a World Heritage Site by UNESCO, he clarified that “it is not a programme to fulfil commitments with UNESCO, but to fulfil the Government’s objective of revitalizing Valparaiso” (El Mercurio de Valparaíso, 2006c).

Despite the strategy’s success in the regeneration of physical assets such as some municipal lifts, historic buildings, and several interventions in public space, none of the interventions, except in the Concepción and Alegre Hills, were able to consolidate the originally planned EPIs. In the end, there is a perception of failure regarding the PRDUV performance. According to interviewees, there are several reasons why the plan did not achieve its objectives, ranging from bureaucracy to clash of visions among the actors involved (Figure 6-5).

![Figure 6-5: Factors Leading to the failure of the PRDUV](image)

Source: Various interviewees
Among all these influential factors finally defining the process of urban governance, it is important to highlight two that I think help to understand the problem from the perspective of political relations on city matters. First, regarding sectoral priorities and regional redistributions over PRDUV’s, these reflect how the programme became ‘one more’ among many other initiatives. Unlike ‘Plan Valparaiso’ which was an umbrella, politically supported by the President himself, who was able to coordinate other ministries, PRDUV kept the centralization of power, but entered into a process of collaboration/competition with other sectoral initiatives.

Moreover, due to the nature of PRDUV, guided and supervised by an international bank and allowing more participation by the municipality, it became more permeable to criticism and opposition. As will be analysed below, the local level had influence on PRDUV because of the political power of the mayor, who engendered a degree of instability into the plan, changing objectives, projects and also changing the officers who worked on the plan. PRDUV ended with unfulfilled expectation, probably having its main success in the tourism agenda, though consolidating a tense relationship with local people.

6.3.1. The underrated but important role of local government and the mayor

There is consensus regarding the weakness of the municipality and its lack of influence in decision-making processes, especially those that originate at the national scale. However, in Valparaiso, the municipality problems to cope with top-down strategies of urban regeneration do not necessarily rely on administrative capabilities but on political power, expressed through the role of the mayors as the main local force. Mayors have been able to influence, with different levels of success, the development of the tourism agenda, despite several institutional constraints.

Among the issues of Valparaiso’s local government are the lack of technical staff and deficient capacity to deliver policies within the required timescale. This created hesitation by regional authorities to deliver funds and mistrust about the municipality’s ability to develop their own projects. Most of the constraints were linked to the lack of legal powers and the reduced budget available to develop municipal policies, with excessive reliance on national/regional funding to develop their plans. Although these problems are found throughout the country, the effect is greater in Valparaiso because it is a municipality with so much influence in the region and linked with multiple interests, making municipal performance more complex. In this context, urban matters become just one among many other responsibilities that have to be undertaken. Manuel Pedreros, former Urban Development Director at Ministerial Regional Secretariat, MINVU explains:
The institutional structure in Chile has to do with more sectoral division where cities, of course, have a municipal budget, but everyone knows that the municipality in the end is ... like the ‘poor circus’: that is, the municipality is not only concerned about the city’s urban development, it is also concerned about the city in terms of education and health\(^{56}\), so it is clearly difficult to make the municipality operate effectively with those resources. And on the other hand, it is difficult to make effective use of these resources with a sectoral logic (Interview, 17 March 2015).

Local government sits within a very hierarchical institutional structure, strapped in its ability to deliver administrative tasks, some of them beyond its actual capabilities. In Valparaíso the impact of these tasks along with poor resource management during different mayoral periods have implied a serious structural debt that remains until now. In this scenario, programmes such as Plan Valparaíso, and especially PRDUV, which made the municipality more active, constituted a huge support for the city as well as in political terms. However, due to the urgent local territorial needs beyond the boundaries of Opportunity Areas, such as PRDUV’s EPIs, it also implied a problem regarding technical implementation and institutional tensions. Nevertheless, and regardless of these problems, the municipality of Valparaíso has been a key supporter of the tourism agenda based on heritage. Luis Parot, Former Municipal Planning Secretariat at the Municipality of Valparaíso provides interesting evidence regarding the role of local government despite its constrained context:

The municipality at that time, in 2000, had more problems than it has now; remember that as result of these efforts, not because of the mayors but the realities of that time, the municipality lost almost 70% of its buildings: Playa Ancha stadium for instance was municipal, a lot of buildings were municipal and had to be sold to the state at a tax-based price to pay the deficit of the educational corporation that had a massive hole. Then, before the whole system broke, the state gave money and bought all those properties. However, the support for the heritage agenda, the impulse that was made for the Ministry of Culture to stay here, and ... well, successive policies of strengthening tourist activity, were policies already established for a long time, along with others that developed the technological area, creative industries that have been less successful... (Interview, 03 May 2003).

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\(^{56}\) Under the dictatorship responsibility for primary health and primary and secondary education was given to the municipalities, but they remained dependant on national funds and guidelines for their operation.
Despite the structural problems of the municipality, the heritage and tourism agenda has been seen as a relevant economic asset to exploit, before and during the implementation of central government strategic plans. To understand how the role of mayors in supporting the agenda became strategically influential it is necessary to develop further details on their participation. Three mayors have been in office within the period studied: Hernán Pinto and Aldo Cornejo (Cristian Democracy) and Jorge Castro (Independent Democrat Union).

Hernán Pinto, the first mayor after the dictatorship, was characterized by his strong anchorage within local communities, bonds built through ‘clientelist’ mechanisms (Perez, 2013). His territorial network made him, electorally, a key local politician for Concertación at national scale, giving him additional political strength in negotiations. For instance, Pinto was a key player in supporting the location of the National Council of Culture and Arts in Valparaiso. A similar situation arose with the presentation of the case of Valparaiso to UNESCO in 1999 to become WHS. During ‘Plan Valparaiso’ and with the city as a WHS, the first measures to convince the national state to request the IDB loan came publicly from him. Just two days after the declaration he expressed in a newspaper interview about the possibility of obtaining resources from the IDB (US$50 million):

That possibility is concrete insofar as we are able to inspire and convince the President of the Republic that if it is a possibility offered by that body, we could make it effective, and we will now prepare and deliver a set of proposals to discuss with the Council. But for that, I repeat, it is necessary that it be requested by the State, and the substantive idea of these credits is that they can be dedicated to investments that involve the heritage sector, but at the same time capable of generating jobs and a contribution to the city (El Mercurio de Valparaíso, 2003e).

After a long process of lobbying, the mayor was able to obtain support from the Local Council and from the National Congress up to President Lagos himself, starting with what the definition of the PRDUV would be. However, despite his electoral machinery, Pinto withdrew from the 2005 elections due to alleged paedophilia scandals as well as a huge municipal debt linked to controversial practices within the municipality. During this period, it is possible to identify a local/national coalition which remained relatively stable through the whole mayoral period.

With the election in 2005 of Aldo Cornejo, who had previously been a Deputy at the Congress, the relationship between the municipality and the national government took a rather different turn in relation to the implementation of the PRDUV. Unlike his predecessor, Mayor Cornejo did not
have electoral machinery, but did have close links with the Christian Democracy party leaders – and presumably close links to President Bachelet. In relation to this, in the context of Cornejo’s elections, Alfonso Salinas from PRDUV expresses:

> And there were elections for mayor and I remember that, at that time I said, ‘if a right-wing mayor is elected during the *Concertación* government, the programme will have more force than ever [because] we will not pass money to a right-wing municipality... but, if the mayor elected is from the *Concertación* ... how will the relationship with that mayor be? Who would get this? (...) Cornejo was elected, and Cornejo with all the good relations he had or built with [President] Bachelet ... and there, this thing [the PRDUV] went to hell! (interview, 18 March 2015).

The words of Alfonso Salinas express the desire to ‘by-pass’ the influence of the Mayor (particularly in the hypothetical option to have a local Authority in opposition to the National government), but also reinforce the argument that local government matters, even in the context of centralized strategic plans. Indeed, during Aldo Cornejo’s period in office, some of the important guidelines defined in PRDUV were modified, especially in the context of the municipality’s structural debt that he inherited. Arguably, influenced by the mayor, a significant quantity of money was invested out of the EPIs (around 22% of the total spent in urban works), reducing recurring municipal expenditures. Instead of applying for (competing for) resources from the Regional Government to develop projects such as street pavements, they were executed with PRDUV funds. For instance, the management of garbage was made a PRDUV project, something that benefited people through the cleaning of ravines, but only as a temporary improvement that came to an end with the conclusion of PRDUV. With these changes the public local/national coalition experienced more tensions than during the period of Pinto and was more unstable. Gabriela Meyer, Legal Officer at PRDUV, highlights the two sides of the tension:

> If you ask the municipality about their experience with the PRDUV, they are going to say that it was terrible, that they were constrained by PRDUV overseeing everything, deciding everything. The PRDUV, as the Executing Unit of the programme, they will tell you exactly the opposite, that they lacked management powers, first because they were [just] an executive unit, so decisions were taken in Santiago, and secondly because (...) in any case [a decision] could be changed if the mayor went to Santiago to argue for something different (interview, 07 April 2016).
The tense relationship finished after the defeat of Cornejo by the right-wing Municipal Councillor Jorge Castro in 2009. However, there were uncertainties again regarding the development of PRDUV. The programme, located in SUBDERE and still under the Concertación government, was moved from its Directorate of Municipalities to the Regional Directorate. This action according to Alexandra Garín, meant increasing participation in decision-making by the Intendente, arguably undermining the new mayor’s interventions. Nevertheless, Mayor Castro, with less political support within his party, was supportive of PRDUV proposals, especially after the election of President Sebastian Piñera in 2010. Under both national and local right-wing governments, the focus was on finishing the programme within the original timeframe, ending in 2012. Mayor Castro continued to develop the tourism agenda, involving the municipality in international organizations related to WHS, upscaling its position to become a more relevant actor in relation to UNESCO57, especially in the light of the coastline projects analysed in Chapters 5 and 7.

6.3.2. **Supranational institutions and the transformation of Valparaiso into a globally recognised city**

The declaration of Valparaiso as a WHS implied a commitment by the national government to generate the necessary policies to protect the site and make it an opportunity for development. The declaration was the result of the joint will of the municipality, scholars and social actors at the beginning of the process, taken up later by the Chilean state into the production of the definitive proposal. This process was built through temporary coalitions that aimed either to protect the city from the perspective of social organizations or to promote it and exploited it from the institutional side. However, the process had few echoes for its inhabitants. Eduardo Rojas, Former Officer at IDB explains:

> When it was declared [a WHS], it was rather a national matter, that is, the great leader of this was the President of the Republic who carried it forward. And the community of Valparaiso still asks: “and this, what is it for?” It did not reach the local level (Interview, 02 April 2015).

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57 The municipality is officially the administrator of the UNESCO site, but the supranational institution relates only to the nation state, as it was the nation state that made the formal commitment to protect the site. The mayor’s involvement in international organizations with other municipalities across the world was about having a voice and being a more valid interlocutor.
If the WHS declaration implied a leverage to position Valparaiso as a globally valued place linked to tourism, something publicly recognized by local authorities and other actors at that time (El Mercurio de Valparaíso, 2005b), this value had little impact on the local inhabitants, especially the poorest. The idea of Valparaiso as world heritage is now more widely understood at least symbolically, but the material benefits are hard to perceive beyond some entrepreneurial ventures. In fact, the attractiveness of the city under the UNESCO label has produced, by the promotion of the state at all scales, a concentration of interests in a small area, creating a new upper middle class segregated from the rest of the city.

Institutionally, as UNESCO does not have resources to put into the territory, its role, in the words of Eduardo Rojas, is one of ‘intellectual arbitrage’ though its advisory entities such as ICOMOS have focused on the preservation of cultural values founded in Valparaiso. Nevertheless, UNESCO influence can be understood as omnipresent in relation to state action mobilizing resources elsewhere or changing the city regulations at local scale to fulfil its commitment to protection. For instance, one year after the UNESCO declaration, ICOMOS complained during a visit in 2004 about the poor improvements in the historical site (El Mercurio de Valparaiso, 2004b). From this situation, it can be deducted that the creation of PRDUV worked as the political response to that complains. Moreover, the presence of UNESCO can constitute a social weapon to contest projects such as the city waterfront, as will be analysed in Chapter 7.

The relationship with the Interamerican Development Bank is interesting considering the positive pace of the country’s economy and the difference in contributions. Indeed, as the IDB provided less than a third of the total amount to finance PRDUV, their resources might not have been strictly necessary. The inclusion of the supranational institution was not for money but for methodological guidelines and accountability. Gabriela Meyer, Legal Officer at PRDUV, explains the contract:

It was done to improve the country’s image, to strengthen a strategic alliance with the IDB, and to receive technical expertise that the IDB implements throughout its projects in Latin America, under which it has designed or had strategic guidelines for operationalizing different plans oriented to development (Interview, 07 April 2016).

The inclusion of the IDB implied therefore the agreement of certain conditions and mechanisms to implement PRDUV in Valparaiso. Based on the Bank’s experience elsewhere, and with the arrival of professionals involved in important cases of urban regeneration, they attempted to
convince (or impose) the mechanisms necessary for the city’s regeneration. Alfonso Salinas, from ‘Plan Valparaiso’ and PRDUV and involved in the programme design, explains that:

... in the end, the IDB’s argument is interesting ... I would say to sum up that, among many other elements, … there were two essential things, one of which on paper was achieved and another was not achieved: one was to say “here you have to concentrate”, you must concentrate in a small territory, in a coordinated multidimensional effort, you have to give support to entrepreneurship, you have to give subsidies to anything, to clean the rubbish, improve public safety, improve the urban infrastructure, you have to make the different dimensions here flourish and that has to be concentrated territorially. (...) The second element, which has not worked, is that these people told us, everywhere for these issues to work, especially in Chile, this must be concentrated in an entity that should be able to get out of the public bureaucracy and has sufficient autonomy, policy and technical capacity to maintain the integrity of this. If you have this thing dispersed among different ministries, this detracts ... and hopefully that entity has the capacity to do real estate management and even, to be able to buy land... (Interview, 18 March 2015).

In Valparaiso, the first condition was achieved through the EPIs, although it was recognized as controversial considering the imbalance of investment, particularly in the city’s poor areas. It can be argued that the IDB concentration methodology was essentially about regenerating an economically attractive area and producing a trickle-down effect. The second condition did not work. The idea of an autonomous entity, presumably as a public-private association working at local scale was not to the liking of DIPRES, the entity that decided at national level how to spend the country’s money. This influential department, which was also involved in the decision to include the IDB, manifested at that time, according to Salinas, its mistrust in the execution of public programmes, especially when international funds were involved, in cases such as the Municipality of Valparaiso. The final decision was to keep the programme centralized in SUBDERE, within the existing Chilean institutional framework.

The scalar relations involved in the construction of governance at this point show how, after all, the central state remains the key player in processes at the local scale, though not the only one. Valparaiso’s interest and concerns emerging at local scale were institutionally upscaled to the national, which in turn projects it at supranational scale to promote and sell the so-called ‘country’s image’, a symbolic but important factor within the global economy in attracting capital investment.
These interests were also re-scaled to the city through the inclusion of the local authority, as their political influence remains relevant, for better or worse, in the achievement of strategic goals.

6.4. Regulations within the historic quarter: between heritage protection and freezing development?

In general terms planning instruments in Chile are very rigid. Both local and metropolitan masterplans have been criticised for their slow response to rapid urban change. Some argue that once a new Plan Regulador Comunal (Local Masterplan, PRC) is legally operational it has already become obsolete. Zoning and planning conditions can, depending on their features, either allow radical urban changes or ban them, and institutional projections regarding any kind of development do not necessarily align with private sector interests having disparate spatial expression within and between comunas. In Valparaíso, the local masterplan has remained in force since 1984. Miguel Dueñas, Urban Planning Advisor at the Municipality of Valparaíso (Interview, 22 March 2016) explains that originally, the plan was very permissive and produced by land value criteria. This masterplan, a response to the restructuring processes towards neoliberalism, did not produce major changes in the short term, arguably due to the real estate interest in Viña de Mar, which had better conditions for development.

Another situation to consider is the limited scope of social participation in the elaboration and modification of planning instruments. Although participation has only been recently included as a variable, especially during the diagnosis and preliminary outcomes stages of masterplan proposals, its inclusion is not compulsory by law, being more a matter of political resolution. According to the OGUC58, participation is considered at the end of the process when the plan is published, and observations can be considered or not, again leading this into a more political area.

With the emerging concern about the heritage of Valparaiso in the 90s and initiatives to include the city in the list of UNESCO’s World Heritage Sites, there was increasing interest in protecting heritage through planning modifications and restrictions. Between 2004 and 2005, almost the entire historic city was declared a Zona de Conservación Histórica (Historic Conservation Zone, ZCH), with around 1000 hectares that comprised the historic city centre as well as the surrounding hills and going far beyond the limits of the UNESCO site already defined in 2003 (figure 6-6).

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58 Ordenanza General de Urbanismo y Construcción – National Planning and Construction By-Law
Those interested in protecting the city’s heritage through masterplan restrictions have also responded to a more recent interest from developers and their attempts to build high-rise buildings on the coastline. Some of them were eventually built, clashing with the compact and continuous urban structure of the city. The definition of several ZCHs mean that developers requiring building permits will need, besides building consent and municipal approval, the review and the approval of the Ministry of Housing and Urban Planning (Art 60, LGUC\textsuperscript{59}). These administrative restrictions, aligned with the institutional commitment to UNESCO and the city heritage, turn the planning instrument in those zones from a permissive one to a more protective one. However, criticisms have emerged in response to these changes. First, the declaration of a ZCH or ICH (\textit{Inmueble de Conservación Histórica}, Historic Preservation Property) for particular buildings put restrictions on both public and private properties, but the responsibilities remain in the hands of the owner of the land or property, without any stimulus to maintain it, especially considering the enlargement of requirements on the building.

\begin{figure}
\centering
\includegraphics[width=\textwidth]{figure66.png}
\caption{Historic Conservation Zones (ZCH) of the Valparaiso’s Masterplan}
\end{figure}

\textit{Legend}
- \textbf{UNESCO Site}
- \textbf{UNESCO Buffer}
- \textbf{ZCH}

\textbf{Source: Own Elaboration}

\textsuperscript{59} Ley General de Urbanismo y Construcción – National Law of Planning and Construction
A second criticism relates to the homogeneous features of a ZCH as implemented in Valparaiso. María Virginia Vicencio, Director of Urban Development at Regional Ministerial Secretariat MINVU, explains:

… these areas of preservation were generated at the level of the municipality, and there is a tremendous area of sectors which are very different from each other, are very different neighbourhoods. Then, this idea to protect, protect and protect, at the end immobilized and does not give a dynamic to the territory, when in fact, maybe in an area with specific urban rules you could maintain the protection, but in turn give mobility to the territory (Interview 23 March 2015).

This situation became more critical within the UNESCO Site, defined as Zona Típica (Typical Zone) by the Consejo de Monumentos Nacionales (National Monuments Council), establishing more restrictions and requirements for the area and its buildings. Applications for new projects ended up in the hands of a group of experts within the Council who has discretionary powers to approve a project or not. In this way, the WHS has several requirements that overlap with regulations such as the ZCH and ICH, and areas of natural risk defined by the local masterplan.

Gonzalo Tellería a member of the influential Camara Chilena de la Construcción (Chilean Chamber of Construction, CCHC) is critical of this overlapping regulation and explains:

You have sites in which, to some extent, there is nothing to rescue, because [in an area] there are valuable elements to maintain and others where there is no reason, but deep down it was a ‘straitjacket’ for all subsequent development. So, when you go to Barrio Puerto, which has a huge number of brown sites, and you come with an initiative and superimposed the different planning tools and restrictions, there are about seven layers to which the projects have to respond, [hence] it’s clear why projects are not developed (Interview, 28 April 2016).

Although his arguments might have strong justification, especially coming from someone who works directly with developers under the CCHC umbrella, it is also true that some projects have been undertaken in the Barrio Puerto despite the constraints and many interventions have been implemented in protected hills. The lack of interest can be linked, in part, with the short-term approach of developers to invest, searching for suitable (and profitable) conditions in which to

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60 The boundaries of the UNESCO Site were based on the Typical Zone of Valparaiso called ‘Historical Area of Valparaiso’ defined in 2001, made by the addition of existing small typical zones previously defined.
propose a project. As a consequence, new urban expressions in Valparaíso can be found outside the limits of the ZCH, specifically on the unprotected hills. High-rise buildings are being built (Figure 6-7) producing new tense situation with local residents by impacting on their views, property values and quality of life.

Through the lens of planning instruments, it appears that heritage protection and real estate business are not compatible, reflecting the lack of investment in the historic quarter, except for Concepcion and Alegre Hills where there is a smaller scale of intervention. Nevertheless, planning restrictions might have accidentally constituted the unique mechanism that has prevented an expanded radical change within the WHS, avoiding larger displacements of poor people living in the historic area. Also, it shows that being solely concerned with historic areas of the city, regardless of their size, can have negative consequences at the whole-city scale, where planning conditions remain permissive for the speculative operation of developers.

Figure 6-7: Emergence of high rise building in unprotected hills

Source: Rodrigo Caimanque, May, 2016

6.5. Just a market issue? Building temporary coalitions through tourism agenda

This chapter has shown that institutional interventions at all scales become a fundamental aspect of place-making processes, despite the structural centralization of the state and its deep reliance on the private sector (Chapter 4). In Valparaíso, the way actors have built common agendas has been a hidden factor, especially in a case showing the contraposition of visions rather than consensus or agreement. Eduardo Rojas, a former officer at IDB, explains in relation to heritage protection in the tense national-local context that:


… Valparaiso is perhaps the essence of all those conflicts [...] where the set of stakeholders involved in decisions is minimal, very small, with very specific and small objectives. Never consulted, never expanded, so today nobody buys this (Interview, 02 April 2015).

The concentration of decisions in the hands of just a few actors is something that has been corroborated through the information collected during the fieldwork. However, it does not explain how public institutions make links with private actors to build, I argue, a common agenda for city regeneration. Here, the entrepreneurial approach of city promotion plays an important role, mechanism mostly triggered by local government though embedded within policies produced at national scale. According to Juan Carlos García, the MINVU’s and CORFO’s subsidies in housing and tourism represented key measures to attract private interest. To achieve the institutional goal, Paz Undurraga, an activist at Ciudadanos por Valparaiso, goes further in relation to the idea of promoting Valparaiso:

I have the [MINVU’s] publicity saying: “Take advantage of this subsidy”. It was taken from the public subsidy fund used to solve the housing issue in Chile, [and used] for second homes or investments, [as] it was publicized at that time (...) It was a subsidy which [initially] was good as it brought together heritage needs with housing needs; that was its objective. But in the end, housing needs were not for the kind of people who received the subsidy because properties prices were rising. The result was lofts, so a family with three children did not have any chance (Interview, 16 April 2015).

This can be quite controversial if is considered that the MINVU’s subsidies were mainly focused either on social housing or on attracting the middle classes to live in central areas, as shown by the experience of the centre of Santiago. Both mechanisms have been criticised for either producing low quality housing in isolated areas (Rodríguez and Sugranyes, 2005) or producing gentrification (Lopez-Morales et al, 2014) respectively. However, the problem in Valparaiso was that the idea of promoting houses potentially as ‘second homes’ that attracted the upper-middle class simply went beyond the limits of the social responsibility of the state. Although the subsidy was in fact unsuccessful due to the small number of subsidies effectively executed, Juan Carlos García states that it did trigger real estate development, because once the investment was made, it was possible to sell the units at a higher price due to the demand created in Valparaiso. Conversely,
if the units failed to sell at a higher price, the investment was secured through the subsidy conditions. Therefore, there was housing production, but it did not achieve the purpose of repopulation. Alongside this subsidy there was the CORFO’s Puerto Cultura, explained again by Juan Carlos García:

There was a CORFO programme called Puerto Cultura, which also involved me in its design, and which was to provide a subsidy for investment in tourism infrastructure in Valparaiso. It was something so clear… this was during the government of [President] Lagos: No authority in Santiago, no one... neither ministers of Economy nor Treasury, no one believed that it was possible that in Valparaiso there might be a restaurant or a hotel with a high enough standard for tourism purposes. The myopia of the political authorities was extreme (...). Today that subsidy is not necessary, I would argue, because in the end what the state did was to share the risk with the private sector because there was a public interest. That in my opinion was what detonated the situation... it was not the private sector by itself. [This is something] which I’m proud of (Interview, 07 April 2016).

Juan Carlos García later criticizes the role of the state as a mere provider of subsidies without a clear plan for the city. However, with PRDUV and regardless of sectoral disconnections, the targeted investment on the Concepción and Alegre Hills continued. This approach was echoed at municipal level with its interest in consolidating the tourism market. The scholar Carlos Lara clearly expresses the differentiation among different hills in relation to the benefits for tourism:

[If] I have a restaurant in the Alegre Hill, Concepcion Hill ... a restaurant, a cafe, in the heritage area, and you have a bakery in Baron Hill (out of the WHS). You and I pay taxes, we pay the municipal patent, everything that needs to be done. So why does the municipality repair my street, bury my electrical wiring for the street lights, keep my area pretty? It fixes my area and does nothing for you (Interview, 12 March 2015).

It can be argued that the difference between hills is a product of the expression of institutional intent to encourage private investment in the hills that are most economically reliable in terms of

61 The subsidy was for housing up to 2000 UF (Foment Units). If the buyer could save and pay 200 UF, the state put in the remaining 1800 UF for the purchase. Higher prices expected by developers meant a private purchase without state help.
their spatial features, tenure and security. The shared risk under the subsidy model would not have been possible in deprived hills, which demanded more investments attached to a vulnerable social fabric, something unattractive for the conservative and short-term approach of real estate and developers.

6.5.1. Small-scale entrepreneurs as developers of consolidated areas

In broad terms, the private investment in the Valparaiso can be divided into large-scale developers investing in the higher part of the hills (towers) and small- to medium-scale entrepreneurs focused on the historic areas and hills provided with adequate infrastructure. Daniel Morales from Mar para Valparaíso and the College of Architects explains:

... the most recent improvements you have seen in Valparaiso are almost all private, made by a few who have had a little more sensitivity, and who have risked certain businesses doing small-scale development. However, the city is increasingly dirty, more dangerous, etc. (Interview, 12 March 2015).

The criticism made by Daniel Morales can be linked with the socio-spatial differences existing in the city and reflects the way small investors took risks in (some areas of) Valparaiso. However, the evidence provided indicates that the private sector has never been the only actor involved here. The public agenda in Valparaiso, fuelled by the interest of other institutionally clustered private actors (see next section), has provided the platform for those developers to take the investment risk. That is not to say that small-scale entrepreneurs were not important; in fact, it can be said that some of their actions began in parallel with the institutional subsidies. What seems clear is that, after this combination of actors informally working together and the success of the tourism agenda, new entrepreneurs have arrived in the city. These groups have been developing further initiatives under more sophisticated umbrellas such as architects-led co-working spaces and/or through more recent public programmes such as CORFO’s Industrias Creativas (Creative Industries) more guided towards innovation and development.

It is possible to identify a diversification of these entrepreneurial associations, going beyond the single architectural project (though still dominant) towards participation in academic seminars or involvement in social projects, the latter especially after the 2014 great fire. Interestingly, some of the recognized groups are linked to the opposition to Terminal 2 (Chapter 5). In this regard, small-

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62 Some exceptions can be recently found in Barrio Puerto, although work is yet to start on most of the projects.
scale developers were balancing interests between their vision of the city’s development and their own businesses. Certainly, most of the architectural projects recently carried out in Valparaiso have been undertaken by these actors. In recent years, and in coalition with other social actors, they have constituted a new voice within Valparaiso, promoting a direction in which different organizational agendas tend to converge, providing new inputs to the complex and entangled form of governance in Valparaiso.

6.5.2. **Multi-scalar tourism-led coalitions: building links at various scales**

One key aspect of regime analysis is the interdependence between local government and the private sector, facilitated through informal coalitions. However, as coalitions cannot be reduced just to those groups of actors, associations must necessarily reach out to other scales. In the case of Valparaiso, it has been possible to find some of the usual features of coalition building, though with particular features. The municipality of Valparaiso, besides its economic dependence on national and regional government, has made various links with private actors either to push agendas such as tourism or to modify planning instruments aimed at attracting more investment. (See also Chapter 7.)

The construction of the tourism agenda in the city has demonstrated signs of confluence between public and private interests. At first, private sector institutions such as the Cámara Regional de Comercio (Regional Chamber of Commerce) and Fundación Valparaíso promoted the need to put tourism at the centre of the city development. In particular, the Regional Chamber of Commerce has been a key player in fostering the tourism agenda alongside the development of the university cluster. The involvement of the Regional Chamber has been consistent, and its association with the public sector has been demonstrated at all levels. Jorge Martinez, former president of the Chamber, is emphatic when mentioning their participation in the tourism agenda:

*RC: How did you collaborate with public institutions in the construction of this agenda?*

Throughout! We were an active part of the whole agenda, and we participated in all aspects of city development, in everything. For once, I was the president of tourism not only in the Chamber, but when, during Bachelet’s first government, the cluster of regional tourism called Viva Región, was created in the National Development Agency, I was the first President (...) of the Regional Tourism Cluster and we had it here in Valparaiso. The Chamber and the private world were present in the tourism cluster and in fact we generated training opportunities, we generated CORFO’s
projects, developing projects for the tourism industry and supporting the emerging university world. We were involved in everything, and also [involved] in a great effort to attract investment and to put on the table the lack of public investment (Interview, 13 May 2016).

The multiscalar coalition among the municipality, PRDUV and the private sector had its most remarkable expression through the regeneration of the Cousiño Palace (Figure 6-8 and 6-9). The palace, commonly known as the ‘rat trap’ due to its abandonment and deterioration throughout the years was previously saved from demolition thanks to the action of Ciudadanos por Valparaiso, which turned the building into an emblematic and challenging case for the city’s regeneration. The coalition was built based on a mechanism to purchase major buildings with PRDUV resources and transferred to the municipality, so they could regenerate them either directly or through agreements with the private sector. The second option was the option taken for the palace.

Figure 6-8 and 6-9: Cousiño Palace

Source: El Mercurio de Valparaiso (2005) and Duoc UC (2017)

Whilst several participants valued the business model, which allowed the land prices to be fixed as after the purchase the municipality does not speculate with property in order to attract investors and intervene in critical areas of the city. However, little has been said about internal agreements and commitments involved in this sort of transfer, particularly between the municipality and the private agent, in this case the private higher education institution, DUOC. It can be said that the
degree of closeness between Mayor Cornejo and the Regional Director of DUOC (Jorge Martínez), played a key role in the regeneration of the building.

Speaking with Cornejo about the city regeneration, heritage matters linked to the IDB funds, Aldo had the idea, following the example of Quito, to get three emblematic buildings: The Cousiño, Liberty and Subercaseaux, and give them in loan, without rent payments, to private investors, so they can regenerate them and make hotels, restaurants, anything. Thus, after the loan, the city would get a new regenerated building. He asked me to explore one of these buildings. DUOC already had its new facilities in the city so they were not searching for space. But, for several reasons… as I said, I considered the ‘rat trap’ as the city symbol of decadence, so I started to design an alternative for the building. I spoke with Aldo, and with the approvals of the headquarters, we begun to explore. However, for million reasons it could not be a loan… (Interview, 13 May 2016).

The agreement finished with the purchase of the municipal land, at the same price as the PRDUV previous purchase, around US$ 1 million, and the regeneration implied private investments near US$ 10 million. With this, an important building was regenerated, and DUOC was positioned as an influential city educational centre. The Centro de Extensión Duoc UC, Edificio Cousiño (Extension Centre DUOC UC, Cousiño Building) finally opened in 2011. Here is possible to identify in more detail how at key moments coalitions were built implying different types of resources to make it work. The most interesting aspect of this case, linked to the higher educational agenda, relies on the fact that the centre plays a key role in strengthening the tourism agenda. The building, next to a recognized place for cultural activities, gives academic degrees in Tourism, Gastronomy and Heritage Restoration. As a well-known building in the city, it also has a Tourism Information Office. Therefore, Palacio Cousiño ended as a key educational resource for the development of the tourism agenda built through the years.

The links between private and public actors moved from common interest such as those expressed through the media towards more formal, though temporary, mechanisms of associations. The Regional Chamber of Commerce shared common interests with the public sector regarding the idea of economic diversification beyond the port activity. In relation to tourism, Jorge Martínez explains:
We started to develop a very incipient tourism with a lot of effort. There was Plan RUMBO, on which I have already commented. Also, we started with associations among the private sector, public sector, institutions of higher education, to concentrate strongly on tourism. So, it started with the help of PRDUV as well, the support for tourism enterprises [expressed in] two large categories... it is true that it was very settled in Concepción and Alegre Hills though [now] it is already diversifying a little more: on the one hand there was basically a hotel offer, boutique hotels for people who wanted overnight accommodation; we did not have that and the number of beds was nothing. On the other hand, restaurants – so a new direction began, among boutique hotels – a gastronomic offer began to be interesting and began to be developed (Interview, 13 May 2016).

Plan RUMBO exemplified how associations are finally produced at different scales. The plan encompassed an array of actors including local government, higher educational institutions such as DUOC-UC, the Servicio Nacional de Turismo (National Tourism Service, SERNATUR), a private tourism company (CONSETUR), CORFO, who financed the plan, and the Regional Chamber of Commerce, who made links with the consultant Joseph Chías to lead the process. For the local authority, this plan, produced in the context of the PRDUV, which was involved as partner of Plan RUMBO, expresses how in the end “the heritage sense responds to an economic logic, having tourism as the articulating axis” (Rojas and Bustos, 2015: 167). It can be argued that, after the UNESCO declaration, the increasing interest to strengthen the tourism industry found in Plan RUMBO a formal expression of coalitions built to create and maintain the agenda, evidence also corroborated by Jorge Martinez. However, he also recognized the period from 2010-11 as one of stagnation due to a clash of city visions and its inherent urban conditions. In other words, if heritage was the key engine for the development of tourism it also constrained it, due to regulatory restrictions, social actions to defend the city, and certainly a lack of leadership able to provide clear guidelines for the long-term. This became more critical, I would argue, after the emergence of Terminal 2, which completely reconfigured the city agenda.

6.6. Chapter conclusions

The construction of Valparaiso’s tourism agenda is the product of a long-term process aimed at economic diversification, where the involvement of several actors coalescing in different moments through time and scale, consolidated tourism as an important emergent industry. Having heritage as a key platform for tourist development, the strategies of urban regeneration produced between
1995 and 2012 showed incremental levels of complexity in their implementation, relating to intersecting and multi-scalar coalitions in the construction of urban governance. If the ‘Reactivation Plan’ was a rather general framework aimed at city diversification carried out by the national government, the PRDUV was more detailed and entangled, being rescaled to both local and supranational interests involved in its definition and implementation. In the middle, ‘Plan Valparaíso’ took cultural tourism based on heritage in a more determined way, as emerging ‘pillars’ of city development. Among other initiatives such as the university hub, and the technological pole, tourism became the dominant agenda. In the end, it can be said that tourism could achieve the main premise expected by market-based strategies: sustaining itself as a private activity after the state finished providing the foundations that enabled things to happen.

Tourism had a sustained institutional support with direct impact on the city, both symbolically and materially. It is an agenda which started as an idea coming from both the municipality and the interest of the city elites, carried on by the strategies of urban regeneration and consolidated through private investments. All of this was framed by the UNESCO declaration, the key cornerstone produced through the (initial) collaboration between citizens and institutions at different scales.

However, the WHS declaration as landmark cannot be considered as pre-given or taken for granted, for the performance of coalitions. The UNESCO declaration is in fact the result of a specific coalition built between local institutions, scholars and members of the civil society, later upscaled once the central government got involved. However, as the process was always carried on at the leve of elites, the declaration ended in a dissociation from everyday practices within the city, with a local population that never actually understood or felt they benefited from the meaning of Valparaíso as a WHS. The dissociation became more explicit after the declaration, when the institutional agenda adopted a different approach from that expected by social organizations. The global north-like vision of Valparaíso was as a city regenerated through attractions based on spectacles for visitors, flagship buildings and a waterfront, which never considered what Carlos Lara called the ‘original ways of life’ of porteños. As the changes did not permeate citizens’ lives, the impact was relatively poor in terms of local engagement.

The targeted approach of the city’s regeneration in successive strategies can be explained in terms of a top-down vision from the nation state and its subsidiary mechanisms working for and with private interest, which in neoliberal Chile, was the key player in regenerating Valparaíso. Certainly, the IDB guidelines promoting the concentration of resources in opportunity areas (EPIs) was important, but this was something already developing in Valparaíso. In this path, the local
scale became important, despite its structural constraints (administrative and budgetary), in an incremental way through the strategies of regeneration, and more permanently in the strategic promotion of the tourism agenda. The role of the mayor became highly relevant in making short-term coalitions over time in attempts to support more enduring agenda. Mayor Pinto mobilized his political resources to make the city a ‘Cultural Capital’ and for the investment of what would later be the PRDUV in stable coalition between public local and national scales. Mayor Cornejo, more controversially, became an influential actor in the modification of PRDUV initiatives, increasing tensions through building strategic coalitions with the private sector as in the case of the ‘Cousiño Palace’ regeneration. Finally, Mayor Castro kept alliances at international levels with other local authorities linked to WHS to continue the city promotion elsewhere.

Private sector’s interests also coalesced with national and regional institutional levels to consolidate the tourism agenda, being involved in policy-making such as the Regional Chamber of Commerce, as well as in place-making, through the action of small-scale developers involved in the transformation of some areas of the WHS and beyond. The action of the latter was deeply retrofitted by the state action through its several subsidies and direct strategic intervention, which along planning regulations, provided the platform for such scale of real-estate development. The evolution of these actors linked to a new city elite had effect on other debates such as Terminal 2, as analysed in Chapter 5.

Although the identification of coalitions in a very specific way is possible, for regime analysis, leadership is key in the governing process, something that has been missing in Valparaiso. What can be identified instead is an entangled set of relations coalescing and clashing at specific times, pushing an agenda that was only a part of what was understood as the city’s economic diversification. Actors at multiple scales took temporary control of the agenda with associations mainly based on the exploitation of the city heritage through its tourist promotion.
Chapter 7. Port and heritage agendas superposed through the waterfront project

7.1. Introduction

In Valparaiso, there is not a clear consensus regarding the real importance of and open waterfront for the city. Some argue that the waterfront was always part of the city before the transformation of port activity, where access to the sea was related to the process of loading and transfer, linking city and port. Others contend that access to the sea has other features related to life in the hills and the exceptional views provided by the ‘amphitheatre’, so direct access was not a real need in Valparaiso. The re-emergence of the waterfront idea since the 1990s can be understood as a response to the evolution of port activity, when technological improvements at the port meant the closing of this public space. Whilst the port activity was in a process of restructuration (Chapter 5), regenerating the coastline started to be seen as a huge opportunity for the city’s revival.

This chapter analyses the evolution of the waterfront development, which was born from a local consensus in the early 1990s, but moved to more rigid institutional mechanisms during the 2000s to make it concrete. In the context of the strategies of urban regeneration, the waterfront project was considered the most emblematic initiative, raising the political expectation to leave an important urban legacy in the context of the celebration of the country’s bicentenary. The 20 hectares of available space promised the development of a unique city landmark with huge impacts in both the coastline and in relation to El Almendral, an attractive and underdeveloped urban area of the Plan facing the waterfront (Figure 7-1).

However, through the years the waterfront project, in the hands of the Port Authority, EPV, moved towards a simpler and more straightforward model, finally expressed in a privately developed commercial project: a Mall project, called Puerto Baron. The project decided in 2006 and calculated as costing US$ 150 million, proposed, beside the commercial building, seven hectares of urban space including a promenade of 40 metres width alongside the coastline for public purposes. Once Puerto Baron was announced, several voices from social organizations to politicians emerged to contest the commercial project, arguing about its unsuitability, that is, the threat to local commerce, the negative effects on heritage and in particular the claim that the area should be kept as port reserve area.
Throughout the process, the contractual association between EPV and Plaza Group is continuously supported at regional and local scales through informal coalitions that moved towards more formal spaces to make the project feasible. The institutional desire to undertake such a project is reflected in several actions that happened before its materialization, both in legal and spatial terms. As proper action of the state under neoliberalism, public sector efforts such as targeted public space investments and modification of planning regulations were made to provide an attractive platform for private interest.

In this instance, a political scenario was configured where institutional support clashed with social actions aimed to undermine the project. Along with this, UNESCO became involved, temporarily reconfiguring the decision-making arena, and reshaping the features of the coalitions supporting the Mall. An intertwined and entangled process of urban governance was configured around the waterfront project, now incorporating new requirements linked to the city as WHS.

Interviews with key participants as well as media reports are used to build the argument, along with maps and images helping to develop a spatial analysis as a key aspect for understanding the process of consolidation of the waterfront project.
Besides this introduction, the chapter is divided in five sections. Section 7.2. addresses the historical aspect of the waterfront development, analysing the mechanisms used to secure land tenancy and attractiveness for private investors, and the decisions made to select commercial projects. Section 7.3. examines the features of the project named Puerto Baron in more detail, opening the debate regarding the contradictory nature of the state’s role in facilitating investment in a neoliberal context, especially regarding public space and land speculation. The following section, 7.4., refers to how politics became involved in processes of planning modifications to give the mall enough profitability, regardless of claims of irregularities within the changes made. Section 7.5. focuses on the role of social actors’ strategies in contesting the project, analysing their capacity to jump scales. It also addresses the institutional responses made to secure the project’s future, showing in a formal way how a developmental coalition remains operative. Finally, conclusions are drawn.
Figure 7-2: Waterfront Development Timeline

- **1995** Reactivation Plan
- **1997** Port Modernization Law
- **2000** EPV’s Masterplan Baron area for the waterfront project
- **2002** Plan Valparaiso
- **2003** EPV’s proposal to modify local masterplan
- **2003** Passenger’s terminal inaugurated
- **2006** PRDUV
- **2008** Municipality approves Baron Seccional amendments
- **2009** Municipality approves new modification of Baron Seccional
- **2006** Plaza Group awarded with waterfront project (Puerto Baron)
- **2011** Social Organizations present letter to UNESCO
- **2014** UNESCO request the state’s involvement and Puerto Baron’s review of the project
- **2013** Puerto Baron Begins works
- **2015** Plaza Group redesign project

Source: Own elaboration
7.2. The local idea of ‘taking back’ the city waterfront and the problem of institutional structures

The *Cabildo* of 1991 (Chapter 4) can be defined as a starting point for the idea of re-gaining free access to the coastline through a new waterfront released from all port-related activity. As the port activity was already located in the area protected by the breakwater, the *Baron* sector had the potential to become the new urban-scale public space for the city. However, the trajectory from the first desires to get a new waterfront to the project itself was a long-term process, constructing suitable conditions for its development. This path framed by the strategies of urban regeneration as stages of the project as well as the relationship with the Port Authority reshape the initiative, also re-scaling the project’s leadership.

In the context of the ‘Reactivation Plan’ Mayor Pinto promoted the idea of a tourism megaproject, mobilizing his political resources to convince both MINVU and President Frei to support it (El Mercurio de Valparaiso, 1995). During the second half of the 1990s, the concrete measures were more related to coordination and land transfers among the owners of the land, which at that time did not belong to the Port Authority (El Mercurio de Valparaiso, 1996b). This is a very important point, especially considering that currently EPV is the sole owner of the land. Thus, to achieve this outcome, different actors including local government acted together to ‘regularize’ the land and make the initiative feasible. In this regard, Adriana Germain, former Officer of the Direction of Municipal Works at Valparaiso Municipality, explains:

> The first vision [of the municipality] was to release the coastline of all that was not necessary there: bale sacks and grime and things left there in the port for years… So, what happened? There is an issue that has been talked about for years: “Give the port back to the *porteños.*” (...) The port has never belonged to *porteños* because the Railway Enterprise owned all that [land] from *Yolanda* to *Estación Puerto*. They totally owned it. In 1988 they decided to sell the expendable assets, they divided the land into lots that were called the ‘loteo of Baron’ (...) it was about 12 or 14 plots, of which [some] were sold to the port up to Baron [area] and from there [towards Portales] they were sold to other people... (Interview, 13 April 2016).

This former officer, who worked in the municipality from 1986, provides a complete picture of the long-term process of land transfers. At this point, the land between Baron and Portales was owned by different actors such as the *Compañía Sudamericana de Vapores* (CSAV) or the
Municipality. Here, the determination of local government to encourage the commercial and tourism project during those years in a straightforward way is reflected in their own sale of land to the port, around 17.5% of the total, to facilitate its development (El Mercurio de Valparaiso, 1999b). From this point, the local government support of the waterfront idea has been continuous throughout all the mayoral periods regardless of political changes. Indeed, the expectation of consolidating Valparaiso as an internationally attractive city for tourism linked to its heritage has been mostly based on this project. There has been a clear institutional position to defend the waterfront project. Luis Parot, a local officer in charge of the PLADECO at Municipality of Valparaiso, reflects on this support:

"It is easy to agree the contribution that this would mean for Valparaiso, to open the coastline from Portales to Edwards, to open the public coastal edge, equipped, with restaurants, with everything equipped. There would be no comuna in Chile in the central zone with such a coastline. A protected bay … that would be spectacular!" (Interview, 03 May 2016).

Finally, with the land in the hands of the port authority, now as an Autonomous State Enterprise operating under the 1997 Law of ‘Ports Modernization’, it was decided to release the land from Edwards Street to Portales for activities that were different from the port activity. This definition established under the Port Masterplan (2000) set the platform for the creation of new public spaces developed under ‘Plan Valparaiso’. However, it also started the opposition of stakeholders linked to the port activity, who were already campaigning in 1996 against the land conversion of what they thought should be a port reserve area.

7.2.1. **The path towards the development of a shopping centre**

From 2000, under the government of President Ricardo Lagos, the waterfront development acquired greater importance, especially in the context of *Acceso Sur* and the future removal of containers and trucks in the area already defined by EPV’s Masterplan. In the context of ‘Plan Valparaiso’, several studies and projects were developed, putting the waterfront development at the centre of the city’s economic revival. Whilst in 2001 EPV made the first tender for waterfront proposals for the Baron area, important projects where executed such as the regeneration of the Baron Pier as public space in 2002. One year later, the new passenger terminal in part of the old Simon Bolivar warehouse was also completed in 2003 (Figures 7-3, 7-4 and 7-5). In 2005 the Wheelwright promenade connecting Baron Pier with the new *Caleta Portales* (Portales fishing cove) was completed. All these important investments show the rescaling of the waterfront project.
from the local to the national scale, deploying all its technical, financial and political tools to initiate the regeneration. However, the rescaling also highlighted the contradictory ways in which the state operates. On the one hand, it produced direct benefits to the city through providing public spaces. On the other hand, all these interventions can be linked to the creation of an attractive platform for private sector investment in the remaining the core of the waterfront.

Figures 7-3, 7-4 and 7-5: Baron Pier, Wheelwright Promenade and Passenger Terminal

Source: Rodrigo Caimanque, March 2018 and www.vtp.cl

The most dramatic expression of this sort of ‘puzzle of projects’ built over time to facilitate the arrival of private capital can be represented by the ‘Edwards-Freire-Baron Promenade’. The so-
called *Paseo Lagos*\(^63\) was a publicly financed pedestrian walk from Edwards to Freire Street, which still remains closed and disconnected from the city because of the railway line. Alexandra Garín, an officer from the Municipality of Valparaiso who also worked on ‘Plan Valparaiso’, explains that, to understand the project:

> [it was necessary to see] all the works at urban macro-scale that were done in Valparaiso and announced in the president’s speeches at the time: The *Camino la Polvora [Acceso Sur]*, the Altamirano promenade, the Wheelwright promenade, the access to the coastline. That’s why the ‘Baron-Edward-Freire’ promenade, which cost 300 million pesos, was built. One that is small that has a few lights and today is closed. But deep down there was a motivation ... that in theory all the development of the mall was going to be made there, it was going to join that part with the other [investments]. Then, this work was seen as the first public step for further works with private sector investments for the other part (Interview, 10 March 2015).

What Alexandra Garín confirms is basically that public space projects built by the state were in effect the provision of conditions for a model of private-led regeneration. This model was aligned with several studies requested from 2000 to 2001 mostly by EPV (2002) showing the expectation that the Baron area would be developed in a shorter period. The *Plan Maestro Borde Costero* report (Coastline Masterplan, 2003) requested by EPV and written by various consultants including the assistance of Jordi Borja\(^64\), focused on that area of analysis and proposed the best opportunities for development. The proposal considered international experience in proposing programmes usually linked to regeneration strategies found elsewhere. Hotels, amenities, housing for middle-class and upper-middle-class groups, an aquarium and a ‘Museum of the Sea’ were proposed, alongside public space and the passenger terminal. These initiatives raised expectations that were reflected in the media, with publicly declared approval of several authorities at all levels.

However, the outcomes did not turn out as expected. According to Gisela Hassenberg, a consultant involved in the economic part of the proposal, the project was never truly understood by EPV, who were in charge of the project development by Presidential Decree (Interview, 31 March

\(^{63}\) Alfonso Salinas from ‘Plan Valparaiso’ also called it ‘Paseo Ottone’, as this project was the idea of President Lagos’s trusted adviser Ernesto Ottone.

\(^{64}\) Jordi Borja is a well-known academic, politician and activist involved in the process of the regeneration of Barcelona for the Olympic games in 1992 (he was part of the government of the *Ayuntamiento* of Barcelona from 1983 to 1995). From 1995 to 2016 he has been consultant supporting strategic plans in several countries, including Chile (www.ub.edu)
They argued that the proposal would not be profitable enough and it was finally rejected. EPV, without any expertise in real estate projects, and, according to some interviewees, without major interest apart from its profitability, put the project out to tender in 2005. One single submission was made by Plaza Group: for a shopping centre. Alfonso Salinas, officer from ‘Plan Valparaiso’, outlines the institutional constraints and complexities that forced such different outcomes from those originally expected:

So, in practice and being concrete and detailed, those territories belong to someone: The Port Enterprise of Valparaiso. And EPV is dedicated to what its name says! ... it does not do real estate management. The problem is (...) who does it? Is it the MINVU? Is [the land] expropriated? Well, it was decided that EPV would do it. Then, what did EPV do? They called for a tender ... “do this for me, develop this for me!” and in that bid one single interested party called Mall Plaza participated. Then, I remember having discussions with Gabriel Aldonei, who was the President of the port, and I said to him ... Ah! And all this [happened] in a pre-crisis Chile, in which capitalism reigned supreme, in which [projects] had to be done without subsidies. Then you say: “when an investor arrives, you want them to do it all privately... and you will not give them money “... They will have to make profit from somewhere! So, there was the idea to put a hotel, to put another thing, [because it was necessary] to have the numbers to maintain this... But, what private company is dedicated to make this? ... Fernandez Wood? Who? ... No one! Then, in practice this ended up turning into a mall! (Interview, 18 March 2015)

As the project chosen was in hands of EPV, unlike ‘Plan Valparaiso’, PRDUV, did not engage with the waterfront development. In this context the lack of experience of the Port Authority and the public system overseeing this kind of projects, along with aims to produce quick profits, ended in a simplification of the original ideas about the waterfront, reduced to a mall. It can be argued, based on the statement made by the scholar Luis Álvarez, that EPV’s involvement in real estate were based more on monetary flows to sustain its masterplan than on a project about public space:

EPV wants to produce resources to build the port ‘there’ [Terminal 2 area] and abandon it ‘here’ [mall area], that is to deliver it to the real estate development. EPV does not have a project to develop the city towards El Almendral. They want to release land to be able to concentrate on another side and to be able to have the
resources for that (…) So, it needs this piece of land [to be released] for real estate...
(Interview, 10 March 2016).

Whilst one argument of EPV to determine a new use outside of port activity and to justify the commercial project was linked to the agreements of the 1991 Cabildo, it can be said that the most important reason for the decision has to do with the high cost of Baron area for a port extension. Although the main claim of social, institutional and political voices has been to keep the land as a port reserve, the vision of EPV is quite clear. Cristian Moreno from EPV explains their position regarding using the current commercial land for port purposes:

There are many opponents who say [the mall] is going to kill the port, that it should be a port. No, we do not think this, and we are convinced that it is not the best place to do port development. It is a place that would involve very expensive works, in the case of opting for a port development in that area. It might also prevent urban access to the coastline for a long time. We are going to do Terminal 2, that is, Terminal 2 is now in progress and it is a project that we want to do anyway, because the remaining sheltered waters of Valparaiso are there. [Therefore], imagine that after all of this, another terminal comes, forget it! You will never again be able to reach the coastline (Interview, 07 March 2016).

The waterfront project cannot be dissociated from the aim of its entire Masterplan to achieve one of the main requirements of the Port Modernization Law of 1997, which is to exploit the land for port activity purposes. With this institutional focus, it can be deduced that a straightforward agreement between one single developer and one single owner of the land was the most suitable alternative to develop the Baron area. However, regulatory constraints, political involvement both in favour and against the project and the role of the social organizations would trigger an increasingly complex and tense process, in which the formation of coalitions played an important role in the future of the project.

7.3. A new waterfront based on consumption: The Mall Baron

In 2006 Plaza Group was awarded the use of the Baron Area for 30 years under the Concesiones system. This economic group is widely known for its shopping centre projects across the country, with their main model for the Mall Baron project in the port-city of Antofagasta, in the north of
Chile. The Plaza Group project, called *Puerto Baron* (Figures 7-6 and 7-7) proposed to develop the land essentially through spaces for consumption, similar to their usual programmes found elsewhere. Besides the promenade along the coastline, the project incorporated two squares, managed through the use of private security arrangements, connecting the project with two of the stations of the city’s *Metro Regional de Valparaiso* (currently known as *Metro Valparaiso*, MERVAL). Interestingly, as the urban space is not considered public under the Chilean regulations, its free use depends on agreements and protocols between the municipality and EPV.

The project required intense use of the land, producing, according to opponents, visual blockages between the city and the coastline, therefore, failing to achieve the original vision for the waterfront. It was proposed that the project regenerate the already protected old Simon Bolivar warehouse as part of the commercial complex. This operation produced another tension regarding heritage preservation around clashes related to the physical modifications that the warehouse would need.

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65 The port-city of San Antonio is another case in which a shopping centre was built in its waterfront, with a big impact on the city due to the scale of the building. This project was developed by Parque Arauco Group, which is one of the main competitors of Plaza Group regarding shopping centres.

66 The project will be based around so-called ‘anchor stores’ that structure the mall business model, along with various shops, cinemas and spaces of consumption. It is expected that cultural spaces will be developed, as found in other shopping centres elsewhere. One controversial programme is related to home improvement retail, undermining the idea of a more urban space.

67 Although the land belongs to EPV, a public enterprise, it does not mean it is legally public space.
7.3.1. Is it all about public space? Culture? Just profit?

The project has involved a series of ‘untold’ stories revealed over time explaining its nature based on profits and land speculation. One of the most significant is related to urban space as public space. The proposal for the shopping centre was considered valuable by the EPV authorities – and presumably the local authorities – as a way of dealing with public space maintenance, something that the public sector would not able to do, but the private sector would undertake instead as part of the proposal. Sonia Tschorne, a member of the Port Enterprise Board, describes the situation:

So, it is not just to say: “Sirs, why is the public space not built by the Chilean state?”
And who maintains the public space? Who cleans it? Who makes it secure? Who manages the public space? ... The municipality? They have no chance, no chance! And the regional government? Neither! So, let’s say ... I mean, this country is a very funny country, although per capita income today is over US$15,000, the taxes collected are so low that there cannot be quality of life improvements, and therefore we must necessarily resort to the private sector, so, through making good business opportunities, we can make improvement in the quality of life of the inhabitants, otherwise we’re finished! (Interview, 13 April 2015)

The maintenance of ‘public spaces’ is usually a problem in poor municipalities due to their lack of budget for this purpose. Valparaiso with its structural economic problems and debts fits into this category. However, in 2011 the media made public the contract between Plaza Group and EPV, whereby the Port Enterprise committed to give approximately US$21 million to Plaza Group to build and maintain that spaces (La Segunda, 2011a). According to the president of EPV at that time, Alfonso Mujica, this amount was not included in the tender, being a subsidy requested by the interested party within its offer, something commonly found in the model of Concesiones (La Segunda, 2011b). This example demonstrates clearly the way the neoliberal state operates to gain the attention of the private sector. Whilst it is expected that ‘public spaces’ linked to the mall Puerto Baron would be made and maintained by the private sector as compensation for the expected revenues through commercial activities, it was instead the state itself that provided public resources to Plaza Group to execute this task. However, to understand the complete business model, this ‘win-win’ between the EPV and Plaza Group, more elements need to be included in the analysis. Housing becomes a key aspect of this.

According to the ‘Port Modernization’ Law of 1997 a port enterprise can, through Presidential Order, dispose of plots of land outside the port area for sale. In 2006, President Bachelet authorized
EPV, through Decree 144 (MTT, 2006), to dispose of 30,000 Sq. Mts. Of land to be sold exclusively to Plaza Group for housing purposes. Using the argument that housing constituted a key aspect of the business model made between the parties, the arrangement would allow the private company to buy this land within 30 years of the concession. It has been widely disseminated by the media that the price established in the contract for this potential sale was 2.25 UF/Sq. Mt\(^{68}\) (called Anticipated Minimum Amount), plus 10% of the selling price of each future housing unit (called Variable Amount) (Draft contract between EPV and Plaza Valparaiso, 2006). This agreement can be regarded as quite controversial if is considered that the land price on plots of the coastline is on average 24 UF/Sq. Mt. (CChC, 2014), and according to the media, this land was acquired by EPV at 19 UF/Sq. Mt. (Revista Qué Pasa, 2013). Therefore, it could be argued that the agreement was tremendously convenient for both parties in relation to the profit they would obtain ‘on the edge’ of legality\(^{69}\). On the one hand, Plaza Group would receive a huge advantage to obtain land cheaper than the commercial price, to exploit it for housing alongside its own Mall revenues and the public subsidy to create and maintain public spaces. On the other hand, the Port Authority would obtain revenues for an operation estimated to be US$ 240 million (La Segunda, 2011b). It could be said this is an operation through which EPV indirectly acts as a real estate player. As EPV cannot undertake operations beyond port activities, the revenues would be obtained through the concession, leaving others to ‘formally’ develop the real estate action.

Although at this stage, it could be said that the relation between EPV and Plaza Group was tied to a formal contract, the actions undertaken both before and after the waterfront tender was awarded, indicate the way coalitions aimed at the project materialization began to be built. So far, Plaza Group has not implemented the option to buy the three hectares of land. Members of the private company have argued that it is not yet in the plans. However, the possibility is always there within the 30-year concession. It can be deduced that Plaza Group has not taken this option because the *Puerto Baron* project has not been executed to date, which means a degree of uncertainty regarding the future of the project, with several false starts on the works. Indeed, without the mall, the housing project loses meaning as the prices will not rise, and so the entire business will fail.

\(^{68}\) The UF (Unidad de Fomento) is a financial unit re-adjustable to take account of inflation.

\(^{69}\) So far, from 2006, 13 judicial actions have been taken by social organizations and natural persons against the legality of the projects. Only one has moved towards higher levels of the judicial system.
7.3.2. Rescaling the mall to the city-region

To understand the full scope of Puerto Baron, the project needs to be placed at the scale of the city-region or the Valparaiso Metropolitan area (Figure 1-1, Chapter 1). The rescaling of the project implies the inclusion of other interested parties expecting to benefit from the Mall. Arguably, as Valparaiso historically lost its upper classes and has been constantly losing its middle classes to other urban areas of the city-region due to new transport infrastructure, the city does not have enough consumption capacity. However, as Valparaiso remains as the Regional Capital, concentrating most of the public services and office. Workers commute to the city on weekdays so there is an important floating population who might be potentials consumers in the mall. Here a new actor, MERVAL, the metropolitan Metro system turns out to be the closest ally for the mall project. Here a new ‘win-win’ situation is produced that needs a coalition of actors: the mall will attract more people from other urban areas and MERVAL will benefit from the potential increase in users. In the words of Luis Alvarez, scholar at the Catholic University of Valparaiso:

(…) all MERVAL wants is that the [mall] project is carried out because the gateways to the mall are the [metro] stations ‘France’ and ‘Baron’, and in turn for the mall, ‘France’ and ‘Baron’ are the two squares they have as entrances to the mall (…) The mall [is not] straightforward, because it is not intended for Valparaiso but is intended to attract the 900,000 people who live in the interior, not those who live in the hills and do not have consumption capacity. Therefore, the mall has metropolitan scale, connected by MERVAL. This explains why so many malls are concentrated in the same area. Currently, the mall that exists nearby is empty… (Interview, 10 March 2016).

This well-known scholar highlights the existence of more shopping centres near the waterfront (Figure 7-8), which can be linked to this metropolitan scale interest in attracting consumers. The proliferation of malls in a small area unveils a very complex set of relations among political and economic interests which intersect with the impact of Puerto Baron. As for Terminal 2 (Chapter 5), the interest of political parties became intertwined with economic interests. On the one hand, the mall has always been supported by Mayors Pinto and Cornejo, militants of the Christian Democracy Party (DC), arguably due to the legacy that such a project would give to the city. However, according to José Egido (Interview, 11 May 2016), President of the Truck Transporters and an opponent of the Mall, links can be made to former President Frei, also from the DC, who might have close interests in the railway business. Particularly, President Frei’s daughter is on the
Board of the *Empresa de Ferrocarriles del Estado* (State Rail Enterprise, EFE), of which MERVAL is a subsidiary. Although it is not possible to find deeper evidence regarding these interests, there is at least a correlation between the party’s involvement and the metropolitan business model between *Puerto Baron* and MERVAL.

On the other hand, interests are also linked to the right-wing party, the Democrat Independent Union (UDI). Although Mayor Castro (UDI) supports the mall, it does not necessarily represent the vision of more influential actors within his party. According to the media, the Von Appen Group, which operates Terminal 1, is ‘off the record’ opposing the mall (to avoid problems with EPV), arguing that the project will affect the port’s activity (Revista Qué Pasa, 2013). Beltran Urenda, an UDI militant, former Senator and main shareholder of several companies linked to maritime activity, including the Passengers’ Terminal, also opposed the Mall. Urenda has indirect links with the judicial actions to stop the implementation of *Puerto Baron*, through the lawyer Mario Zumelzu, judicial advisor to Beltran Urenda and currently advisor to the UDI. According to the media:

> a well-known jurist from the Fifth Region and UDI’s parliamentary advisor has taken an active role in this cause. But his participation has been recent. On April 12, he filed the first recourse of illegality against the [mall’s] building permit. From there, representing ASONAVE and the Federation of Port Workers of Valparaiso, he has led the cases against the retailer. According to his statement, he had remained unaware of this fight, until the UDI’s [member of the CORE] Manuel Millones contacted him to advise on the cases against Plaza Group. “There are no political reasons here. This is an illegal and immoral project. The State is subsidizing a private project”, he emphasizes (Revista Qué Pasa, 2013).

Although judicial action against the mall have been taken by social organisations since 2006, the presence of this actor, through which political motivations are tied to economic business, shows the intertwined interests around the project. Moreover, this lawyer is also an advisor to the architect in charge of the ‘other’ mall project in Argentina Avenue, a few blocks away from the Baron area.

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70 Regional Council
The impact of *Puerto Baron* goes beyond its spatial impact at local scale, but also involves several interests, both public and private, based on capital accumulation through implicit coalitions. Politics and business coalesce in rescaling the project to the metropolitan area.

### 7.4. The conflictive relationship between planning and the waterfront development

One key requirement for the waterfront project’s feasibility has been tied to the changes in the planning regulations affecting the land. As the land had originally been used for port activity, it was necessary to modify it to allow commercial and residential uses. If the second half of the 1990s was associated with transfers of the land to put it in the hands EPV as single owner, the 2000s marked a long period of planning modifications to favour the commercial project. In this regard, local government became relevant again as local masterplans are the exclusive responsibility of the municipalities, illustrating the interdependence among public and private actors in new coalitions, rescaled to the local scale. However, at this stage, the process presented major complexities, involving citizen mobilizations and political and administrative controversies, demonstrating the political nature of planning.
After a series of studies for the future of the city waterfront, EPV officially presented the proposal for land use modification to the Municipal Council in 2003. The proposal basically added new ‘permitted uses’ without changing the ‘port use’, opening the possibility of housing, commerce, tourism, cultural activities and sport. Alongside this, EPV proposed to increase the maximum height of building to 60 m. (approximately 23 storeys). These changes would allow architectural programmes such as housing, a 5-star hotel, an aquarium and a theatre (El Mercurio de Valparaiso, 2003). This can be considered as the starting point both for the following actions undertaken to allow the commercial project (Table 7-1), but also for several social mobilizations seeking to contain or at least modify its features (see Section 7.5.).

<table>
<thead>
<tr>
<th>Year</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003 (Nov)</td>
<td>EPV present its masterplan modification proposal (Called Plan Bordemar) between Edwards Street and Baron.</td>
</tr>
<tr>
<td>2004 (Aug)</td>
<td>Municipal Council approves the local masterplan modifications for the waterfront area. It also publishes two protocols: one regarding the use of spaces as public on the land owned by EPV and the other to secure programmes such as an aquarium and convention centre in the future tender.</td>
</tr>
<tr>
<td>2004 (Oct)</td>
<td>Regional Council approves modification of uses within the Intercommunal Masterplan of Valparaiso (PIV).</td>
</tr>
<tr>
<td>2004 (Dec)</td>
<td>Regional Comptroller approves the modification of the PIV.</td>
</tr>
<tr>
<td>2005 (Jan)</td>
<td>Regional Commission for the Environment approves modification of the local masterplan.</td>
</tr>
<tr>
<td>2005 (Mar)</td>
<td>EPV presents the Bordemar tender.</td>
</tr>
<tr>
<td>2006 (Oct)</td>
<td>President Bachelet signs Decree 144, allows disposal of land for selling.</td>
</tr>
<tr>
<td>2006 (Oct)</td>
<td>Plaza Group adjudicates tender for the waterfront project (Puerto Baron).</td>
</tr>
<tr>
<td>2008 (May)</td>
<td>Municipal Council approves the start of the amendment process for the Seccional Baron.</td>
</tr>
</tbody>
</table>


7.4.1. **Politics of planning: changing land uses and regulation for accumulation**

In Valparaiso, the political features of planning have permeated the entire process of the Puerto Baron project. This is especially clear at the local scale, where changes or modifications to planning regulation have been closely linked to an informal coalition aimed to support private interests and the mayors’ efforts to provide the best conditions for the arrival of private capital. Table 7-1 above shows the most important steps in the adaptation of planning instruments for the commercial project. However, the intricate decision-making process within the Municipal Council.
provides evidence of the influence of political interests in supporting economic ones. According to Paula Quintana, Councillor at Municipality of Valparaiso:

... [There is a] precarious [relationship], because in the end, what has happened is that the municipality yields to the pressure of the state and sometimes to the pressure of private enterprises, and this gives rise to problems of corruption.

RC: How does the private world relate to the municipality? Does the municipality search for collaboration in the private sector?

A lot, there is a lot of lobbying, although they leave nothing because all these companies pay taxes in Santiago, so they leave very little to the city, and I believe that recent findings about the [illegal] links between politicians and private companies [at national level] have clearly existed here in Valparaiso. So much of the silence, when one knows that the activity of a company is being detrimental to the city, the silence of the political world has to do with the financing of electoral campaigns. ...I believe that this relationship is even clearer in a city that is poor, and in the end the people who participate in politics are extremely vulnerable to bribery (Interview, 12 April 2016).

The way in which these informal relations happen makes it difficult to fully expose the degree of influence of business players in city matters. This influence is widely recognized, but the ways in which it operates are hard to track until the outcomes of a planning modification are completed. However, what seems clear is that, whilst there is a need for collaboration among interested parts, the coalition in this case is highly asymmetrical in terms of power relations. Nicolas Gatica, Regional Counsellor at The Regional Government (GORE) recognized how the results at local or metropolitan level provide evidence of indirect involvement of actors outside of the formal (and limited) channels of participation (Interview, 13 April 2016).

In 2004 and 2005, during the mayoral periods of Hernan Pinto and Aldo Cornejo, the approval process of the city masterplan modification in the Baron area implied a series of measures and actions developed in parallel to allow the commercial project to begin as quickly as possible. After the EPV’s Seccional71 proposal to the Municipal Council and following social mobilizations, the

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71 A Seccional Plan is a detailed planning instrument in a more specific area, including more specific streets layouts, zoning or land use. (OGUC, 2015)
final approval of the modification rejected the idea of increasing the height of buildings but accepted the possibility of housing. A new version of the proposal was submitted in August 2004 and the Municipal Council approved the modification. At the same time, the proposal was presented at regional level to be approved within the Greater Valparaiso Masterplan (PIV, later modified to its current name: Metropolitan Masterplan of Valparaiso, PREMVAL). This approval took place in December 2004. It is here that irregularities emerged, as the local masterplan modification could not be approved without the previous modification of the PIV. This movement among authorities can be explained by the changing political situation at that time. It can be argued that it was politically imperative to implement the Seccional approval before the local elections, which could potentially have resulted in a reconfiguration of political forces within the Municipal Council. Indeed, it was the recently elected Councillor, Alberto Neumann from the Communist Party, opposite to Puerto Baron, who drew attention to the irregularities described above. All this emerged because the 2004 modification required, in 2005, a final ratification by the new Municipal Council to be submitted to the Regional Commission for the Environment (COREMA) for final approval. As the Chilean political structure is strongly divided between two political blocs, there were no big changes within the Council in terms of political composition, and the ratification favoured Puerto Baron.

Once it was known that the tender had been awarded to Plaza Group, and with the approval of the Presidential Decree allowing the selling of land for real estate business in 2006, Plaza Group raised the need for new modifications to the Seccional Baron because of its lack of profitability. The requirement meant a period of uncertainty during 2007 for the future of the project, after the councillors’ rejection of any modification of planning conditions and the threat of withdrawal by Plaza Group. However, this uncertainty in turn provided room for informal negotiations in which Plaza Group finally modified the project within the existing rules (El Mercurio de Valparaiso, 2007b), though by potentially losing public space through the extension of commercial usage (El Mercurio de Valparaiso, 2007c). I would argue that this period was advantageous to Plaza Group, as they were still waiting to have formal access to the land because Acceso Sur was not finished yet, so it remained in use by trucks and containers. This gave them room for further negotiations with the municipality, without incurring economic losses. There was a positive response in 2008, when, after several attempts, the Municipal Council accepted the amendment of the Seccional Baron, which was finally re-modified in 2009.

The process leading up to the 2009 final modification deserves special analysis, considering how, once again, politics became intertwined with business ‘under the table’. In the context of several
mobilizations and judicial actions, the project started to become unpopular and any action to favour the interest of *Puerto Baron* was seen by mobilized social actors as ‘selling the city’. The Municipal Council session of June 2009, in which the update of the modification was to be discussed, had enough oppositional votes to reject it. However, the modification was, quite unexpectedly, finally approved. Isaac Alterman, activist of *Asamblea Ciudadana*, explains his views in the context of their mobilizations against the mall and the *Seccional* amendment:

> We fought that point until [the moment] the councillors voted on the amendment, and we had two councillors who changed their vote, Manuel Murillo of PPD and Asbalón Opazo of the Christian Democracy.

**RC**: Why did they change their vote?

Well, it is not very difficult to explain, but they gave arguments based on party orders, and that they had reviewed the project information once again. But finally, it was not that, because they had meetings with us, they knew the subject completely, advised by experts, so it was not a technical issue, it was a political decision ... (Interview, 20 April 2016).

According to other activist interviewees, the change in the councillors’ votes was just because they might have oversold themselves. Although the actual reasons for the change are difficult to prove in the context of the research, it does reveal, as Councillor Paula Quintana said, how city politics is deeply intertwined with capitalist interests. Its expressions can be associated with a wide range of options, from the direct involvement of Plaza Group in political decisions to convince those councillors about the benefit of such a project. In the end, the Sectional modification was approved with an increment of height from 9 to 10.5 m (El Mercurio de Valparaíso, 2009), which for a shopping centre typology means a significant increase. However, *Puerto Baron* complexities made the project far from straightforward at the local scale. New constraints emerged involving institutions at both national and supranational scales (Section 7.5).

### 7.4.2. *Making the Mall fit into planning*

With planning modifications sorted out, the following steps were linked to obtaining the *Permiso de edificación* (Building Permit), which was finally given by the municipality in 2013. The entire period 2009-2013 was related to the elaboration of the project itself and feasibility studies such as road impacts. This period is also characterized by several judicial actions and the consolidation of
the Comando en Defensa de la Ciudad Puerto (Command in Defence of the Port City) and later the Asamblea Ciudadana (Citizen Assembly). Regardless of mobilizations and actions in the court, the permit was finally given, and everything was in place to begin the work. However, as the project’s final design became known after the 2013 permit, this allowed organizations to expose a series of irregularities involving the project. Table 7-2 depicts several events that happened during a relatively short period of time between 2013 and 2015, in which planning regulations were at the centre of the debate.

The political willingness at all levels to make the project happen ‘no matter how’ illustrates that the materialization of Puerto Baron was always a goal to be achieved throughout all the governmental periods analysed. One of the key arguments regarding the mall project was the institutional commitment to a contract signed that had to be respected. Although this might be worthy of consideration, there is a great difference between the compliance of a contract and the mobilization of all resources and political powers just to keep the project afloat, despite its evident constraints. On the one hand, the modification of the OGUC made during the President Piñera period in relation to the main roads is the clearest expression of this, even when supposedly that government was less interested in defending the project (Revista Que Pasa, 2013). On the other hand, the archaeological plan to carry on with the works was finally developed by EPV instead of the party responsible: Plaza Group as owner of the project. This shows once again the essential role of public sector ‘efforts’ to sustain a private project, and the need to coalesce both at local and national scale to achieve that purpose.

<table>
<thead>
<tr>
<th>Date</th>
<th>Situation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct. 2013</td>
<td><em>Puerto Baron</em> works starts, despite irregularity regarding the project’s lack of direct access to a main road due to the presence of the train line.</td>
</tr>
<tr>
<td>Nov. 2013</td>
<td>National Monuments Council orders the work to stop, allowing it to continue only in the surrounding area.</td>
</tr>
<tr>
<td>Dec. 2013</td>
<td>MINVU modified the OGUC: Large scale project can be connected to main roads through secondary roads (at maximum distance of 300 m.)</td>
</tr>
<tr>
<td>Jan. 2014</td>
<td>The project is still regarded as infeasible; the project proposed a connection through an easement of passage by MERVAL, but the road would be still private, and it must be public.</td>
</tr>
<tr>
<td>Mar. 2014</td>
<td><em>Puerto Baron</em> instructed to elaborate an Archaeological Management Plan (However, it will be finally elaborated by EPV itself)</td>
</tr>
<tr>
<td>2015</td>
<td>MINVU under the new government (<em>Nueva Mayoria</em>) revoked OGUC modification</td>
</tr>
<tr>
<td>Dec. 2015</td>
<td>National Monuments Council approves the methodology of the Archaeological Management Plan</td>
</tr>
</tbody>
</table>

7.5. Intertwining scales: Citizens’ campaigns, UNESCO and new institutional alliances

Throughout the entire process of the waterfront regeneration, social organizations were active players opposing either the idea of changing the port use of the area or the project itself, especially once it became expressed in the Mall. Activism moved from social mobilization on the streets to judicial actions, constituting a contested scenario regarding the future of the entire city coastline, especially after 2013, when the project was approved by the municipality, alongside the tender for Terminal 2. The period from 2013 included UNESCO in the debate, linking the port, the waterfront and the WHS, hence rescaling the Puerto Baron project scope beyond national boundaries.

7.5.1. From ‘Que nadie nos tape la vista’ to ‘No al mall baron’

After the first proposal of EPV to change the local masterplan in 2003, Ciudadanos por Valparaíso, aware of the Port Authority’s attempts to increase the maximum height for buildings, started the Que nadie nos tape la vista campaign (Let no one block our views). They claimed that high-rise buildings would seriously affect the city’s natural amphitheatre. The campaign attempted to go beyond the specific problem itself, trying to generate a collective conscience regarding the importance of protecting the city views as an expression of spatial democratic accessibility. Indeed, the debate around the campaign laid the foundations for what would later be the protection of the amphitheatre as a Historic Conservation Area through the masterplan (Planeo, 2013).

It worth making a brief parenthesis, regarding the influence of a group such as Ciudadanos por Valparaíso as their actions has produced a landmark regarding the defence of the city heritage. By the end of 1990s, this group, a network of committed professionals and scholars, started to express their concerns about the city’s future after emerging attempts (some of which, though, were successful) to demolish historic buildings for projects related to retail, housing or other investment. Rojas and Bustos (2015) state that Ciudadanos por Valparaíso have counter-cultural and counter-political features, which aim to “counterbalance power and stimulate democratic processes of citizen participation, generating, in turn, civic awareness regarding the fact that we are all owners of the city and co-responsible for it” (159). Ciudadanos por Valparaíso has been involved in most of the processes of social activism in defence of the city. Although their strategies or campaigns are essentially based on the protection of specific buildings or urban spaces, their key message has been, as the activist Nahuel Quiroga at Espacio Santa Ana says, to “unveil the vulnerability in which Valparaiso is located.” (Interview, 02 May 2016).
In direct relation to the involved *Puerto Baron* project, the *No al Mall, Si al Puerto* campaign (No to the Mall, Yes to the port) had a different approach regarding the compositions of actors involved in the debate. Unlike the *Que nadie nos tape la vista* campaign, which was a more academic or professional-based mobilization, *No al Mall Baron* incorporated more actors mobilized against the commercial project. The port and transport world were deeply involved in the campaign as well as politicians, the Navy, members of the private sector, local traders and the College of Architects among others. According to Pablo Andueza, the Mall campaign involved the participation of different politicians, from the Communist Party (PC) to the Independent Democrat Union (UDI). The diversity of actors also involved a multiplicity of positions regarding their reasons for opposition\(^2\), and although they have been able to maintain a single voice, criticisms arose, especially from those defending the project. In that sense Luis Parot, from the Municipality of Valparaiso, states that, in relation to the mall as well as to Terminal 2:

> ... when you analyse calmly and objectively, what are the [subjects] being discussed here and what are the projects? Then you realize that much of this discussion is a bit fictitious and relates to other interests that are not on the table. So here among the truckers who are against the mall and of course, they want those back up areas for the containers and for the trucks (...). They are influential in saying no, “we do not want this, this has to be a port”, but they do not want a green area either. Then if you tell them that space is going to be public space, they say no, so you have the same problem (Interview, 03 May 2016).

Luis Parot raises some doubts regarding the common agenda of the movement, something that might have some basis when alternative proposals are discussed. If the movement has a consensus regarding the defence of the land as a port reserve, it is also true that there is an expectation by some people that these areas will, at least temporarily, be public space – something that might be opposed by the transporters’ organization. Another constraint is the issue of the scope of the campaign, which struggled with several surveys showing that inhabitants of the city might have supported the Mall with around 70% approval. These figures can at some point be related to the shifting actions taken by the organizations, moving from mobilizations on the streets, especially

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\(^2\) Among the most prevalent reasons was the struggle to maintain the land as a port reserve, mainly stated by the Port and Transport associations and workers’ unions. Other arguments were related to the impact on the heritage around the Simon Bolivar warehouse, and the spatial blockage of public space. Others did not oppose the mall itself but its location. Finally, there was a concern about the impact on small commerce spread across the city in terms of jobs, although the municipality, EPV and *Puerto Baron* argued that it would have the opposite effect, expecting to create 2,500 new jobs.
after the configuration of *Asamblea Ciudadana*, to the judicialization of the conflict. Arturo Mitchell, an activist from the Command in defence of the port city, comments on this:

We have lost a lot of resolutions, sometimes the opinions of the Comptroller are good for us, but by making various defences judicialized, the Comptroller decided to withdraw the case. We have some good resolutions, but suddenly we are losing some of them and of course, we are having ups and downs. And, well, there are other ‘fights’, citizens that make a lot of noise.

*RC: Which one?*

*The Terminal 2… (Interview, 20 April 2016).*

Although the 13 judicial procedures taken against the mall have been effective in delaying the project’s execution, it can be inferred that the judicial procedures have reduced the social impact of the campaign, as the actions remained in the hands of a few social actors and lawyers, unlike the mobilization period, which attempted to convene more actors. The boundaries of the movement were diffuse regarding its size and the way in which actions taken by the diversity of groups were included as part of the overall mobilization. It cannot be said that there is a single main organized head of the movement, especially in more recent times.

In this diversity of actors and type of mobilizations to stop the Mall, the action of a few members of the movement who were able to contact and involve UNESCO (analysed in Chapter 8) constituted an important landmark in the development of the project. With the participation of the supranational institution, the project was up-scaled as it became linked to the WHS. This new player implied as response, the full commitment of the national and local governments coalescing with Plaza group and EPV in order to keep the project afloat.

### 7.5.2. State responses in a rescaled WHS: the consolidation of a developmental coalition

The arrival of UNESCO in the recent debate on the coastline including *Puerto Baron* as well as Terminal 2, is interpreted differently, according to the actors’ perspective. Whilst for the social actors, UNESCO resolutions are compulsory since the Chilean state subscribed in 1980 to the ‘Convention Concerning the Protection of the World Cultural and Natural Heritage’ (UNESCO, 1972), from the state actors’ point of view supranational resolutions can be more relative. State responses would be more linked to the institutional willingness within national boundaries to resolve UNESCO requests. Beyond this debate, UNESCO resolutions do affect state decisions
and force it to mobilize its resources. The reasons are, arguably in this case, tied to diplomatic relations and certainly to the country’s international image, especially with the threat that Valparaiso might lose its WHS category. Although institutionally, the state and EPV collaborated to respond to UNESCO resolutions, this did not deprive other political actors such as the Intendente Gabriel Aldoney of the opportunity to criticize the involvement of UNESCO in definitions made outside the WHS polygon. Luis Parot, an officer at the Municipality of Valparaiso, expresses an opinion similar to that of the Intendente:

It is assumed that UNESCO has influence on the site and on the surrounding area that affects the site, that is, when we are talking about Puerto Barón, we are four kilometres away from the site. I don’t know how the Chilean state allowed, explicitly but completely informally, the expansion of UNESCO’s powers over an area that is not directly in question. In other words, the whole city is paralyzed because some specialists from UNESCO’s ICOMOS come to talk about, I don’t know… Playa Ancha! Because it affects the... then, let’s make the whole city a WHS! ... and that happens because of the weakness, the indolence and lack of assertiveness of the state of Chile (Interview, 03 May 2016).

Although UNESCO could put pressure on the Chilean institutional system, forcing it to respond and review its own definitions and resolutions regarding the coastline development, this did not necessarily imply the withdrawal of projects. In fact, UNESCO never suggested that. The state did mobilize institutional resources to improve a very controversial commercial project and that achievement must be attributed to social action in defence of the city (See Chapter 8). The following steps in this process, however, reflected the fact that despite UNESCO’s suggestions that civil society should be included in the debate, the coalition with developmental features (Stone, 1993) between the state and the private sector continued reproducing itself. The state response in 2014 was to create the Comité de Conservación del Sitio Área Histórica de la Ciudad Puerto de Valparaíso (Conservation Committee of the Historic Quarter of the Seaport City of Valparaíso) to address the redesign of the mall among other requirements raised by UNESCO. The committee was constituted by ministerial authorities and led by the Provincial Governor. It was given a short timeframe in which to provide alternatives, and started meeting in August 2014, with the aim of getting responses by the end of November 2014. During this period the committee invited a wide selection of stakeholders involved in the process. However, the consideration of
actors to address the problem was quite asymmetrical, evidencing that the conformation of spaces of collaboration was produced just to preserve the project.

According to media reports, an initial strategy of the committee was to keep the Municipal Council informed about the purpose and scope of their work. In this regard, only the State Party can provide alternatives to UNESCO, but the state cannot force Plaza Group to produce these changes (El Mercurio de Valparaiso, 2014a). The inclusion of Plaza Group is tied to their obvious interest to have all the conditions to begin a project that is still highly profitable, despite the years lost. In this context, differences emerged once the committee meetings had taken place. One of the committee’s tasks was essentially to hear positions and arguments from different actors, but in the last meeting with EPV, Puerto Baron and Mayor Castro had a totally different character. In that meeting design changes were agreed as were schedules for future actions such as the creation of spaces of local participation and architectural teams (El Mercurio de Valparaiso, 2014b). Through the actions of the committee, the coalition became formalized within governance, with the nation state (through the regional/provincial levels), local government, the Port Authority and Plaza Group, in collaboration to reinforce a disputed project. The collaboration between public and private parties has clear expressions firstly in the willingness of Plaza Groups to modify their project, and secondly in the state support reflected in the provision of architects to collaborate in the redesigning of the mall. Cristian Moreno from EPV, describes the process in the following way regarding the outcome of the proposal:

The design of the proposal has been well thought out and (...) we had presented this proposal to UNESCO, and UNESCO asked to improve the intervention. For the whole of last year (2014) a presidential order was made (...) led by the Provincial Governor, a board consisting of public agencies was set up in which 19 guidelines were established to improve the Baron project. And we participated in those meetings, we were invited but we did not form that committee. Then we had to pass on the guidelines established by the board to the concessionaire. From that, the concessionaire redesigned Puerto Baron based on the 19 guidelines with radical improvements, that is, the Simón Bolívar warehouse is now cleared, the heights of the buildings next to it were considerably lowered (...), the warehouse is not touched, it remains integrated in its historical structure and one passes through the middle [of the space] in a more discrete way. Volumes appearing in the Baron Square were removed, there was a commercial volume that was eliminated – therefore you can see a huge section of the warehouse, street furniture is cleared in public space, etc.
There are several measures that the concessionaire considered, UNESCO approved them and made a couple of more observations, which were incorporated. This year (2015) we would go to the Assembly of the World Heritage Committee to say: “Here is the project designed, we already completed the archaeological part and we are ready to start civil works”. (...) Then this project also had a review at this stage, therefore, you cannot ask for more! (Interview, 15 April 2015).

What becomes interesting, considering the words of Cristian Moreno, is, on the one hand, the collaborative efforts made by the public and private sector to accomplish supranational observations already demanded by social actors. In turn, it can be argued that social organizations were not seriously considered by the state as their participation was reduced merely to the provision of information during the elaboration of responses. On the other hand, the symbolic power exerted by UNESCO showed very concrete expressions as both the Mall and Terminal 2 were stopped until the requirements that had been imposed were achieved. In the end, Puerto Baron finished under a new design that Plaza Group agreed to implement, something which can be interpreted as an important step forward regarding the influence of social actors in decision-making, despite uncertainty still surrounding the main goal to stop the project.

7.6. Chapter conclusions

The waterfront project has represented perhaps the most significant institutional effort aimed to produce the city regeneration, the product of a long-term process led by the public sector towards its materialization. Although the project started from an idea at local level, especially during the Mayor Pinto period who, based on the resolution emanating from the 1991 local Cabildo, played a key role in the promotion of the waterfront, the project’s leadership moved to the national scale under several strategies of urban regeneration. Specifically, the ‘Plan Valparaiso’ years constituted the period during which the waterfront gained more relevance and all fundamental measures were taken. Most importantly, it consolidated the role of EPV as dominant player, leading the execution of the waterfront and therefore reconfiguring urban governance.

Due to the nature of the project, it has been possible to identify a clearer approach to coalition building, with interdependent actors working together from different scales. The evidence has shown a trajectory towards coalition building, in which public efforts were essentially made to put the waterfront regeneration in the hands of private actors to exploit the land. Once the actors
involved in the waterfront regeneration became clearer (the owner of the land, the developer, and the political/institutional support at different scales), the coalition also started to gain more relevance, especially at the point of producing better conditions for profit in exchange of a new urban space for Valparaiso. These conditions were expressed through several studies, changes of planning regulations, and special decrees aimed to create suitable conditions for a convenient business model based on housing speculation alongside the commercial project. Moreover, the aim of creating a good environment for the private investor was also linked with inter-state companies’ interests to attract consumers at the metropolitan scale, through the strategic role of the MERVAL’s transport system, creating an upscaled ‘win-win’ scenario which seems to go beyond Valparaiso’s residents.

As the waterfront project reflected different forces supporting and underpinning it, it also generated the mobilization of social actors who, have been able to gain more influence as an effective opposition, at least at certain specific moments. If the project has not been executed yet, partly this is because an important role has been played by social organizations, which have been able to widen their alliances with other public and private institutions as well as politicians. Certainly, the final expression of the project as a mall, a sort of ‘reduced’ representation of the ‘classic’ waterfront regeneration found in other cities, contributed significantly to building the opposition movement. The relativization of urban space as being in the public realm, the threat to existing local commerce, and the architectural typology of the mall itself helped to produce a single target on which to focus: instead of a complex waterfront with several programmes, one single shopping centre. Nevertheless, the main debate regarding the future of the coastline as an effective source of wealth for the city, remain divided between positions claiming to maintain the port reserve, and those defending its new commercial use. Here the interface between Puerto Baron and port activity, in the context of a heritage site, adds more complexity to the case.

The strategic movement of social actors in contacting UNESCO, created a landmark where the coalition in charge of the project execution must inevitably work with the supranational institution, pushing the state into providing responses for a project that was initially thought of as a straightforward process just between two interested parties. This action in parallel with social judicial actions meant effective delays in the execution of the project. As central government was open to the requests, the official spatial boundaries of the WHS became relativized and rescaled into a wider city context, though with ‘fuzzy’ limits. In other words, what does or does not comprise the heritage site will be a matter of ongoing debate among the actors involved.
Nevertheless, the evidence shows that the new context reinforced the coalition, acquiring clear developmental features according to the regime literature. UNESCO’s requirements made them work together in a more formal way, to provide state responses. Certainly, the redesign of Puerto Baron meant a step forward in relation to the expectations of the social movements, but also meant an important triumph in relation to the mechanisms used to become an influential actor in decision-making.

In this case, governance was configured through coalitions emerging in different periods, from the early public-private discursive agreements promoting the waterfront project in the mid-1990s to its final expression between the Municipality, EPV supported by the state and Plaza Group. The latter coalition was forced to become more institutionalized because of counter-positions undermining its developmental purposes. As the opposition also configured a type of counter-coalition, able to make temporary alliances with other actors at other scales, it created a contested scenario about the future of the waterfront in a way that overlapped and became entangled with Terminal 2 and the WHS itself.
Chapter 8. Whose world heritage city? Coalitions and contestations of urban regeneration

8.1. Introduction

The socio-spatial impact of the strategies of urban regeneration in Valparaiso meant different kinds of changes both in the WHS and the city. Regardless of the spatial expression identified in these areas, the outcomes remain as a subject of controversy and debate among several actors. This chapter assesses these spatial reconfigurations along with the social responses and contestations around them. Developed through two interrelated parts, the first half of the chapter will focus on the major differences in the urban interventions made within the World Heritage Site (WHS). The uneven spatial development in Valparaiso correlates with the interests of decision-makers and market forces in promoting a targeted mode of urban intervention, ensuring a relatively stable area for accumulation and city promotion.

This targeted approach expressed different tensions at neighbourhood scale, both for residents living in radically regenerated areas and those who were still experiencing problems of security, poverty and marginality. Visions of urban regeneration linked more to the reification of heritage had partial levels of success, something that paradoxically might have prevented, until now, a more radical erosion of the city’s original historical economic activities and social practices, as an inherent part of its collective heritage.

Linked to the mentioned processes, the second part of the chapter will assess the role of social organizations involved in or affected by urban regeneration strategies. Valparaiso is recognized as having an active community expressed through several social organizations. Nevertheless, the nature of the organizations, their resources and the socio-economic background of their members can make significant differences at the moment to contest urban regeneration initiatives. It is also illustrated how the effectiveness of their actions varies according to the level of engagement with other influential actors, and the scale of the projects aimed to contest.

The information analysed is taken from interviews with key participants from active organizations in Valparaiso. These interviewees also demonstrate an approach related to the spatial changes produced in recent years. The information is complemented and supported by images and maps.

After this introduction, the chapter moves to Section 8.2. in which the WHS is analysed as a spatially differentiated case: it begins with the continuing stagnation of the emblematic Barrio Puerto, moving to the contrast between the regeneration of Concepcion and Alegre Hills and poor
hills such as Toro and Santo Domingo. Finally, Cordillera hill is reviewed as a case ‘in the middle’ of potential gentrification. The next Section, 8.3., turns the attention to the emergent process of city heritage defence, briefly reviewing the important role of the organization Ciudadanos por Valparaíso in the construction of heritage as a means of urban development. Unavoidably, as the cases within the WHS are interconnected with other urban conflicts, this will lead to the discussion of the coastline and the social actions developed there. Section 8.4. begins by explaining the different typologies of social organizations found through the case study. The analysis draws on the spatial features of these groups, along their strengths and weaknesses. Section 8.5. assesses the proposed typologies from a scalar perspective, considering their capacities both to jump to other scales and to create coalitions as mechanisms for temporary inclusion in urban governance.

8.2. Spatial differentiation within the WHS

The institutional emphasis on targeted investment to promote the city in comparatively attractive areas within the WHS (Figure 8-1) has indeed produced spatial transformations. Nevertheless, the impacts have several interpretations and certainly different effects on the local population. On the one hand, a new elite has emerged that is attracted to living or staying temporarily in the regenerated areas, and on the other hand, it has been possible to identify a sustained exclusion of local people living in vulnerable areas away from these changes.

Perceptions about the city’s regeneration can differ among actors. Regarding the impact on the WHS, Jorge Martínez, Former President of the Regional Chamber of Commerce, expresses his view:

Yes, there have been initiatives in Valparaíso... you will notice there is a before and after. Before the [WHS] declaration there was an absence of things that exist today. If you ask: Is there a tourism industry? Yes, there is. Is there a university cluster? Yes, there is, and growing with great buildings and with considerable impact. And the port? Well, that is a special case, but yes, there is a large port (...). So, what has happened to us? There has not been a common long-term vision of what we want for the city... (Interview, 13 May 2016)

Despite recognizing changes in the city, Jorge Martínez criticizes the lack of an effective strategy for putting all these initiatives under a common vision, as shown throughout Chapter 6 in relation
to the WHS. The activist Boris Kuleba has a more critical approach in relation to the negative impact of the UNESCO declaration and the subsequent measures taken institutionally:

Having a WHS has been the worst thing. It results in strategies like the PRDUV and then gentrification happens. Valparaiso also became a ‘scenario’. [If] you want to open the coastline, we get a mall! (Interview, 12 April 2016)

This activist briefly portrays the reification of urban space as a result of the strategic definitions of urban regeneration. Although it is clear that there have been important transformations of the city space, urban regeneration becomes, as shown below, the expression of spatial differentiation between and within the hills, and the plain area defined as a WHS.

**Figure 8-1: Areas analysed within the WHS**

Source: Rodrigo Caimanque, May 2016
8.2.1. *The continuing deprivation of Barrio Puerto*

It can be argued that the definitive urban expression that gave Valparaiso its condition as a WHS lies in its historic quarter, the *Barrio Puerto* in the city *Plan*, which also contains the Financial District, divided by Sotomayor Square, a civic space in the middle of two totally different realities (Figures 8-2, 8-3 and 8-4). Whilst the Financial District maintains most of the public service buildings and private offices, *Barrio Puerto* reflects a rather different history. Few people still live in the historic quarter, as its population has diminished over time (Trivelli and Nishimura, 2013). *Barrio Puerto* inherited a very compact group of buildings protected by several planning regulations, though many of them remain without major investments and with serious structural and service installation problems.

*Figures 8-2, 8-3 and 8-4: Barrio Puerto, the Finance District and Sotomayor Square*

Source: Rodrigo Caimanque, May 2016 and March 2018
According to some local leaders living in the hills near the Barrio Puerto, many changes in the area are related to the end of the historic relationship between the port and its workers, who, before the arrival of the container and the privatization/modernization of the port, used to have social and spatial ties with the port’s activity. With the elites and companies moving out elsewhere and the subsequent process of impoverishment of a significant number of people, the district reconfigured its activity. Nightclubs and informal living arrangements through renting of rooms have proliferated, awkwardly related to the historical local commerce and typical restaurants around the emblematic city market. This has produced an urban space with deep contrasts usually linked with insecurity due to, according to some interviewees, an intense nightlife associated with behavioural excesses.

From the following two quotations, it is possible to identify the perception regarding the contrast of urban space in the Plan of Valparaiso:

> From all that can be understood as the Plan, the only thing that is still sustained economically ... is from the Sotomayor Square to the Square of Victory (Financial District) (Felipe Espinoza, Interview, 26 March 2015).

> Valparaiso, the port, has remained without any protection 24 hours a day from the Sotomayor Square to the Wheelwright Square (Barrio Puerto) (Patricia Santibañez, Interview, 08 April 2015).

Despite attempts from 2001 to 2007 to improve Barrio Puerto with the MINVU’s Programa de Recuperación y Puesta en Valor del Patrimonio de Valparaiso (Programme of Regeneration and Heritage Valuation in Valparaiso)\(^73\), a period in-between two strategic plans (‘Plan Valparaiso’ and PRDUV), the poor urban image of the historic area continued to be evident. Moreover, it seems that, according to some participants, Barrio Puerto looks worse than before the UNESCO declaration (Figures 8-5 and 8-6). The future of Barrio Puerto has been rather unclear, especially after the withdrawal of resources for the execution of the city’s Market Regeneration by PRDUV due to the 2010 earthquake. The structure of the key flagship building that was expected to trigger urban changes was affected by the earthquake; hence, further studies were undertaken to see the

\(^73\) The programme, according to Juan Carlos García from MINVU moves from simple and concrete initiatives to more complex interventions including pedestrian passages, facade painting, regeneration of the surroundings of the Matriz Church (later PRDUV would invest in the historical Church itself) and the Echaurren Square renewal (Interview, 07 April 2016).
actual damage of the Market. Currently, the market remains closed and all commercial activities inside the building relocated elsewhere, including the use of the streets.

**Figure 8-5 and 8-6: City Market and a Passageway Renewed by State Programmes**

Source: Rodrigo Caimanque, May 2016

The so far unfruitful attempts to regenerate *Barrio Puerto* have not been accomplished, despite the belief that the private sector would be in charge of its development once the public sector provided a suitable platform for them. According to some scholars, municipal officers and private actors who were interviewed, the complexities of *Barrio Puerto* encompass several issues linked to structural problems found in the historic quarter. These problems result from: (1) the tenancy of the land, owned in several cases by foreigners who left the city, now acting as rentiers (probably having inherited the properties) and taking earnings without major investments; (2) the superposition of planning layers making initiatives bureaucratic and too slow, thereby discouraging investment; and (3) and the over-speculation of land values, increasing prices especially after the WHS declaration. Although these arguments can certainly undermine the attractiveness of the quarter, I would argue that the main problem remains with political decisions regarding what the future of *Barrio Puerto* should be and, in particular, how it should be improved. Regardless of legal and technical constraints, the truth is that there have been few investments fostered by the urban regeneration strategies, such as the Cousiño Palace (in the Financial District) reviewed in Chapter 6. Alberto Texido, Scholar at Universidad de Chile, gives the following example:
Look at the building ‘Loft Aduana’ made by Swimburn. He is the only one who bought the story of the heritage revitalization, he was an architect who did the business alone, restored a double façade in an amazing way. About ten posh people live there with cars that… you can imagine. They have lifts to the underground for the cars, so when they go out to the street... I do not want to talk about the clash of classes, I want to talk about, I don’t know… a cultural contrast showing that we are ten years behind the commitment, and we have probably had two centuries of a society that has failed to resolve its commitments, its issues of equity. There is eternal under-development. (Interview, 05 May 2016)

The first part of this statement shows that under the institutionally promoted market-led strategies some change was possible (perhaps with the expectation of complementary state-financed projects such as the market). However, the second part about the contrast with the actual spatial reality depicts, I argue, the main debate of Barrio Puerto. If public action is fundamental to trigger urban regeneration, it becomes important to ask what kind of intervention is needed, and for whom. These questions are pertinent considering that, despite urban deterioration and signs of poverty, Barrio Puerto’s everyday practices need to be protected and encouraged (Figure 8-7). Interventions such as the one depicted by Alberto Texido might, on a larger scale, threaten these local practices, potentially triggering unprecedented processes of social cleansing and gentrification.

Figure 8-7: Everyday life in the Barrio Puerto

Source: Rodrigo Caimanque, May 2016
It can be said that the tourism agenda in Barrio Puerto remains in stagnation. Whilst many interviewees think that it will continue like this, others argue that signs of reactivation are happening now. Recent agreements on the acquisition of municipal buildings, previously obtained with PRDUV funds, by EPV and the company ULTRAMAR, and the future location of the Centro Interdisciplinario de Neurociencias de Valparaiso (Interdisciplinary Centre of Neuroscience of Valparaiso), show signs of regeneration in the historic area. However, in line with the contradictions, one of those buildings is used informally as housing. The future of Barrio Puerto will require the action of social actors to foster improvements whilst at the same time being able to address threats linked to urban change.

8.2.2. Concepcion and Alegre hills: A process of gentrification and tense relations between new and old residents

The development of Valparaiso’s hills has always presented complexities linked their social and spatial characteristics. However, regardless of the geographical difficulties, Valparaiso has historically been developed in a redistributive way (Paz Undurraga, Interview, 16 April 2015). In this context, once the targeted investments took place in Valparaiso through the strategies of urban regeneration, it begun a process of radical socio-spatial changes in small attractive areas.

Concepcion and Alegre Hills were historically the neighbourhoods where the immigrant’s elites coming from Europe settled during the port-city ‘golden era’. Their current change encompassed political strategic visions to consolidate an attractive area able to be promoted elsewhere, tied to a profound reliance on market forces, concentrating the real estate action in these two hills.

Hidalgo et al. (2014) analysis of land use changes within the WHS between 2003 and 2011 visualize Concepcion Hill and the lower part of Alegre Hill in the advent of commercial uses (retail) replacing residential (bottom area of Figure 8-8). In the period studied, these hills lost a 31% of its residential activity whilst the retail incremented in 18.8%. This phenomenon was expanded to the rest of Alegre Hill (WHS buffer area), included in the strategies analysed in Chapter 6.

The boom in bed and breakfast that took place in 2003 due to policies such as CORFO’s Puerto Cultura (El Mercurio de Valparaíso, 2003) followed by the proliferation of restaurants and boutique hotels (Figures 8-9 and 8-10). According to the list of services for tourism in Valparaiso (Municipality of Valparaiso, 2015), the WHS (including its buffer area) concentrates the 50% of entire the city accommodation, in which Concepción and Alegre hills represent the 41% of the
In terms of restaurants and cafes, the UNESCO site concentrates the 62% of the city offer\textsuperscript{74}. These changes drew people from both Santiago and abroad who, attracted by the WHS condition of the city, acquired homes either to be used by them occasionally or to be rented out, mainly to foreign visitors\textsuperscript{76}.

In this way, the outcomes of the strategies of urban regeneration have produced their own momentum in these two hills, especially in Alegre Hill, which has had areas available for further investment. Indeed, Alegre Hill has had over US$ 22 million of public and private investment in the last 4 years, including projects from the last period of PRDUV and new private-led real estate investments.

\textbf{Figures 8-8: Changes of residential uses in the UNESCO WHS}

![Map showing changes of residential uses in the UNESCO WHS](image)

Source: Hidalgo et al. (2014)

\textsuperscript{74} Particularly, these two hills concentrate the 72% of Hotel Boutiques.

\textsuperscript{75} Regarding cafes and restaurants, Concepción and Alegre hills share similar percentages with Barrio Puerto, which concentrates most of the historic and typical places to eat in the city.

\textsuperscript{76} Joaquin Velasco, architect at Plan Cerro and a member of the recent CORFO initiative Industrias Creativas (Creative Industries) (Interview, 29 April 2016) recognized that in some of his main housing projects, around 60 to 70% of owners came from Santiago, many of them renting out their flats through platforms such as ‘Airbnb’.
projects. Figure 8-11 and 8-12 show two of these projects, both in Alegre Hill: Project *Parque Magnolia* regenerated from the former German Hospital (private investors) and Baburriza Palace regenerated as the Fine Arts Museum (PRDUV funds).

**Figure 8-9 and 8-10: Change of Residential Use to Commercial in Concepcion Hill**

![Image of residential to commercial change](source: Rodrigo Caimanque, March 2018)

**Figure 8-11 and 8-12: Project ‘Parque Magnolia’ and Baburriza Palace In Alegre Hill**

![Image of Parque Magnolia and Baburriza Palace](source: joaquinvelasco.com (2016), Rodrigo Caimanque, March 2018)

If the city heritage is also linked to everyday practices of the *porteños*, this has been eroded by land speculation emerging after the UNESCO declaration and, it can be argued, due to the strategic plans for the city’s regeneration. Property prices started to increase with the expectation of future
revenues for building purchases, something that successfully happened in these hills, changing the urban landscape and replacing residents for commercial activity linked to tourism. In the words of María Virginia Vicencio, Director of Urban Development at Regional Ministerial Secretariat MINVU:

When [Valparaiso] is declared a WHS, from the beginning this rescued an issue of the landscape, but also an issue of intangible heritage that is the way the porteños live. Those dynamics come to be impacted with respect to the land speculation that emerges. Because of this declaration, prices begin to rise to levels that ... and all these issues of expulsion begin, leases… everything rises... (Interview, 23 May 2015).

Indeed, within the WHS, the value of properties in the hills present important differences (Table 8-1). Concepción and Alegre Hills represent higher values in deep contrast with Toro Hill. It can be argued that the high prices in the regenerated hills with peaks near 90 UF/m2, the radical change of uses from residence to commerce, along with several local stories about people forced to leave the hills (Cofré, 2015) reflect a clear process of gentrification in the areas. Although the scholar and activist José Llano points out that gentrification has been relatively low in comparison to the entire city (Interview, 15 March 2016), the impact of the process happening in Concepción and Alegre Hills go beyond its boundaries. It is through these hills that most of the tourism agenda has been sustained as the area contains high quality choices related to gastronomy and lodging. Moreover, as the area has begun a process of saturation, this kind of development has started to be expanded to other hills, threatening further gentrification.

<table>
<thead>
<tr>
<th>Hill</th>
<th>Average value UF/m2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concepción</td>
<td>55 UF/m2</td>
</tr>
<tr>
<td>Alegre</td>
<td>53 UF/m2</td>
</tr>
<tr>
<td>Cordillera</td>
<td>19 UF/m2</td>
</tr>
<tr>
<td>Toro</td>
<td>16 UF/m2</td>
</tr>
</tbody>
</table>

Source: Own Elaboration based on properties for sale in several real estate websites (2018)

Within these regenerated hills, tensions between residents and new activities have also been produced. The first claims started in Concepcion Hill, whilst on Alegre Hill its people were initially satisfied with the mix of uses (El Mercurio de Valparaiso, 2007a). Later on, satisfaction
shifted to concern about the urban changes, linked to “traffic congestion, and the fears that [the hill] would end up as a nightlife district like Concepción Hill” (El Mercurio de Valparaiso, 2013d). The following media extract from the president of the JJVV (Neighbourhood Union) reflects the tensions between residents and the new uses:

Many old people live here, and traditional families have been invaded by pubs, restaurants, bars and hostels, in addition to those famous ‘bed and breakfast’ establishments that we have already discovered are not what they claim to be but many of them are motels (El Mercurio de Valparaiso, 2003g).

The local entrepreneur ‘Piti’ Palacios and a former member of the JJVV at Concepcion Hill, is emphatic regarding the relationship between old and new residents:

Here all old neighbours hate the new neighbours, and the new ones hate the old ones.
It is a disaster. The merchants do not care, there is little respect for one another ... the old neighbours do not care about the merchants (Interview, 24 March 2015).

The regeneration of Concepción and Alegre hills produced both gentrification and tense relations among their old and new residents. This was the result of an overconcentration of public and private investments aimed to produce a new urban scenario for an emerging economy. Technically speaking, Luis Parot, from the Municipality of Valparaiso explains that in those hills the land tenancy was clearer, and the plots were more regular and easier to exploit (Interview, 03 May 2016). These conditions, however, cannot explain by themselves the radical changes that have happened there. The role of institutional and political actions has been highly relevant in the promotion of the city and the provision of new infrastructure and state subsidies which, despite not being entirely successful, have kick started real estate investment (Juan Carlos García, Interview, 07 April 2016). The main argument at stake here is how the material impact on a reduced area has symbolic repercussions produced at city scale, in contrast with large ‘invisible’ urban areas outside the objectives of city promotion.

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77 The MINVU’s Heritage Rehabilitation Subsidy produced for the cities of Valparaiso and Lota, gave around 500 subsidies to regenerate properties within the city’s Historic Conservation Zones (ZCH) defined by the local masterplan. However only 17 of them were executed. The issue has been the speculative increase in land prices alongside issues of land tenancy.
8.2.3. Investments in Santo Domingo y Toro Hills

At the very heart of the foundational area of Valparaíso, Santo Domingo and Toro Hills represent a completely different story. These hills are almost entirely residential and have high levels of poverty and urban deprivation (Figure 8-13). Public investment in these hills was delivered rather late during PRDUV, and this was the only strategy that addressed some of their problems.

Figure 8-13: Upper Area of Toro (left) and Santo Domingo (right) hills

Source: Diario la Tercera (2011)

According to their local representatives, security has been one of their key problems and that affected visitors to these hills, especially Santo Domingo which is partially included in the WHS. Indeed, quite symptomatic is a news story about an assault suffered by an ICOMOS commissioner during a visit to the WHS in Santo Domingo Hill. Hector Burgos, president of the Santo Domingo JJVV, clearly expressed how tourism (based on heritage) was not compatible with the structural problems there:

Tourism goes to the heritage parts, and we had it when this began, tourism here happened every day, but the assaults here also happened every day (...) I had to go to see how to solve the problem with the Carabineros78 (...) [There were] a lot of

78 Carabineros is the name of the national police
tourists visiting here during the year when this was inaugurated, and the following year tourism came here a lot, but unfortunately, and as I say, there were very many assaults. There were a lot of assaults on tourists, so now they do not come so much, and when someone does come, they are always warned to be careful and that the best thing for them is to return. (Interview, 10 April 2015).

It is worth asking what the actual benefits of tourism to the Hills were when interest in them started and visitors arrived. Apart from visits, what actual benefit did the residents of Santo Domingo Hill receive? Probably some local shops temporarily benefited, but certainly most of the consumption took place in other areas.

Both Santo Domingo and Toro Hills had as their most relevant public intervention the renewal of public spaces through street pavements, stairs and public lighting. Those projects, financed by PRDUV, have been recognized as one of the programme’s relevant interventions (Figure 8-14 and 8-15). However, the evaluation by local people does not show complete consensus. While the local leader at Santo Domingo Hill expressed his approval, local leaders at Toro Hill expressed disappointment regarding works that, despite efforts at participatory processes, were not in the end considered to have had worthwhile outcomes:

Before doing all this, a while ago, Mrs. [Adriana] Germain came and brought three or four people who were architects (...) I was waiting for her, I was still president [of the JJVV]. We were coming down and I said “look Mrs. Adriana, a vehicle can go up here perfectly well, we need [space for] a small vehicle, we do not need trucks.” She stopped here, looked down and said, “this street is enough, even for two vehicles”. Well, later when this began... her subordinate, Amadeo San Juan said “Cut the street here!”... Originally the street was going to reach the top, as it was. After that it was going to reach halfway, and now, at the last minute it was going to reach that public light pole... We fought, and we fought. So why has this happened? Because this gentleman from Santiago who oversaw the plans [said] ... “No, it has to be up to here”. Thus, we were not considered, they took the decision on their account… (Interview, 08 April 2015).
Indeed, the original features of the Toro Hill streets changed in important areas from vehicular and pedestrian to only pedestrian with steps to connect different areas, thus affecting the connectivity of the hill in emergencies. Residents claim this had consequences when there was a fire in which a family died due to the impossibility of the fire engine to reach their house and the lack of fire hydrants that they had demanded (El Martutino, 2012). The unexpected outcomes on Toro Hill can be explained by the disconnection between the actual topographical conditions on the hill, which had been informally developed, and the national and homogeneous norms of street building, which possibly did not allow the creation of streets in irregular parts of the existing streets. In fact, the re-constructed Cajillas street shared by Santo Domingo and Toro hill and financed by PRDUV, does not allow vehicles to reach the Camino Cintura, which is the transversal avenue that links all the hills at 100 m. above sea level, thus isolating Toro Hill. Nevertheless, beyond technical aspects, what is revealed here is the difference between investment in different hills. Patricia Santibañez, local leader at Toro Hill JJ.VV. explains the comparison with Concepción and Alegre Hills:
The difference is because we are humble people, there are architects over there, most people are professionals, so they have more links and they will be heard. Instead, because we are humble, they listen to us ‘here and there’, so we are not considered, because if we had the same capacities as them, we would not be telling them that this thing ended up wrong... (Interview, 08 April 2015)

8.2.4. **Cordillera Hill under threat of gentrification**

In relation to the cases described above, Cerro Cordillera can be seen as a middle ground between those contrasting realities. On the one hand, the hill has important heritage buildings and a relatively clear urban fabric, features attractive for the development of tourism, especially considering that there has been some degree of tourist saturation of the original hills\(^7^9\). On the other hand, Cordillera Hill remains residential, maintaining its everyday practices though with issues of insecurity due to robberies in public spaces. In this context, the Hill has potential opportunities to initiate its transformation, something that keeps their local leader alert. In fact, land speculation has already started there, as Natalie Hardy, President of the hill JJVV explains:

One of the things I did seven years ago was a presentation denouncing the brown sites that the area had and who the owners were, because there are properties owned by developers who did the same as in Alegre Hill ... who buy very cheap (...) They leave [the properties] with the old uses [of land], sometimes they are for worship, sometimes they are educational so they don’t pay taxes, and they keep the land there, waiting for better times [to invest]. Those spaces are brown sites, micro landfills, and there are lots of them. (Interview, 16 April 2015)

The purchase of land at low prices followed by keeping it undeveloped and fostering negative uses can be linked to speculative attempts to produce a rent gap, waiting for the right moment to invest and profit there. Once again, the state’s participation becomes crucial with key investment to facilitate potential investment. According to the local leader, under PRDUV there was a cadastre of heritage buildings, raising the resident’s expectations for investment in their properties. However, after the 2010 earthquake, priorities regarding projects where reconsidered. In Cordillera Hill, PRDUV did not continue with further investments linked to the cadastre, which according to Nahuel Quiroga, activist at Espacio Santa Ana, was merely aimed to give them

\(^7^9\) Some of the stock for tourism has been expanded towards other neighbouring hills such as Bellavista and Florida, out of the WHS polygon.
commercial value to trigger gentrification. Complementarily, important investments in street connectivity were made, providing a better public platform not only to benefit the residents but, arguably, also to potentially attract new developers.

On the positive side, it is worth mentioning that in this Hill possibly one of the most emblematic projects of social housing regeneration took place: the Población Obrera (Workers Village). In a joint project involving a well-organized community, the MINVU’s mechanisms for financing social housing and resources from PRDUV, the regeneration of this historical collective housing was produced without the displacement of the original residents (Figures 8-16 and 8-17). Gino Bailey, editor of the journal ‘el Topo’, describes this achievement:

Those who invigorated the Población Obrera were students who lived nearby, that is, they were already acquiring cultural capital, which meant that the university was there with the people, pobladores, who inhabited the Población Obrera. They somehow had networks because they knew some university student who was an architect, who was from the social sciences, who had methodology and instruments, who had capital... so that is very interesting. On the other hand, it was the public administration through the EGIS\(^{80}\) that, of course, found a platform from the social fabric towards urban regeneration. So there was a model, which clearly could not be replicated, perhaps because the ways in which the whole city has been built have been very fortuitous. (Interview, 26 March 2015)

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\(^{80}\) The Entidades de Gestión Inmobiliaria Social (Social Property Management Entities, EGIS) are external organizations in charge of all proceedings to get access to housing subsidies, including organizing the demand, representing the communities and managing the project itself (MINVIU, 2008).
Cordillera Hill presents itself as a place under threat due to the potential radical changes that might happen there. However, the residents’ levels of social organization can constitute a better way of facing potential changes, something that will need future monitoring and research.

8.3. Networked? Place-based? Community-led? Composing the social organizations map around urban regeneration

The people of Valparaiso are usually recognized as an active community with a long history of social and political organization. Linked to Valparaiso’s background as a port-city, social activism has involved the birth of historic movements such as those in defence of workers or the rise of the Anarchist Movement in the 19th Century (Del Solar and Perez, 2008). Currently, social organizations are broadly identified under the umbrella of the so-called citizen movements of Valparaiso, though with different approaches. Interestingly, Valparaiso’s social organizations have proved to have strong links with city matters, putting urban development at the centre of the debates, arguably alongside national subjects such as education or health. In general terms, it can be said that Valparaiso’s people are characterized as having an important voice when dealing with the authorities. As Gabriela Meyer, former Judicial Consultant at PRDUV, says:

Valparaiso is a city with lots of opinions. Working in Valparaiso is complex because there is a set of actors with strong opinions who are willing to be seen on social media. I define Valparaiso as a rather ‘vociferous’ city that has multiple voices, each with different interests, which although legitimate are often opposed. (Interview, 07 April 2016)

The number of existing social organizations in Valparaiso is quite impressive for a comun that has less than 300,000 inhabitants. In this regard, organizations such as Ciudadanos por Valparaiso, although well known among the actors interviewed, do not represent the wide diversity and number of organizations identified within the city. Social groups in Valparaiso have several expressions in the city, different characteristics and compositions. For this reason, instead of giving a detailed and comprehensive description of the composition of all the organizations, the focus, in line with the research purposes, will be to identify a sample of them, especially those

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81 According to the municipal list of registered social organizations in Valparaiso, there are in total around 4,150 organizations though it is not clear how many are active (Municipality of Valparaiso, 2017)
associated with the WHS. The aim is to understand how they operate, their strengths and weaknesses, and their chances to effectively counteract dominant coalitions built at other scales.

Social actors identified during the fieldwork helped to propose the following ‘typologies’ of organizations involved in the case study. This exercise was not undertaken in an absolute way but as a general approach to identifying them. In other words, the features of some organizations can overlap with the characteristics found in another typology. The following three organizational typologies have been identified:

1. **Networked organizations**: mostly formed by professionals and academics, linked also to artists. Although they can be loosely linked to Concepción and Alegre Hills, they are not necessarily attached to a specific territory.

2. **Place-based organizations**: formed by the Juntas de Vecinos (Neighbourhood Committees, JJVV). They constitute the main organizations by law attached to a specific territory or neighbourhood (Ministerio del Interior, 1997). They have close links with and dependence on the municipality.

3. **Community organizations**: composed of several organizations focused on specific topics such as sports, culture, housing, elderly, mothers’ organizations, etc., to support their communities. Like the JJVV they can be constituted by law, but they are smaller and have fewer compulsory requirements for their existence.

**8.3.1. Networked organizations: an elite acting for the sake of the city?**

One can find here the most recognized organizations who seek to defend the city. The relevant role of Ciudadanos por Valparaiso (see Chapter 7) constituted a starting point to a form of collective action recognized beyond the city boundaries, campaigning against institutional decisions and, in some cases, offering alternative approaches to address heritage in Valparaiso. The coastline development has seen the emergence of social mobilizations under campaigns against large-scale developments such as No al Mall Baron or Mar Para Valparaiso which more or less follow a similar pattern: a social network with no clear ties to a specific territory (of their members), creating links with other territorial organizations or actors to produce bridges with a specific conflict and to mobilize, producing a relatively significant impact on urban debates. However, this kind of activism, associated with professionals and ‘experts’ presents different purposes and different protagonists, not necessarily aligned beyond their opposition to those projects.
Around the projects on the coastline, the strategies and mechanisms of networked groups can differ depending on the struggles they are leading, and the type of project they are contesting. Here, the complexity of a port-city becomes relevant for the analysis. On the one hand, under the Mall Baron campaign, many social actors were united, including Ciudadanos por Valparaiso, Asamblea Ciudadana and the Comitee in Defense of the Port-city. In that sense, Paz Undurraga from Ciudadanos por Valparaiso recognizes a complex learning process in understanding positions and different interest among social and institutional actors from workers and associations linked to the port, the Navy and traders, going beyond mere associations between academic elites (Interview, 16 April 2015). In that sense, it can be said that the composition of the actors involved in the campaign was upscaled to include new players at regional and national levels, and by this, be able to ‘jump’ to other scales of decision making (see section 8.4.).

On the other hand, under the umbrella of Mar Para Valparaiso campaigning against the Terminal 2 project, the diversity of support by other organizations is not that clear. The port is a key factor for the city’s development, materially and symbolically, and despite the potentially negative impact of its extension, this seems to be a cost that some are prepared to accept. Regardless of this, as explained in Chapter 5, these groups were also able to upscale relations, based on their links with the think tank Fundación Piensa, and through this, TPS and its alternative project of port extension. The difference lies in that, unlike the mall, these actors are not explicitly joined under Mar para Valparaiso, which is a more diffuse coalition.

The differences between these campaigns are also reproduced at political level. It is interesting to see how members of the National Congress are divided in supporting and opposing these projects. Political supports demonstrate, in part, the capacity of networked organizations to reach high levels of authority, expressing their capacity to move to other scales within governance to obtain political support for their campaigns. However, Carlos Montes, Senator of the Republic, minimizes the impact of such tactics, especially in the light of their lack of political power:

> To me, it seems very valuable, [although] they are very small [groups] and usually have little impact [in decisions], except in particular political moments. They do not have political force, they do not understand that they must have political force, so they do not seek allies, they are all enemies ... There is a logic that does not allow them to accumulate forces to increase their influence (Interview, 15 April 2015).

The nature of these organizations, the apparently reduced number of members, their capacity to mobilize resources and confront authorities, their access to the media and their ‘city vision’ can,
however, be characteristics criticized by others. Academics, officers and grassroots organizations raise questions such as: ‘Are those the problems of the city?’ or ‘Who are they to be spokesmen for the citizens?’ Such questioning does not necessarily mean that their claims are unimportant, and indeed they contribute to a necessary debate in the city. Nevertheless, the main argument of those sceptical actors is related to the reality on the hills, the poverty, the exclusion, the lack of opportunities and in fact the lack of collaborative work with those people who are not usually involved in the widely-debated city problems. Andrea Silva, a former member of the Union Communal de Junta de Vecinos (Union of Neighbourhood Committees), explains it in this way:

I always start from the ‘good faith’ of the people and I think that they want the best for Valparaiso, but often there are other interests that... I don’t know, I would hesitate a little. What draws my attention is participation in the grassroots neighbourhood organization, because these ‘enlightened’ people who suddenly come together to ‘save the city’ ... I don’t know, they can have good intentions, but it is people who have a working relationship or something about certain aspects of the city (...) it is all very tangled... (Interview, 28 April 2016)

Indeed, as this local leader points out, a key element identified in the networked groups are the links of some members with the state and the private sector, either working in those spaces or collaborating with them. Although this cannot be evidenced (and it is not the purpose of this research to find any ‘obscure’ relation between employment relationships and activism purposes), the simple assumption of these links by other organizations produced mistrust. This condition becomes even clearer when some members of the networked groups have attempted to seek political positions in local elections. The lack of relations between networked organizations and the following grassroots groups have undermined the scope of the campaigns in relation to how significative these claims are for local residents.

8.3.2. Place-based organizations: Dealing with the problem of participation

This typology is basically represented by the local organizations called Juntas de Vecinos (Neighbourhood Committee, JJVV), defined under the Law N° 19,418 about Juntas de Vecinos y Demás Organizaciones Comunitarias (Neighbourhood Committees and Other Community Organizations). This law established the Unidades Vecinales (Territorial Units) in which JJVVs work. A JJVV can create their own rules, have elections to their Board and apply for municipal resources for local projects. Particularly in Valparaiso, more than 250 JJVVs are formally recognized (Municipality of Valparaiso, 2017) within 186 Territorial Units (Pladeco, 2002). The
explanation of this asymmetry between organizations and their territories draws on the powers, provided by law, to have more than one JJVV in each Territorial Unit, something that might produce certain difficulties regarding how representative these organizational units are. Indeed, according to the activist Isaac Alterman from Asamblea Ciudadana:

It is worrying that more and more organizations are being created at the grassroots level. Here in Valparaíso there are ‘more organizations than people’ (...) because nobody tries to take the existing spaces, so many create others in parallel: “I could not get into a JJVV, so I set up a new committee” (...) and finally they withdraw and leave the new organization alone

RC: And the organization remains established...

Yes, it gets established. In other cases, sometimes they create another JJVV because “those leaders (from the original organization) are corrupt” so they create another JJVV right next to the other. And then, that new JJVV is taken over by another corrupt [leader] and the place finishes with two corrupt organizations, and that has happened many times. So, there is no dispute of the space, of that minimum space of power (...). In fact, the Mayor uses it and puts his people there, then he uses it instrumentally (Interview, 20 April 2016).

Whilst the JJVV are recognized as the key organizations linked to places, the depoliticized and laissez faire nature of the law that frames them undermines the possibility of disputing spaces of representation at a wider neighbourhood scale. Moreover, there is a serious problem of participation in those organization as only a few neighbours get involved in those spaces, while other more active social actors participate in other kinds of organizations. The local leader at Cordillera Hill JJVV, Natalie Hardy describes this situation clearly:

The JJVV are interesting because you must have at least two hundred members to exist. But it is also interesting that, of the two hundred and twenty partners we have, with luck three actively participate and fifty do so passively. There is no participation to let you say “the organization does this” ... When the organization “does something” it is because I do it, which is quite sad.
We meet on Wednesdays and I [always] attend, with luck one neighbour arrives, and [if] another neighbour arrives, [he/she] wants to ask for a certificate of residence or to request the use of the communitarian building, and that would be all (Interview, 16 April 2015).

The crisis of participation can be also upscaled to the comuna level where, as Andrea Silva from the Union Communal de JVV (Comunal Union of JVV) explains, only 30 of over around 200 JVV attend the assemblies. (Interview, 28 April 2016). However, because they are an organization at comuna scale with direct links to residents, they have more relations with economic groups involved in the port activity for social projects. It is important to point out that the problem of participation is reproduced at national level, which is tied in part to the structural changes made during the dictatorship, as explained in Chapter 4. Although this condition seems to have changed nowadays in the Chilean context, it still very much needs to be addressed when vulnerable communities are involved.

Uneven capabilities of these organizations have resulted in important differences between the interventions among the hills linked to the WHS, especially during the PRDUV period (Section 8.2.). Although the differentiation among them have some explanations in the socio-economic background of their leaders and their networks, I argue that it has been the public and private interests in spaces with tourism potential for exploitation and accumulation that gave the opportunity to local organizations to demand better interventions. On the contrary, as in hills such as Toro and Santo Domingo there was a lack of such interest, social organizations did not have too much room to exert pressure over specific interventions.

The organizations’ attachment to the territory usually means that issues beyond their specific boundaries are surpassed by domestic demands. As place-based needs require a serious response from local government beyond the current dependency relationship, it make sense to focus on neighbourhood issues instead of the city-scale debates, undermining their chances to jump to other scales to be heard. The disconnection from wider ‘city problems’ affects in turn the networked organization in terms of support, as Daniel Morales from Mar Para Valparaiso explains:

And we face this problem that we are in the end very few trying to get this thing done (Terminal 2 campaign), and the inhabitants up in the hills … they are not interested. They just can’t see it. They cannot imagine that their misery, their poverty is directly related to the impossibility of Valparaiso recovering its coastline… (Interview, 12 March 2015).
Although there might be some truth in this, the lack of actual interest in projects such as Terminal 2 and the assumption that poverty and lack of opportunities can be associated with access to the coastline certainly do not have strong supporting evidence. Moreover, this sort of patronizing position regarding ‘those who can see it’ helps to explain the mismatch between networked elite’s demands and place-based needs. In fact, at the level of community leadership in the hills surroundings the WHS, all participants expressed clear positions either in favour of or against such projects. There is a structural mismatch between networked and place-based organizations regarding positions and priorities. The mismatch is also produced between leaders of place-based groups where inhabitants are not interested in neighbourhood politics.

8.3.3. Community organizations: Turning the focus on the hills

The definition of this last typology is perhaps the most diffuse in comparison with the first two. Although community organizations have existed for a long time under the umbrella of the JJVV’s Law, in recent years new groups have emerged in Valparaiso with a new approach to organizational collaboration and in some cases operating beyond their territorial boundaries. The typology proposed focuses the analysis in those new groups as they have been able to link their objectives with wider debates such as the city urban regeneration.

Community organizations can, according to Councillor Paula Quintana, be found “in the territory” spread across the hills, having different expressions according to particular spatial realities:

In terms of organizations, I think it is important to consider all cultural groups such as *Patio Volantín*, the group that worked in the ex-jail that is now *La Carpa Azul*, *El Trafón*, the community centre *Las Cañas*, and *Espacio Santa Ana* in Cordillera Hill, which are intellectual avant-garde groups. They [belong to] places where there is a very integrated expression of popular areas and a cultural artistic vanguard, creating spaces of resistance (Interview, 12 April 2016).

Unlike place-based groups, community organizations are more politicized, some with clear anti-capitalist positions regarding the urban and social processes happening in Valparaiso. Although they are aware of and criticize the process of urban regeneration in the city, their activist focus is away from those of the networked organizations. The centre is the local territory, attempting to build social bridges towards a more robust sense of community. The cooperative approach of these groups allows them to develop a very localist agenda though also to create networks with organizations located in other hills. It is in this way that groups such as *Espacio Santa Ana* in
Cordillera Hill can collaborate with struggles against land speculation in Baron Hill (near Puerto Baron project). In that sense Nahuel Quiroga from Espacio Santa Ana recognized that the phenomena happening in the hills cannot be separated from the megaprojects linked to the coastline:

The greatest concern we have had is in relation to the processes of population expulsion, [which are] necessarily linked to the processes of real estate development and to the restructuring of the coastline (...) promoted by state action (Interview, 02 May 2016).

From these words, it can be seen that the big difference from networked organizations is that their actions are related to their communities instead of having a direct involvement in debates such as the coastline. As Jose Llano, academic and activist at CRAC Valparaiso, clearly states: “Instead of Mar para Valparaiso, we should have Hills for Valparaiso” (Interview, 15 March 2016). In the same vein, Boris Kuleba, a former member of Micropolitica and a local activist, states:

The development is in the grassroots, in the neighbourhoods, (...) the idea is that each neighbourhood can strengthen itself (...), [without] trying to be Alegre Hill, which has very different realities. I think of strengthening the identities of the neighbourhoods and that is going to start to make you feel that you own your sector...

What happens [here] is that policies are aimed at anyone but the porteño, (...) you feel invaded. It’s like they (the municipality) are cleaning places that none of us has messed up. So [everything] is always imagined from the point of view of the visitor to Valparaiso or the student, the university city, but not the people who live here (Interview, 12 April 2016).

It might be possible to locate these groups as a middle ground between networked and place-based organizations. However, due to the political nature of the community organizations, links with groups such as Mar Para Valparaiso seem unlikely. Although, as Nahuel Quiroga points out, these groups might have positions and actions regarding the city’s development, for the simple reason that they get them to be regularly included in right-wing newspapers such as El Mercurio, labelled as ‘key players’ of social action, it produces scepticism among others. Moreover, the diffuse links between the opposition to Terminal 2 and the operator of Terminal 1 (TPS) as analysed in Chapter 5, increases mistrust regarding this conflict.
A different situation can be found in their relations with place-based organizations since community organizations are taking the lead in local action in some places because they have more flexible and dynamics mechanisms. As Boris Kuleba points out, based on the experience on the hill he lives:

One of the biggest problems associated with the organization is that the JJVVs are not working (...) Many JJVVs are co-opted by the municipality, which goes [to the neighbourhoods] to give out cakes to keep their “customers” happy, and that seriously affects the organization. In our hills, until four years ago there was only one JVV working. Now there are three of the four, and it is my JVV that we are trying to reactivate. There were also several community centres, organizations that worked and came to replace the JJVVs because people come to them and presented projects through them. Then you see that the strength is there, because although they were not JJVVs there are places to meet and to raise proposals. I think we need to strengthen community life in that sense. I wish it were the JJVVs [in charge], but to strengthen them, not to take advantage of them or to use them to bring people [to vote]. We have been doing very well with that – community organizations work. Through them you can send information; we have very successfully published a newspaper in the neighbourhood (...) started campaigns, fairs and activities where the neighbours get to know each other (...) occupying their spaces.

RC: Have you had difficulties with this process?

The main issue has been the lack of participation; it costs a lot to encourage people... (Interview, 12 April 2016).

Although community organizations might have the capabilities to mobilize and achieve urban change at neighbourhood scale, the JJVVs are still important as they have more residents ‘formally’ involved in the organization and remain as the first political organization at neighbourhood scale interacting with the municipality. This is especially important if those community actions aim to change the focus of urban development in Valparaiso. Community organizations present interesting insights and opportunities to turn the debate towards its population, for the poorest in the hills. However, the small number of vanguards’ groups makes these collective projects somehow just “in progress”.

204
8.4. Scale jumping: how are social campaigns, strategies and alliances heard in decision-making?

An important goal of social organizations in Valparaíso has been to reach a certain degree of inclusion or influence in processes of urban governance. As analysed in Chapter 4, Chile is ruled by a technocracy lacking involvement with social actors, leaving activism as the vehicle for social organization to have a voice in urban debates. In doing so, the scalar approach becomes important to analyse their strategies and their link with national, regional and supranational forces deciding over the local. Capabilities to ‘jump’ to other scales for contestation, however, also reveal the asymmetric features of social organizations in achieving their goals.

In relation to heritage and from a scalar perspective, Eduardo Rojas, Consultant at IDB, states that its protection is a local problem, where local people should decide what to protect and at what cost, something that implies a deep commitment (Interview, 02 April 2015). In turn, he also argues that “if you want to impose on that community some [form of] action, visions, national values (...) the state must appear in all [aspects]” (ibid.), which means both financing and leading. Going beyond the implicit duality of these two options, it has been clear that so far neither of those has been a possibility in Valparaíso and the evidence has shown that instead, it has been a scalar-contested process. If, from the perspective of social organizations, the local is the scale where the urban plan on heritage should take place, the positions and approaches of the ‘locals’ must necessarily reach other scales of decision-making in order to be actual players within a centralized structure of governance.

Networked organizations have demonstrated their ability to reach both regional and national media, and to make links with influential decision-makers in their mobilizations against, for instance, Terminal 2. However, capabilities to be able to engage with influential actors at other scales do not necessarily mean a jumping of scale. In fact, it can be argued that, in the port case, social organizations remain at the local scale whilst the port activity is constantly rescaled as analysed in Chapter 5. A different situation can be recognized with social organizations linked to heritage. The influence of Ciudadanos por Valparaíso and their mobilizations based on strategic actions in defence of significant urban landmarks instilled a debate and concern about heritage, jumping to the whole city scale, and contributing to the inclusion of and national level actors. The actions of networked social organizations linked to Puerto Baron have been clearer, in which scale jumping became a useful strategy to contextualise the development of the mall as showed in the following sub-section.
8.4.1. Rescaling the local conflict of the mall into an international matter and a state concern

The networks made by social organizations against Puerto Baron have been successful in attracting the world of politicians as well as national institutions such as the Navy into the debate in order to obtain more support. Networked organizations have been able to engage at the (individual) political level\textsuperscript{82}, which has been useful to broaden their voice regarding the inconvenience of the project. However, as in the case of Terminal 2 the strategies and campaigns did not necessarily imply by themselves a scale jumping and not much less a rescaling of the debate into a national issue.

Things started to change in 2011, when a group of just four activists, some of them members of Ciudadanos por Valparaíso\textsuperscript{83}, performed a strategic action that shook the scenario, involving UNESCO and therefore mobilizing the state into a project that was essentially local. The action is described below by three of the four actors involved:

This idea was born almost by chance. There was a person who had political relevance at the time, Paula Quintana, who inadvertently invited a Uruguayan who had been something like ‘Executive Secretary of National Monuments’ to present a conference for ‘International Heritage Day’. And he talked, in that event at the University of Valparaiso, about the experience they had with a project to expand the port in Colonia, Sacramento, in Uruguay, where finally the materialization of the port did not actually happen because, among other things, they went to UNESCO in agreement with the mayor. UNESCO evaluated the expansion of the port and finally the project succumbed. We took note and ‘bang’! we were enlightened: “Ah, that possibility exists!” There was a precedent and then this idea arose… (Pablo Andueza, activist. Interview, 02 May 2016).

Because we, with Pablo and others that I have named to you, went to UNESCO to say… I mean, because we went to the municipality to say: “here we have 1000 signatures from people asking that this must go to UNESCO.” They did not hear us. We went to the Intendente at that time and the Executive Secretary of the Council of Monuments and neither would listen. And then we went, I do not know why, to the UNESCO.

\textsuperscript{82} Politicians supports range from deputies such as Joaquín Godoy (right-wing, former Renovación Nacional Party) to Senator Ricardo Lagos-Weber (centre-left, Partido por la Democracia).

\textsuperscript{83} These actors were also linked to other organizations such as the Command in Defence of the Port City, Red Cabildo 2010.
house of [Jorge] Edwards, who was Chilean ambassador in Paris, to his house in Santiago. We went and we said: “this is our initiative”. “Ok” he said, “submit it through Chancellery, we will take it and present it to UNESCO” (Paz Undurraga, activist. Interview, 16 April 2015).

So, I think it took two weeks and we wrote a press release at the College of Architects. There we presented our letter and called all organizations that were willing to support us through the media to come and sign this letter. (...) We took it to... [it is] very important to say this because it is fundamental: [Chile] being a State Party, it is the State Party who must take the information to UNESCO (...) and it was very important that the state, the Ministry of Foreign Affairs, received us (...). And they told us: “We will take care of taking this” to (...) Jara, the permanent representative to UNESCO and to Ambassador Jorge Edwards. Then they presented our documentation to UNESCO as a State Party, (...) UNESCO welcomed our request, and wrote a letter in which UNESCO told the state of Chile “we have received this information, we want you to inform us of what is happening ...” (Arturo Michell, activist. Interview, 20 April 2016).

The letter sent to UNESCO triggered a new stage of the mobilizations against the Mall, and because it contained material about the entire coastline, it also affected Terminal 2. Interestingly, as Arturo Michell pointed out, it was in the end the state of Chile that formally presented the organizations’ missive to UNESCO, in contradiction to the state objectives to also develop the coastline. One key aspect highlighted in the document refers to the understanding that the city heritage involves the coastline and the city, beyond the WHS polygon. Under this premise, any large-scale project involving sensitive areas of the city might, therefore, affect the protected area of the WHS and could require revision at all levels. ICOMOS members already mentioned the inclusion of the coastline in past visits in the 2000s, but the involvement of UNESCO after the organization’s action turned the symbolically extended boundaries of the WHS into something more material. Moreover, the logic of networks of social organizations made it possible that the action of four individuals could be adopted by the entire movement, showing the capacity to jump scales in order to position the opposition movement at other scales, strengthening their position in governance as a valid (though temporary) player in decision-making.
After discussing the state of conservation of the WHS in the World Heritage Committee at its 37th session in Cambodia, an ICOMOS Advisory Mission finally arrived in Valparaiso towards the end of 2013 to evaluate the city’s WHS, including the interventions planned for the coastline: Terminal 2 and Puerto Baron. The report published at the beginning of 2014 described the concern about the features, suitability and potential negative effects of the projects along the coastline (ICOMOS, 2014). The document gave a central place to the role of social organizations in presenting concerns regarding the WHS, and also recognizing that despite the site boundaries, the projects on the coastline would require assessments regarding their impact on the city in relation to heritage.

Later, at the World Heritage Committee’s 38th session in Qatar (2014), it requested in its resolution that the State Party should suspend works and to develop an alternative architectural design for Puerto Baron in order to safeguard the ‘Outstanding Universal Value’ (OUV) of the Simon Bolivar Warehouse.

Through this case, the action of these networked organizations showed the potentials to put local matters into new scales. In doing so, coalitions with actors at other scales became important to keep the tension at local scale, while jumping scales after a strategic action before UNESCO. Moreover, this example unveils how different social mobilizations are inevitably intertwined. On the one hand, the inclusion of UNESCO in Puerto Baron debate would not have been possible without considering the long-term urban processes linked to heritage and its struggles. On the other hand, the effects of the supranational institution also dragged on the conflict around Terminal 2, which is even more sensitive as the intervention directly faces the WHS.

However, it is possible to identify two pitfalls regarding the effectiveness of the social strategies, also extrapolated to the case of Terminal 2. There are related to the scales within national boundaries. On the one hand, whilst relations with politicians, for example members of the National Congress, are important at the locality, this is far from being understood as support from a political party’s perspective, highly important in the Chilean context. Indeed, both the Centre-left and right-wing governments have supported the entire process of regeneration. In other words, the support of individuals does not correlate with the whole political machinery.

On the other hand, the lack of links with local people and organizations at neighbourhood scale can also be significant issue. As Cox (1997a) argues, the ‘jumping of scales’ should not necessarily be upwards but can also be downwards. Regarding Valparaiso one could say that poor processes of downscaling to the territory have affected the representativeness (and potentially the massiveness) of social campaigns linked to the coastline, something exploited by authorities to weaken opposition to megaprojects.
The grassroots: From the inability to jump scales to actually produce them

The relation to placed-based organizations, embodied in the JJVs, becomes more problematic as most of them concentrate their efforts on immediate local concerns about security, basic infrastructure or rubbish collection within their neighbourhoods. Moreover, along the structural problem of residents’ participation among many JJVs class issue emerge, with lower-income organizations having limited access to authorities beyond the municipality. Patricia Santibañez and Ramón, local leaders at Toro Hill JJVV explain their difficulties to address their problems:

PS: We went to the Congress, the Comptroller. Where else did we go, Mr. Ramon?
R: We were in all the main offices
PS: The PRDUV disappeared, we were in SERVIU. There are several letters we sent because the main street was damaged by the weight of the machinery. At any moment, there might have been an accident and it is the only vehicular road we have.
R: And they left it just like that!
RC: And what was their response?
PS: Nothing; no one answered us. We asked for fire hydrants. Did you know that two adults and two babies died here in a fire? We have been asking for hydrants since 2003 and they didn’t listen to us. Later, they told us that the [PRDUV] project will include the hydrants, but nothing happened. In the end, they do not listen to us and I do not know why. (Interview, 08 April 2015).

The lack of (active) relations with other place-based organizations on other hills also prevents them from jumping to other scales beyond the municipal and being heard at a higher level. As their claims are a long way from the interests of capitalists and politicians, they remain invisible, even though their problems are reproduced in many parts of the city. Unfortunately, at the level of the Communal Union of JJ.VV. the problem remains. As Andrea Silva, leader at the Communal Union recognized, the depoliticization of the organization and the lack of empowerment prevented them from having a position and contesting either the local authority or large-scale projects (Interview, 28 April 2016). Natalie Hardy, a local leader at Cordillera Hill, illustrates the difference in terms of how many people they reach between organizations too attached to the territory and those with more networks to mobilize resources:
When organizations are a little more successful in terms of numbers [of participants], it is because they are not limited to one territory. Organizations that manage to invite an artist, organize a concert, and so on (...) or when they make discussions it might be possible that more people can participate because they include people from the whole of Valparaiso. Then there is propaganda through virtual platforms, and that’s a little different (Interview, 16 April 2015).

In a relatively more optimistic position are the community organizations based on their more flexible approach in the relation between an attachment to the territory and capabilities to create networks of collaboration. They have been able to build horizontal coalitions with other organizations among the hills to address local needs or conflicts. Nahuel Quiroga from Espacio Santa Ana explains their experience in this regard:

As an organization, we opted four years ago for a cooperative development: cooperatives of production. I am part of a cooperative of labour, also part of a cooperative of housing, mainly in Baron and Cordillera Hills, working in community centres (...) doing our job from there. That also allowed us to articulate ourselves with other community centres such as El Vergel, Las Guaitecas, Las Cañas, where the big fire took place; Baron and Placeres, which are areas heavily affected by real estate action. Therefore, these [relations] allow us to see other subjects and other interests and to promote cooperative processes. At the same time, we have become associated with a network at national scale (Interview, 02 May 2016).

One key aim of the cooperative process is to regain the productive and labour aspects recognized in the heritage condition of the city for the local people at the same time as attempting to overcome its reification. Although the cooperative process is still very incipient, and it is therefore difficult to link directly with the urban regeneration strategies, especially when the scope of the network goes beyond the WHS, it is worth mentioning that this approach could potentially turn the focus on the hills, where people live. To build this process, the relation and collaboration with place-based organizations are strategically relevant, due to their importance in the territory. The collaborative and politicized approach carried by emerging community organizations has the potential to actually reconfigure or produce scales (Engels, 2015), which are those of the hills – an approach that contests the institutional discourses on heritage and goes beyond scale jumping.
8.5. Chapter conclusions

The evolution of the strategies of urban regeneration towards a targeted approach to investment has proved to be relatively effective regarding the evident changes happening in specific areas of the city. As analysed in Chapter 6, at particular points in time both public institutions and market forces have coalesced to pursue the agenda of tourism based on heritage, permeating subsequent urban debates on the coastline (Chapters 5 and 7). However, as those interests moved in search of capital accumulation and city branding, urban change moved towards a process of socio-spatial differentiation, increasing the contrasts within the WHS. However, in a context of a city that, previous to the strategies of urban regeneration was relatively homogenous both socially and economically, differentiation is something still in process of consolidation, with an emergent new elite located in smaller but expanding areas of Valparaiso.

The strategies of urban regeneration developed over time illustrated that the vision and aspirations of the developers showed little understanding of the actual social consequences of regeneration. The historian Baldomero Estrada dramatically depicts the clash between local practices and urban regeneration expectations: “There is an issue that you should not ask for more than Valparaiso can actually give. If you want to change Valparaiso you will have to remove all of its people” (Interview, 11 May 2016). In that sense Barrio Puerto represents the tensions mentioned here. Homogeneous forms of public investment to promote private sector involvement do not necessarily work in all cases. However, the poor outcomes of the regeneration of the historic quarter through the lens of tourism have possibly prevented more radical changes associated with gentrification and social cleansing, considering the existing local practices there.

Conversely, whilst the regeneration of Concepcion and Alegre Hills may be considered a successful outcome from the visitor’s perspective, fostering a new economy base on heritage, this is not necessarily the case for the residents experiencing the commodification of their spaces and lifestyles - and even the displacement of some of them. In contrast, despite investments in public space, hills such as Toro and Santo Domingo have remained as areas with concerns about security and lack of opportunities. Physical changes in Valparaiso’s urban fabric evidence difference within the same WHS, but the social effects may emerge at different speeds, particularly in cases such as Cordillera Hill, with a similar degree of intervention as Toro and Santo Domingo Hills, but with clearer chances to constitute the expansion of regeneration along with the risk of gentrification.
Urban regeneration in Valparaiso has not been entirely executed as planned through the years, largely because of the aspects mentioned in previous Chapters, but also due to the influence of social organizations. Struggles led by Ciudadanos por Valparaiso have been important in positioning heritage as a key aspect of the city’s development, initiating a process that continued with further actions linked to the city’s defence. However, the process also unveiled the asymmetries with the agendas of other social groups and their effectiveness to get their strategies heard and to be players within governance.

Social organizations, particularly those working as a network, proved to be able to reach influential actors to gain support for their campaign, though this does not mean a jumping of scale unless the contestation aims become effectively rescaled. The difference between the movements against Terminal 2 and those opposing Puerto Baron is that the latter have been able to position themselves at the national and supranational scales as platforms for action. Scale jumping becomes a useful strategy of social contestation insofar as social organizations are able to, ‘at least’, change original institutional plans. Although the Puerto Baron Campaign is aimed to overthrow the project, ‘at least’ they were able push the mall into its redesign. On the contrary, Terminal 2 seems to continue its slow process towards materialization. However, whilst both cases focused on large-scale projects have been able to put their claims at the centre of the debate within Valparaiso this has been produced at the level of elites. This unveils a lack of capacity to jump scales downwards, namely to the grassroots organizations, in disconnection with local needs, and by this losing stronger support from most of the residents.

The projects along the coastline as well as those built through the tourist agenda are highly attractive for political and economic interests developing coalitions. As the attention is focused on those areas, the strength of claims raised by place-based organizations, linked to concrete problems at neighbourhood scale, ended up deeply minimized. Moreover, their performance was undermined by structural problems of the organizations linked to residents’ participation, their depoliticised nature making them vulnerable to co-option by electoral interests, physical constraints linked to the city’s hilly topography and, in many cases, urgent needs linked to poverty. Place-based organizations have poor chances to ‘jump’ to other scales insofar as they still act as isolated groups that in many cases might share similar problems, making scale jumping an ineffective strategy in comparison with some networked groups.

The emergence of new community organizations attempting to develop a more collaborative and politicized approach expresses a rather different focus regarding the city debate. Their awareness regarding the relevance of place-based organizations as key territorial organizations and partial
involvement with ‘city debates’ reinforced their position in turning the attention towards the hills, not as territorial additions but as a more complex network linked to the territory, certainly beyond the WHS. Although these groups are incipient within the city, through their goals it might be possible to infer theoretically, that instead of jumping to other scales as a process of contestation, the potential purpose is more associated to the actual production of new spatial scales, where the city’s structural problems become embodied in the communities. The study of these processes will certainly require further analysis in future research.

All in all, social organizations have, as expected, different agendas and capabilities to reach their objectives with clearly asymmetric scopes and degrees of success. However, beyond that it is interesting to highlight the potential ways to get more strength when contestation processes have more ‘cross-typology’ features. The example of ‘Población Obrera’ in Cordillera Hill (Section 8.2.3.) showed the capabilities of community organizations to incorporate local need within national strategies of urban regeneration, using the positive potential of heritage, and producing an outcome from the market but for the benefit of their inhabitants. Social organizations in Valparaiso might be a long way from constituting a counter-regime to the ongoing processes and coalitions for urban development, but their isolated achievements can potentially gain more strength if they can agree on common agendas, reinforcing the role of social actors in the construction of governance.
Chapter 9. Conclusions

9.1. Valparaiso’s urban governance through multi-scalar regime analysis

The main purpose of this research has been to understand why urban regeneration strategies in Valparaiso did not cope effectively with historical problems of deprivation, poverty, and unemployment that remains present in the port-city. Urban regeneration has been understood as one component among several other dimensions (education, health, etc.) that needs to be addressed to produce deeper changes and benefits for Valparaiso’s residents. However, it is undeniable that urban regeneration strategies in Valparaiso represented a very influential opportunity, able to mobilize several socio-political forces across spatial and institutional scales, tied to the city’s highly distinctive and profitable features, expressed in the coastline and its WHS.

The overall research question – *why have the strategies of Valparaiso’s urban regeneration failed to address the structural problems of its urban deprivation?* – was essentially the frame that allowed me to address and analyse in depth the sub-research questions focused on urban politics through scale, coalition building in governance and social contestations. This research approach gave me, on the one hand, the chance to address an unexplored dimension in a widely studied city and, on the other hand, an opportunity to challenge theoretical concepts such as urban regimes for their application in the global south. Moreover, whilst the study is based on urban regeneration strategies, I would argue that an approach to urban politics, can contribute, either directly or indirectly, to debates regarding other dimensions linked to the development of Valparaiso.

This thesis has sought to explore the intricate and overlapping set of relations among socio-political actors constituting urban governance in Valparaiso. Through the examination of institutional attempts to regenerate the city and diversify its economic base, the thesis has attempted to show that, urban decision-making is produced through intertwined relations at multiple scales. Through the case of Valparaiso, I have sought to unpack how public and private stakeholders search for alliances and build coalitions in support of specific urban agendas aimed at producing spatial and economic transformations tied to their particular interests.

Through the case of Valparaiso, the research enabled me to revisit theoretical aspects of urban regimes, either to confirm some of its criticism or to provide new elements for the debate. In this regard, Valparaiso reaffirms that coalition building among public and private agents cannot ‘take for granted’ the local scale as unit of study, being in fact a socially produced political scenario intertwined with several other scales. Here, the inclusion of scale as part of the conceptual approach to understand how different scales help to (re-)produced capital accumulation, on the
one hand, avoids urban politics being perceived as a simple matter of agency, and rather as being both influenced by and influencing political economy. On the other hand, the scalar analysis is also relevant in the assessment of networks built by various actors to establish the dominance of one spatial scale of accumulation over others. Therefore, based on the case study, I would argue that the interdependence between public and private actors can be understood and assessed more comprehensibly insofar socio-political forces and urban agendas are identified and linked to specific scales of decision-making.

Following this synthesis of the key aspects of this thesis, Section 9.2. and Section 9.3. address the research questions in detail. Section 9.4. reviews the case study contribution to theoretical debates of urban regime theory and its interrelation with scale. The following Section 9.5. discusses the contributions of the thesis to public policy and practice. Finally, Section 9.6. concentrates on possibilities for future research in the context of the same research questions.

9.2. Addressing the research questions

9.2.1. **RQ1: In what ways does the social production of urban governance at different scales in Valparaiso help to explain/shape ongoing processes of urban change in the city?**

This thesis has sought to show that despite the centralization of political decisions in Chile, the participation of various actors from other scales can be highly influential within urban governance. In this regard, the research revealed that, beyond discretionary resolutions made by the central state associated with urban regeneration strategies, the processes of visualization and promotion of city changes began at local scale. Moreover, it is during the implementation of urban plans and projects that the influence of stakeholders at other scales became relevant in shaping urban regeneration. However, the asymmetries of power and interests identified through the case studies reveal that urban governance is constructed in such a way that its players can be either included or excluded during the process.

The findings in Chapter 5 relating to port development represented the willingness of central government to fully deliver the operational responsibilities of the port to the private sector. Although the shift of Valparaiso’s port activity towards semi-privatization took place in a context of intense mobilizations and negotiations by port workers, it all finished in a clear reconfiguration of dominant actors in decision-making: EPV, as the public enterprise with the discretion to plan and decide the future of the city’s port activity, and TPS, as private operator of the existing
Terminal 1 and the main contributor to the port’s loadings and transfers, and a key player aimed to keep as much as possible of its monopoly of accumulation.

If the dominant scales in which the governance of the port of Valparaiso are tied to the national and the regional levels through the dialectical relation of competition and collaboration, particularly with the port of San Antonio, the conflict that emerged over Terminal 2 also rescaled the activity, under the same contradiction, to the local. This reconfiguration of governance is expressed in two senses: (1) the mayors’ role indirectly gained relevance insofar as the port needed local support to counter social oppositions; and (2) the clash with the tourism/heritage agenda consolidated at that time along a new elite class of professionals and entrepreneurs mobilized against Terminal 2. It is in this way that the relationship between the port and the city re-emerged, though in a very conflictive way. Whilst the debate regarding the impact of Terminal 2 (and the port) on other activities is raised, the port remains highly relevant for the city economy – though the port-city relationship can be understood as a matter of symbolic dependency, far from being a fair and proportional contribution if the contribution of the port revenues to the municipality budget is considered.

The institutional division between the port’s and the city’s regeneration analysed through the three strategies of urban regeneration highlighted different paths of urban governance. This research analysed in Chapter 6 on the tourist and heritage strategies reveals how a very local vision of the city was up-scaled to the extent that the national government took direct action to boost the city regeneration through the city branding as a ‘Cultural Capital’ and the successful declaration of Valparaiso as WHS. Unlike the port, urban governance related to the city heritage and tourism agenda appears more permeable and changeable. It catered at different times for the desire of elites to consolidate the city as a tourist hub, for social organizations defending the value of heritage, and for a national government able to support a developmental agenda that included visions for the municipality.

The declaration of Valparaiso’s historic quarter as a WHS in 2003 constituted a turning point in the development of the tourism agenda, and with this came the radical transformation of Concepción and Alegre hills. Although the process had started some years before, the post-2003 consolidation of coalitions between public and private actors increased the speed of change and established tourism as an industry. This promoted the attraction of further investment in new housing projects, many of them as second homes, increasing the differences between Concepcion and Alegre hills, and other areas of the WHS.
For the construction of this new urban vision in Valparaiso, the city waterfront represents the key space in the consolidation of an urban agenda based on tourism and the arrival of new upper-middle classes. The city waterfront project was led by EPV, but as Chapter 7 has shown, this would not have been possible without the involvement of other actors, including former owners of the land such as the municipality and EFE, who transferred the land to EPV for the project development.

Although almost the entire city coastline belonged to EPV, the context, the nature of the waterfront project and the actors involved in either supporting or opposing the project, have made a significant difference to the development of Terminal 2. Since Puerto Baron was announced in 2005 (and even before that), their developers and EPV began to mobilize resources for essential changes to existing urban planning regulations and considerations that would make the project both feasible and profitable.

Here, the politics of scale operated at various simultaneous tiers of government: (1) local government controversially approved planning modifications before the approval of changes at metropolitan planning level; (2) the port enterprise subsidized Grupo Plaza in both the maintenance of public spaces and archaeological studies; and (3) President Bachelet approved a percentage of land to be sold for housing business. Urban governance was built on the idea of creating a space for consumption linked to the Metropolitan rather than the local scale, through institutional efforts that went beyond mere contract compliance. They were, in fact, true drivers of the commercial project.

Although almost the same actors can be found across all cases studied in this research, it can be concluded that urban governance in a city like Valparaiso should not be understood as a single process but rather several intertwined expressions of decision-making. The port-city spatial changes are rooted in its historical background alongside shifts in political economy, defining the dominant actors in decision-making. Yet, it is through the interplay among these actors, defining and implementing strategies, that the shape of the features and objectives of urban change emerge through the politics of urban regeneration. These politics, in the case of Valparaiso, are more related to processes of accumulation by privileged economic groups and business models for new local elites rather than to social justice.
9.2.2. **RQ2: How is the formation of urban alliances/coalitions (re-) produced through time regarding urban regeneration agendas?**

Structurally, the collaboration between the state and the private sector in Chile can be recognized as a general baseline to understand decision-making. The research has shown that as a broad structure this association remained in force when important agendas were produced and implemented. However, it has been also shown that through the process, several coalitions at multiple scales have been produced in a temporary way in order to boost or redirect specific urban agendas, which have also modified their goals and specificity.

In the intertwined trajectories between the coastline development and the consolidation of the tourism agenda, this research illustrated that it is possible to identify coalitions similar to those depicted in urban regime theory. Particularly, the informality of the public-private arrangements in Valparaiso proved to have had transformative features. Chapter 6 has shown how the coalition for a tourism agenda moved from a discursive mode to a more concrete and even institutionalized way of collaborating. A similar process can be recognized in the case of the waterfront (Chapter 7). Since the mid-1990s influential private actors called for a tourist development that was aligned with the municipality’s vision for a new public waterfront. Once those objectives became institutionalized through the strategies of urban regeneration, the paths of the tourism agenda and the waterfront took different scalar expressions, particularly before the WHS landmark in 2003. It has been shown that after that, the collaborative approach of the coalition focused on heritage (local powers, social actors, and members of the academy), diverted from national, regional, and local tiers of government involving city branding and tourism development to align with the private sector, forming a fruitful developmental coalition (Stone, 1993).

In parallel, once the waterfront development was finally defined as a mall linked to real estate business, it began the formation of perhaps a more obscure expression of coalition building due to the manoeuvres made by its members to give technical feasibility to the project. The new coalition informally kept together the state at all levels, EPV and Plaza Group, particularly during the stage of planning modifications and definition of special facilities for further development. The research showed how this collaborative work and the exchange of political, technical and economic resources became formalized once the project was rescaled through the intervention of UNESCO. The state, from the national to local levels, played a key role in providing a response to the supranational institution and keeping the project alive. In the end, *Puerto Baron* was redesigned, and the 19 responses made by Chile would be reviewed in the 41st session of the World Heritage Committee in Krakow, Poland in 2017.
The development of the port demonstrates a rather different process. Although from the beginning both the municipality and port sector actors called for the revival of port activity, it has not been possible to identify coalitions during this process as it has been in the other projects. The coalition between EPV and TPS, framed under the regular associations of the state through the system of *concesiones*, remained relatively stable and without major tensions until the arrival of the Terminal 2 project. Chapter 5 illustrated that, certain conditions were necessary for the stability of the coalition: (1) the port’s spatial and administrative division from the city and the municipality, keeping the port activity as a national/regional scale matter with goals delinked from the local scale; (2) political party involvement in and support for the activity, expressed in the exchange of political actors between high positions of the state apparatus and the Board of the port enterprise. These conditions demonstrate that port activity, despite being disregarded by ‘Plan Valparaiso’ and PRDUV, was always the dominant activity and agenda. In the end, it can be argued that any outcome derived from the tourism/heritage agenda becomes subordinated to the port resolutions.

Nevertheless, as the tourism industry ended up consolidated and supported by new entrepreneur and professional elites, a conflict emerged with Terminal 2. Yet the port case showed that besides external forces (social organizations, city’s elites) against EPV’s extension plans, internal players (TPS) with their own interest based on profit, were key in creating effective tensions regarding the conflict, triggering the construction of new coalitions both in favour of and against Terminal 2. So far, the state has remained cohesive in carrying on with its plan, however, works have not yet started on Terminal 2. Some of this delay is because of the social action taken before UNESCO, given the proximity of the port to the WHS. Other factors, perhaps more concrete, are administrative and technical matters.

To sum up, the research has shown that coalitions are produced at different points in the development of the agendas, and in different ways depending on the characteristics of the projects presented. Coalitions have been identified ranging from a diffuse and almost symbolic form to a very concrete and institutionalized shape, especially with regards to the tourism agenda and the waterfront project, which have developed in an overlapping way. The port’s coalitions have been identified more clearly as a response to the potential impact of Terminal 2, in terms of urban effects but also regarding monopolistic accumulation. Interestingly, the configurations and re-configurations of coalitions through time and scales have maintained, in a fragmented and disjointed way, the general ideas drafted in the 1995 ‘ Reactivation Plan’, a characteristic that will be reviewed in section 9.3. in relation to the urban regime approach.
9.2.3. **RQ3: To what degree and in what ways do social movements become effective opponents to strategies at different scales of urban regeneration?**

This question gains special importance since social organizations have been present throughout the research, despite being actors usually out of the realm of decision-making and dominant developmental coalitions. This work has revealed that at least at certain points, social organizations have been able to get involved or to influence governance. Among the different groups, *Ciudadanos por Valparaiso* particularly stands out as a leading organization when city heritage is at stake. This kind of organization fostered a way to mobilize and make alliances within the city through campaigns aimed to contest certain urban interventions. This mode of action, which for the case study I have called *networked organizations*, has been maintained as the type of organization with more influence in contesting institutional initiatives. However, differences in the features of projects, composition of the members of organizations under specific citizens campaign, and supports, ended in different outcomes regarding the impact of social organizations mobilizations.

Whilst in the campaign *No al Mall Baron*, professionals and middle-class groups were able to build more complex associations, including port workers and organizations linked to the activity, the navy, local traders and some political actors, the campaign against Terminal 2 has been a less diverse group. Certainly, *Mar para Valparaíso* has also tried to reach the political arena as a way of becoming a political actor in Valparaíso (See Subsection 9.4.1.), along with contacts with the economic elite. Both campaigns have been able to publicly establish the problems and negative effects of such projects, especially Terminal 2 through a strategy based on visual models.

Social organizations against *Puerto Baron* have unfolded different strategies of contestation, from street mobilizations to judicialization of the conflict (leaving the action in only a few hands), but their impact remained as a local scale conflict. However, the turning point was the letter presented to UNESCO by a group of social actors seeking a review of the coastline projects which proved to be an effective strategy to jump scales towards the supranational, and by this, rescaling the case to the National/Regional level through the nation state’s responses before UNESCO and the redesign of *Puerto Baron*.

The actions against Terminal 2 has had less impact, as social organizations have not been able to produce more significant influence on the trajectory towards the project materialization. Although they have reach regional and at some moments, national attention, this does not mean a jumping of scale by social organizations have not been able to reach the points of decision and operation at which the port activity is actually located. Interestingly, the involvement of UNESCO after the
claims against *Puerto Baron*, ended benefiting organization’s claims against Terminal 2, because UNESCO expressed its main criticism precisely to the port extension, as it is located next to the WHS polygon. But even so, the effects do not seem as deep as those identified in *Puerto Baron*. Here, the scale of the project and the interest placed in them matters. The port development is a fundamental aspect of the Chilean economy; thus, authorities are less willing to make changes or new agreements beyond the legal stages of revision. In turn *Puerto Baron*, while important for the local economy, it does not have the same level of strategic relevance, so it might be more open to changes.

Both cases demonstrate flaws that have been used by dominant coalitions to undermine the relevance of social campaigns, reducing claims and struggles to a matter of elites, something exploited by the state, local government and private actors involved in these projects. The research has sought to show that the near absence of links with local resident has been problematic for networked organizations. On the one hand, the lack of connection with the grassroots regarding the mall is reflected in surveys that show wide support for the project. These results have been used by the authorities and EPV as a mechanism to question the representativeness of social actions. On the other hand, the campaign against Terminal 2, while recognizing the importance of the port, has not been able to deal with the highly symbolic meaning of the port history, as other organizations considered the port extension almost regardless of its location, as a normal part of Valparaiso’s essence as a port-city.

The conclusions regarding this Research Question inevitably focus attention on the networked organizations as key social players in the debate about city regeneration in the terms imposed on the city. Yet *placed-based* and *community organizations* have also been very significant. Chapter 8 has demonstrated that these two groups do not have strong links with or interests in the large-scale projects of urban regeneration. Nevertheless, despite structural problems of participation and the municipal dependence of place-based-groups, as well as the incipient features of the new community groups, they reflect a totally different perspective in the process. Place-based organizations represent and embody, despite all their constraints, the actual problems happening in the city, namely poverty and exclusion in poor areas, and gentrification in the already regenerated areas. This is proof of the reduced success and wide negative effects of urban regeneration on local people within the WHS. It also demonstrates the disconnection between the coastline projects’ aims of accumulation and local expectations of better opportunities, especially regarding the port’s development.
Finally, new community organizations represent a potential alternative to the binary distinction between networked and place-based organizations. It has been shown that attention should be given to the political nature of these groups and their focus on the hills as a socially constructed scale. Their self-management approach linked to place though understanding the importance of networks configures a kind of organization that require more observation for future research in terms of their capacity not only, to jump scales to reach dominant actors and coalitions, but the possibilities to potentially consolidate, through their mechanisms of collaboration and action, a new spatial scale within the city scale.

9.3. Why have the strategies of Valparaiso’s urban regeneration failed to address the structural problems of its urban deprivation?

Returning to the overall question of this thesis, the evidence has shown that the ‘failure’ of urban regeneration strategies is framed, in the first instance, by the historical and political economic path of the city’s development. The context of the devaluation of the port’s activity during the 20th century, and its re-emergence as a semi-private entity during the 1980s and 1990s, radically reconfigured the port’s relationship with the city. The neoliberal turn implied the reduction of players in decision-making creating a scenario ruled by technocracy and pro-economic growth agendas in which urban regeneration strategies unfold: led by the central government and highly dependent on private sector involvement.

Nevertheless, the failure cannot be assumed to be due to the structural changes per se but rather through its interplay with agencies and the coalitions built into governance, along with the (lack of) institutional capabilities configuring the current condition of Valparaiso. In this regard, the following are the mains factors explaining what would constitute the failure of the strategies of urban regeneration:

1. Competition between urban agendas: The case of Valparaiso illustrates how urban agendas overlapped according to the interests of dominant forces in specifics moments throughout the study timeframe. Despite initial strategic attempts aimed to diversify the city economy, the dominant agendas where reduced to tourism and the port, clashing later and competing again, in the last period with the emergence of Terminal 2.

2. Tensions across different institutional tiers: The definition of centralized strategies such as ‘Plan Valparaiso’ produced tensions between national and local tiers of governments regarding decisions made without inclusion of the municipality. Tensions had different expressions during
PRDUV with the influential role of the mayor forcing a partial redistribution of resources outside the defined areas for development (EPIs), undermining the potential impact of the programme. Disagreements between the national government and the IDB also contribute to this scenario as PRDUV finished centralized in SUBDERE instead of a more accountable arena of decision-making able to join the diversity of stakeholders in Valparaiso.

3. Agendas aimed to ‘replace’ the port: ‘Plan Valparaiso’ neglected the role of the port as an efficient engine of economic development, focusing on other activities, particularly tourism, reinforced later by PRDUV. Nevertheless, it is clear that new urban agendas are still far from being as influential as the port agenda, which remains as a key activity. Moreover, it is proposed that the potential conflict around Terminal 2 has ties with the departure of the port from the strategies of urban regeneration, as the port activity, supported by its operational figures and the full commitment of the state, could exercise its discretion in defining the project regardless of the impacts on the WHS.

4. Top-down targeted investments against redistribution: The entrepreneurial approach of the strategies of urban regeneration supported by coalitions linked to tourism, concentrated resources in a few opportunity areas. The concentration of investments in Concepción and Alegre hills and by contrast, areas such as Barrio Puerto were a product of intertwined relations between planned actions to regenerate areas with profit potential and short-term approaches to real estate investments in the context of land ownership and regulations constraints. As result, new patterns of segregation emerged between small areas radically transformed and wider parts of the city left either without significant improvements or suffering negative impacts due to land speculation.

5- Project-based urban planning: Valparaiso illustrates how planning instead of being an instrument providing guidelines for urban development became a permissive intervention dependant on large-scale projects. The main example supporting this in the research was the several planning modifications pushed by coalitions at all levels to make Puerto Baron feasible. Planning in Valparaiso also shows itself to be a reactive instrument unable to manage the speculative dynamism of real estate business, expressed in the definition of wide protected areas in 2005 to prevent high-rise buildings, which later started to proliferate outside its boundaries.

6. The role of social organizations: Despite all their constraints and the local critique of some groups as elites delinked from most residents, networked social organizations in Valparaiso have been constituted as a relevant counterpart against developmental coalitions pushing their urban
Networked social organizations have been able to stop and reconfigure urban projects, gaining a place in the construction of governance, at least temporarily.

7. Poor contribution of the Port: Although Valparaiso’s economy is interwoven with the port in terms of taxation incomes, jobs and even the development of urban projects, the port profits bear no relation to their potential contribution. Whilst it is true that the city/port relationship is different today, this does not mean that the remuneration of an activity with such high social and urban impact as a port is just symbolic, undermining the municipality’s possibilities to develop more focused on the benefit to the city and less dependent on central government.

All in all, the understanding of ‘failed’ urban regeneration in Valparaiso needs to be reframed and unpacked. Urban regeneration has been critically assessed in Chapter 2 as largely an entrepreneurial approach aimed at attracting capital, using deprived areas for reinvestment in the built environment, something that can be reflected in Valparaiso’s strategies. The argument here is that Valparaiso has basically failed to produce successful changes under these entrepreneurial terms. Conceptually speaking, urban regeneration strategies in Valparaiso did not fail to address problems such as the exclusion and poverty, because as many other cases found elsewhere, such measures of success are simply beyond the scope of urban regeneration and cannot be their main objectives. These problems are subordinated to broader goals of economic growth and accumulation, and apparently resolved then through a trickle-down effect.

The failure of the regeneration of Valparaiso can have different interpretations depending on the perspective from which it is assessed, and the actors involved. From an economic standpoint, it failed (so far) because the city remained almost the same and did not generate new urban consolidated areas for profit-making within and beyond the WHS, apart from two hills that, in fact, succeeded in replicating negative effects such as gentrification. Politically, it failed because several different coalitions were pushing agendas that competed each other. A common vision for the city improvement was lacking, even though the actually produced urban changes have been something valued by the political elite. From the social perspective, it is even more interesting because Valparaiso’s regeneration can be considered as failed because it did not fulfil the promise and expectations of improving people’s quality of life. However, at the same time, it can be argued that the strategies implemented succeeded as it strengthened a diverse social movement, which was able to contest what they thought was not right for their city.
9.4. Rethinking and rescaling urban regimes: Valparaiso’s experience

Throughout this research I have sought to explore the complex and tangled set of relations among actors involved in the social construction of urban governance. In this endeavour, attempts to bridge the production of spatial scales through the politics of scale and urban regime theory to approach the case of Valparaiso’s uneven development has proved to be useful for the analysis. As has been argued in Chapter 2, both the politics of scale and urban regime theory can retrofit each other: urban regimes through a scalar lens can be useful for recognizing stakeholders beyond the locality and provides a political economy perspective beyond mere contextual features. In turn, the politics of scale can lead to a more detailed approach regarding how collective interests and struggles are produced in a specific urban context. However, the urban regimes approach must be theoretically reviewed and at some point, reshaped if it is to become a useful mechanism for policy and political assessment in cases such as Valparaiso.

This is particularly relevant when it is considered that most of the research on urban regimes has been done in the global north, so a Latin-American case would present, at first glance, a radically different experience. In fact, even in the urban regime analysis between the US and its European counterpart it has been necessary to make adaptations to the approach based on specific political economy scenarios and urban politics. The case of Valparaiso shows that reinterpretations of urban regimes need to be made, though without necessarily moving beyond its key constituents, namely the agenda to be pursued, the composition of the community that builds the coalition, the nature of the relationships and the resources they bring (Van Ostaaijen, 2010).

In terms of agendas, this thesis has identified at least four dominant agendas developed throughout the research timeframe. From 1995 to 2002, under the ‘Reactivation Plan’, the agenda was linked to port development and the diversification of the economic agenda. As the port’s activity changed after the modernization law in 1997, the period 2002-2006 (Plan Valparaiso) focused the agenda on the economic diversification of the city, though in fact its key component was the tourism through heritage agenda which remained dominant from 2002 until at least 2011-2012 with the first tender for Terminal 2 and the end of PRDUV. The last stage is characterized by the re-emergence of the port development agenda, although it has been proved that this agenda never in fact disappeared. In that sense, it can be said that under a general umbrella aimed to produce economic alternatives for Valparaiso’s development, the agendas built proved to be more unstable than the classic approach or urban regimes. This can be explained in the way agents’ coalitions are permeated by political economic goals at national/international scale, in which the four agendas mentioned change based on a logic regarding the dominance of particular coalitions in
specific periods. In other words, the tourism agenda does not disappear but is superseded by the port agenda as it gained more relevance for the country’s needs and capital accumulation.

Regarding the actors building coalitions, it can be said they were also irregular and changing through time and scales. The key distinction from the usual urban regimes approach linked to local politics, is that, in the case of Valparaiso, there are the multiple scales influencing governance. This goes beyond the interplay between local practices and other scales as frameworks or contexts for such practices. The case of Valparaiso evidenced the direct involvement of actors at national or supranational levels involved and coalescing at different times to decide in local matters. This involvement has direct relation with the country’s centralization which implies a preponderant role for the national government. Bringing up here the role of the state under Regulation and neo-Gramscian approaches (Jessop, 1995, 1997, McGuirk, 2003), it can be argued that the Chilean state has been able to provide a macro-level framework with adequate norms to ensure capitalist accumulation, and, at the same time, being a key force rescaled and directly involved in processes of meso-level governance, in order to ensure the hegemonic neoliberal project. The scalar approach in urban regimes implies the very active role of stakeholders located beyond the locality to support specific urban agendas, and in turn to (re)-define dominant scales of decision-making. The stakeholders that build coalitions varied according the nature of the agendas, as depicted for instance through the role of the mayor, weak in relation to the port and more influential regarding the tourism agenda and the waterfront.

The nature of the relationship is also variable, as coalitions in Valparaiso have range from both informal to formal. Although these characteristics do not highlight remarkable differences from the urban regime approach, it is possible to identify distinctive features based on the case study. Relationships within coalitions are more tied to political parties’ influence, intertwined with capitalist interest beyond the city boundaries. The politicized characteristics of coalitions becomes relevant for the strategic support of agendas by more powerful actors. Another distinction is the movements from informal relations towards more institutionalized modes of cooperation identified at certain moments. These trajectories were produced either to consolidate agendas or to respond to potential threats. Such cases can be recognized in the tourism agenda with Plan RUMBO and the special commission set up at regional level to formulate the state responses to UNESCO regarding the Puerto Baron project. However, as the port project does not show that tendency, it cannot be assumed that formalization is indeed a general process in the relationships within coalitions in Valparaiso. Finally, and linked to the politics of scale, relationships within
coalitions can have both horizontal and vertical features depending on the scale at which stakeholders are located, but more important, in terms of their levels of power.

The resources brought to the coalition are relatively clear and quite aligned to urban regime definitions. Within governance, resources provided by actors are important to understand their degree of interdependence. In the case of Valparaiso, the resources of the public sector are linked to the political, economic and administrative powers of the national government, permeated in specific periods by the political capital of mayors and local planning powers of the municipality. Public resources are necessarily related to those provided by private sector actors, linked to investments but also political influence at different scales of decision-making. Supranational resources can be linked to broad arbitrage criteria able to mobilize the state apparatus and the private sector insofar it directly involves their interests. However, the key aspect of actors’ interdependence in urban regime coalitions is not always explicit regarding how these resources influence relations, understood as inherently asymmetrical. The case of Valparaiso shows that aligned to the changing urban agendas, the level of dominance changes. Whilst the state power in the port is more discretionary through the role of EPV and its relations with private monopolistic operators, the state-led execution of strategies of regeneration within the WHS was more permeable to the resources of other actors and contestations by social movements.

All in all, from the perspective of the urban regimes approach, it can be said that the case of Valparaiso only partially fulfils some of its theoretical aspects, especially when regimes are strictly considered as a stable and continuous process to create governing capacity. Nevertheless, as argued by Stone (2015), current times are totally different from those identified in his analysis of Atlanta, as governance is a rather more diffuse concept and therefore so are the coalitions built. Bearing this point in mind, the large-scale urban projects presented begin to fulfil, though in a very different way, the ‘conditions’ for an urban regime (Table 9-1). I would argue that Valparaiso has developed a fragmented urban regime. This definition could be understood either as an inherent condition of the case due to several forces and interests involved, or as an historical period leading towards the formation of a more stable regime. Such a regime would depend on future processes associated with the coastline development and the city’s WHS as effective drivers of economic improvement and social benefit.
Table 9-1: Aspects of regime analysis applied to Valparaiso

<table>
<thead>
<tr>
<th>Main aspects</th>
<th>Case of Valparaiso</th>
</tr>
</thead>
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<tr>
<td>Understanding of power</td>
<td>Power is exercised according to the features and interests of the urban agenda’s, as well as to the dominant scale to which they belong. The tourism agenda (and the beginning of the waterfront) moved from privileged groups (systemic power) to a more entangled relation among several actors (coalition power). The coastline is more linked to discretionary mechanisms for collaboration (social control).</td>
</tr>
<tr>
<td>Escaping the localist trap</td>
<td>Decisions and interventions are produced by the direct intervention of actors and institutions located beyond of the local scale. Local features are rescaled by interest at national and international scales.</td>
</tr>
<tr>
<td>Continuity and change</td>
<td>There is change and overlap of dominant agendas throughout the study period: fragmented continuity. Two typologies of regimes clash: a developmental regime (dominant) and middle-class progressive regime (emergent) (See table 2-2-, Chapter 2).</td>
</tr>
<tr>
<td>Spatiality</td>
<td>Heritage and tourism agenda are materialized in small areas of the city, with opportunities for expansion. Coalitions focalised in opportunity areas (state actors and small-scale developers), though with irregular results. Consolidation of new urban elites, clashing with megaprojects along the coastline. Interpretative expansion of the WHS.</td>
</tr>
<tr>
<td>Counter-regime capabilities</td>
<td>Partial (though symbolically important) impacts over dominant agendas. Social groups are not strong enough to produce an effective counter-regime. Scale jumping is useful as strategy but still linked to more privileged groups.</td>
</tr>
</tbody>
</table>

Source: Own elaboration

9.4.1. **Shifting urban politics: A quick note of the future of Puerto Baron**

At the date of submission of this thesis, and out of its scope regarding its period of study, the debates about the coastline development (*Puerto Baron* and Terminal 2) have remained highly active. Social organizations and particularly UNESCO continued to be important players influencing the development of these projects. In this context, there was a turning point with the election a left-wing Mayor in 2016: Jorge Sharp. He is a young politician, part of the historic mobilizations of students in the entire country in 2011. He as militant of the Autonomist Movement, a group that joined with other political and social organizations under the local political coalition called *Pacto la Matriz* aimed to create and alternative for local government. The election of Sharp implied a break-up of the duopoly between Christian Democracy

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84 Many social actors were part of the campaign against Terminal 2, and two of them, linked to *Mar para Valparaiso* were also elected as Municipal Councillors. One of them, Daniel Morales, was interviewed for this research.

85 Certainly, the emergence of Mayor Sharp is not a simply a local and isolated phenomenon. Besides the social organizations supporting his candidature, Mayor Sharp is part of a new political movement at national level which recently obtained 20 seats at the National Congress, including 1 Senator (in Valparaiso Region), and some positions in Regional Governments. Therefore, the election of Mayor Sharp, highly emblematic at country level, is embedded in an emerging new political process deploying at several levels of decision-making.
(Concertación) and UDI (Alianza) that alternated the municipality leadership since the return to the democracy in 1990.

In this context, one of the several judicial actions undertaken by local social organizations against Puerto Baron reached the Supreme Court in 2017. It was the claim arguing that the building permit granted by the Municipality of Valparaiso did not meet the OGUC requirement that the project must be directly connected to a main road (Subsection 7.4.2.). The Supreme Court finally dictated that the permit was illegal (Poder Judicial, 2017). Mayor Sharp, who was against the mall, announced the resolution and gave full recognition to the social organizations who had mobilized against the development throughout the years. After this, in 2018 Plaza Group used its contract exit clause, withdrawing the proposal awarded 12 years before, and thereby opening an entirely new debate about the future of the waterfront.

Whilst it is true that the decision was judicial, one key factor influencing the resolution was that, under the new local government, the lawyer representing the municipality did not attend the judicial pleadings to defend the building permit. This can be clearly interpreted as a political act of Mayor Sharp’s administration, also evidencing that in a different scenario (e.g. the re-election of Mayor Castro) the outcome could have been very different (in fact, the vote of the Supreme Court was a tight 3 to 2). This important landmark shows that politics matters and the changing composition of forces within the structure of decision-making can be clearly determinant in the spatial outcomes produced. The waterfront will have a quite different project now. It also illustrates how fragile a coalition can be with respect to the resources needed to maintain certain agendas. In this case, the Municipal support, despite its lack of power in comparison with other actors, was strategically determinant in the future of the project.

9.5. Contributions to policy-making

Since this research is based on the construction of governance, its contribution to policy-making unavoidably would have to be embedded in the Chilean political processes, which continues with clear neoliberal focus. Nevertheless, it must be recognized that, through the entire period of study, changes have been produced, either in terms of spaces of participation or new policy frameworks linked to urban development. In this regard, the present thesis can provide interesting insights into the context of the recently published Política Nacional de Desarrollo Urbano (National Policy on Urban Development), (MINVU, 2014). The policy provides several guidelines which might potentially evolve into new laws. Among the topics covered in the new policy, governance takes
special relevance, particularly regarding challenges of decentralization, increments of power to subnational tiers, integrated urban planning, and the proposal for a new metropolitan level of government. In the future, these proposals could be informed by this research regarding the political complexities and effects that such changes might trigger. In other words, along with a potential restructuring of the governance system, several forces beyond the institutional realm will certainly be involved\(^{86}\), and the relationships among actors, their interests and coalitions produced at different scales would be quite different. Therefore, at some point, the case of Valparaiso can be rescaled and used as an experience in order to produce new policies more anchored in socio-political processes, so as to anticipate potential conflicts, and desirably, to make these policies more inclusive and redistributive.

At the city level, not only in Valparaiso, one of the key problems of urban regeneration in central areas is its inherent gentrifying features. As urban transformations are unavoidable, it is desirable to create coherent long-term strategies of urban development aligned with robust planning regulations. In particular, this research has proved that after unsuccessful pro-growth attempts to regenerate the city based on tourism, there are still large underdeveloped areas which require improvement, but under a totally different approach. That is not to say that tourism should left behind \textit{per se}. A policy or strategy of urban regeneration should be able to incorporate residents into the enjoyment of new urban spaces, not exclude or displace them, though such approach would imply a change linked to a radically different political configuration of forces. The current local government of Mayor Sharp began to use a Municipal owned plot of land in the heritage area for the construction of new social housing, initiated the rehabilitation and reactivation of an historic school of the city, and approved planning regulations to prevent the construction of high-rise buildings in sensitive areas on the hills. Although all these measures show a clear shift in local politics, they still lack a coherent plan that visualizes the city’s future in the long term. It seems that the reconfiguration of forces within the city, triggering new coalitions at other scales, and supported by new national frameworks for urban development, could constitute a good opportunity to provide this vision, able to address the needs and aspirations of its residents, transcending electoral periods.

\(^{86}\) Many of these forces were involved in the elaboration of the National Policy. Yet considering that the rule-by-law in Chile can de determinant to either consolidate or undermine interests, the interactions and asymmetries at the moment to produce new laws might be incremented.
9.6. Ideas for further research

The findings of this research suggest several interesting topics for further development. I have been particularly attracted by theories of scale as a constructed metric of differentiation but also as a mechanism of contestation. In this regard, it could be highly interesting to analyse in depth the processes of community-based scale-making identified in this research. This would help to extending the idea that, besides scale jumping as a useful strategy, the possibilities to produce their own social scales can be a more powerful option for a just urban change. This approach would be very important not only to follow a process aimed to turn the focus towards the city hills in contraposition to dominant urban agendas, but also to explore the actual benefits in communities of such process. This would also provide the opportunity to develop longitudinal research, to understand both the evolution of these groups and the impacts of urban regeneration itself.

If the analysis of Valparaiso needs to be downscaled to understand everyday practices produced in the hills, it also needs to be upscaled to the metropolitan level. Further research on the political processes embedded in an economically interdependent city-region can enrich the complexity and multi-scalar features of the construction of urban governance.

Having analysed the case of Valparaiso’s governance formation through urban regimes, it seems appropriate that comparative studies with other Latin American cases should be developed, in order to identify intersections and mismatches relating to urban governance as well as understanding the learnings, constraints, and struggles in other cases. The aim of this would be to contribute to a debate regarding a much-needed Southern theoretical approach to studying urban governance, based on urban development practices and their relation to urban politics and policymaking. In that sense, rather than using urban regimes purely as a theoretical approach to be tested elsewhere, it may be more interesting to use it from a methodological stance, in which components like coalition building can be linked to the increasingly important multiscalar perspective, as shown in this research. Adjusted in this way, it could be useful framework for the analysis of urban governance. Parnell and Robinson (2012:597) call for the construction of a Southern theorization that contributes to understanding “the multiple drivers of urban change, from the developmental or activist state to the role of traditional elites and the persistence of extra-capitalist power bases as well as the political and accumulation strategies of capital, states, and other institutions”. Agreeing with this plea, I hope this research is a step towards contributing to this collective goal.
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236


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248


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# Appendix 1, List of participants interviewed

<table>
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<tr>
<td>Alexandra Garín</td>
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<td>Municipality of Valparaiso</td>
<td>Elaboration of PLADECO Valparaiso</td>
<td>10 March 2015</td>
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<td>Giulietta Fadda</td>
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<td>11 March 2015</td>
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<td>12 March 2015</td>
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<td>Daniel Morales</td>
<td>Male</td>
<td>College of Architects/ Activist</td>
<td>Activist, <em>Puerto para Ciudadanos</em>, Member of the Architect College Valparaiso</td>
<td>12 March 2015</td>
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<td>Manuel Pedreros</td>
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<td>17 March 2015</td>
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<td>18 March 2015</td>
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<td>Port Authority</td>
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<td>13 April 2015</td>
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<td>Gonzalo Telleria</td>
<td>Male</td>
<td>Private Sector</td>
<td>Member of CChC</td>
<td>28 April 16</td>
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<td>43</td>
<td>Andrea Silva</td>
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<td>Local Leader</td>
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<td>Joaquin Velasco</td>
<td>Male</td>
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<td>Architect and Member of Plan Cerro</td>
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<td>45</td>
<td>Pablo Andueza</td>
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<td>Academic and activist at Ciudadanos por Valparaiso.</td>
<td>02 May 16</td>
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<td>46</td>
<td>Nahuel Quiroga</td>
<td>Male</td>
<td>Social organization</td>
<td>Academic and activist at Espacio Santa Ana.</td>
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<td>47</td>
<td>Luis Parot</td>
<td>Male</td>
<td>Municipality</td>
<td>Former SECPCLA Director at Municipality of Valparaiso</td>
<td>03 May 16</td>
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<tr>
<td>48</td>
<td>Alberto Texido</td>
<td>Male</td>
<td>Academy</td>
<td>Professor at Universidad de Chile, Member of the Architect College National Board, member of Metropolitica</td>
<td>02 May 16</td>
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<tr>
<td>No.</td>
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<td>Gender</td>
<td>Sector</td>
<td>Position in the private sector</td>
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<td>49</td>
<td>Rodolfo Codina</td>
<td>Male</td>
<td>Navy</td>
<td>Former Commander in Chief of the Navy</td>
<td>11 May 2016</td>
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<td>50</td>
<td>Baldomero Estrada</td>
<td>Male</td>
<td>Academy</td>
<td>Professor Universidad de Valparaiso</td>
<td>11 May 2016</td>
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<td>51</td>
<td>José Egido</td>
<td>Male</td>
<td>Private Sector</td>
<td>President of the Truck Transporters</td>
<td>11 May 2016</td>
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<td>52</td>
<td>Jorge Martinez</td>
<td>Male</td>
<td>Private Sector</td>
<td>Academic and Former president of the Regional Chamber of Commerce.</td>
<td>13 May 2016</td>
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<td>53</td>
<td>Ricardo Lagos-Weber</td>
<td>Male</td>
<td>Senator</td>
<td>Representative of the Valparaiso Region</td>
<td>19 May 2016</td>
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Appendix 2, Semi-structured interview questionnaires

Group 1: Policymakers, Officials, Politicians

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<td>Position:</td>
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<td>Sex: Female Male</td>
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1. How long have you worked in this organisation? Have you always worked in this position?
2. In Valparaiso there have been in the last 20 years several plans/strategies to regenerate the city- What is your opinion about that? What was your role these processes?
3. What do you think have been their main achievements?
4. What have been the main difficulties?
5. How did you (your institution) collaborate with those strategies of urban regeneration?
6. What has been the role of current planning instruments and other regulatory mechanisms in the definition of urban regeneration strategies?
7. Who do you think were the most influential actors in the formulation of urban regeneration policies and strategies of urban regeneration? Why do you think they are so influential?

Let’s turn to the actors involved in urban regeneration...

8. How do you think it was installed the coastline/ cultural and touristic development in the public agenda? Who promoted them? What kind of support (political/institutional) they need it?
9. What do you think were the contributions of the Central Government/Regional government in the definition of an urban regeneration agenda? What do you think were the constraints on their role?
10. What do you think about the role of the Municipality in the process of Valparaiso’s urban regeneration? What do you think were their constraints?
11. What was the degree of influence of the private sector in the definition of an urban regeneration agenda? What do you think were their constraints?
12. In your opinion, what was the degree of influence of International organizations (e.g. UNESCO/IDB) in strategy-making?
13. How would you define the relationships between different levels of decision-making? Why? What role did you have (as authority, political, in your institution) in that scenario?

Regarding your organization/institution...

14. What was the agenda that your organization wanted to promote during this period?
15. Which are the actors with whom your organisation has the closest relationship? What kind of relationship is this?
16. Which actors have found it more difficult to work together? Why?
17. How change relations with government institutions and the municipality when there have been changes of political coalitions?
18. So, based on our discussion of the different actors and their relationships, would you say that there is a recognisable grouping of interests in defining and executing urban agendas in Valparaiso? Is this a formal or informal grouping? At what points in the strategy making process, did this grouping exert influence?
19. Do you consider that the strategy captures the full meaning of urban regeneration? Is there anything else you think could be included? Excluded? Why?
20. Would you recommend any other possible interviewee which could provide more relevant information?
Group 2: Social Organizations

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<td>Position:</td>
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<td>Sex: Female</td>
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1. When was your organisation established? Why was it established? Who established it?
2. How long have you been a member? Why did you join?
3. In Valparaiso there have been in the last 20 years several plans/strategies to regenerate the city - What is your opinion about that? How has been your organization involved around these processes?
4. What has been your organisational strategies to address these issues? What are the strengths of these strategies? What have been your major constraints?
5. In general terms, what does your organisation think about the process of urban regeneration in Valparaiso?
6. How do you think these urban changes have affected local people?

Let’s turn to the organisations involved in urban regeneration in your city…

7. What other social organisations have your organisation worked with on urban regeneration? Why those organisations? How did you work together? Who are your closest allies?
8. How do you think it was installed the coastline/cultural and touristic development in the public agenda? Who promoted them?
9. What has been your relationship with Central government? In general, what do you think about the role of the Central Government/Regional government in the definition of an agenda for the historic centre/coastline regeneration?
10. What has been your relationships with municipal government? In general, what do you think about the role of the Municipality in the definition of an agenda for the historic centre/coastline regeneration?
11. Has your organisation had any interaction with the private sector? If yes, who in the private sector? What do you think about the role of the private sector in the definition of an agenda for the historic centre/coastline regeneration?
12. Has your organisation had any interaction with UNESCO? Any other international organisation? In your opinion, what is the degree of influence of International organizations in strategy-making?
13. What was the agenda that your organization wanted to promote during this period? How it was related to institutional agendas?
14. What do you think are the most important issues in urban regeneration coming up for your organisation in the next 5 years? Is there some agreement in different civil society organisations about these future issues? Have you discussed a way of working together on these issues? If yes, how?
15. Would you recommend any other possible interviewee which could provide more relevant information?
Group 3: Academics

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<td>Organization:</td>
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<tr>
<td>Sex: Female Male Audio Recorded: Yes No Questionnaire: G-3</td>
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1. In your opinion, what have been the main economic and political issues related to Valparaiso’s urban development?
2. What have been the main characteristics of the strategies of Valparaiso’s urban regeneration in the last 20 years?
3. What do you think about the relation between urban regeneration's strategy-making and the actual socio-spatial outcomes in the historical city quarter? What do you think are the effects for the entire city development or other levels?
4. What has been the role of current planning instruments and other regulatory mechanisms in the definition of urban regeneration strategies?
5. In your opinion, what are the main political aspects to consider in the definition of urban regeneration strategies?

Let’s turn to the organisations involved in urban regeneration…

6. What do you think about the relations between actors/institutions at different levels in the definition of strategies/policies of urban regeneration?
7. Are there limits to the involvement of central government in urban regeneration in Valparaiso? Why?
8. Are there limits to the involvement of municipal government? Why?
9. Is the private sector involved in the institutional decisions? If so, how and at which levels?
10. What are the limits of the private sector in urban regeneration? Why?
11. What do you think about the degree of participation of social organizations (against and in favour of strategies of regeneration)? What are the limits of the participation of social organisations in urban regeneration? Why?
12. To what extent international institutions (e.g. UNESCO) are determinant in the definitions of policies and strategies of urban regeneration?
13. Would you recommend any other possible interviewee which could provide more relevant information?