

FROM «NON-MANAGEMENT» TO ENTREPRENEURSHIP? SOME EVIDENCE IN THE TRANSFORMATION OF URBAN GOVERNANCE IN MEDIUM-SIZED LATIN AMERICAN CITIES THROUGH AN ECUADORIAN CASE STUDY

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One of the best-known and cited texts in Social Geography is that of the British geographer David Harvey is *From managerialism to entrepreneurialism: The transformation in urban governance in late capitalism*. In it, is described the evolution in the government of the city from a management model of managerial type, planner and integrator, to another based on business criteria, from the new urban governance (Harvey, 2001). Although 25 years have passed since the publication of the original text, the worldwide expansion of the business management model has kept it in force. Changes in urban management have spread progressively from metropolises to small and intermediate cities, giving rise to a large literature that interprets this process, mainly in urban systems in North America and Europe. Although there are several studies on the process of urban regeneration in Latin America metropolises, such as Mexico City, Santiago de Chile, Bogotá or Buenos Aires (Kanai & Ortega-Alcázar, 2009, Lopez-Morales, 2010; Cuenya & Corral, 2011), still are missing studies on this phenomenon in mid-size Latin American cities.

The territorial management in Latin America has traditionally been influenced by elements from elsewhere. Sometimes, this has led to the implementation of measures decontextualized from territorial reality (Fernández-Satto & Vigil-Greco, 2007), as happened with management and planning policies disseminated from the sixties by the Economic Commission for Latin America (ECLA) and the Latin American Institute for Economic and Social Planning (LAIESP). These measures, inspired by the European and North American context, led to a comprehensive and centralized planning; serving a model of economic and social development of largely Keynesian inspiration and intense state inter-

ventionism through industrialization aimed to substitute imports, and an increasing state participation. The aim was to leave the situation of underdevelopment and take the pathway of overcoming poverty (De Mattos, 2010). However, the reform of the state proposed by the Washington Consensus, led to the reduction in public participation and its new complementary role in the economy, clearing the way for the entry of other actors coming from the private sector. Thus, new strategies for economic growth came to depend more heavily on the local scale, and on the capacity of cities to carry out and attract investment, mobilizing their human and economic capital and implementing development projects that would favour some actors over others, for advantageously settle in the new global scenario (Saad-Filho, 2005).

Therefore, the transformation of urban governance in Latin American medium-sized cities seems a relevant issue to the extent that existing standards (absence of management, inefficient governments) could have given way to an urban entrepreneurialism that taking as a model the interventions in major cities of their surroundings, allowed them to approach the urban ways of managing of globalization. Thus, there would be a transition from “non-management” to urban entrepreneurialism, without having previously adopted management and planning measures, which can lead to inefficiencies in overcoming social inequalities or the most pressing urban problems (services, housing, green areas, etc.). In this sense, the aim of this paper is to study this phenomenon and its implications, interpreting the relationship between local strategies, urban regeneration and entrepreneurship, through the case study of Machala, Ecuador.

For the development of this research work, two different approaches were. First, we carried out a review of the international literature on the subject, especially that of Latin America, in order to construct an adequate theoretical framework. Second, different sources and statistical data from the National Institute of Statistics and Census of Ecuador (INEC) and UN Habitat were used, in order to compare different aspects (social, economic and demographic) of the evolution of Ecuadorian mid-sized cities. Third, with the aim of interconnect data of diverse nature, and to make the research more rigorous (Yeung, 2003), a double task was performed, collecting local academic works, and interviews with actors linked to urban development in Machala. On the one hand, those works were sought that referred to urbanization in Machala and Guayaquil. Since most studies focused on the recovery of the latter city, and Machala studies were difficult to locate, a few scattered works were used, which enabled to examine the similarities between the two cases. On the other hand, to complete existing gaps and to provide new evidence to the investigation, it was resorted to in-depth interviews with local actors, a methodology that can greatly contribute to geographical research in combination with other sources (DeLyser & Sui, 2014: 295). To do this, was elaborated a sample of local and supra-local actors belonging to economics, society and politics areas of city and province of El Oro. This was ultimately the main source of information, and made it possible to interpret the clues of the processes analyzed through fieldwork, so it is necessary to acknowledge their collaboration. With the intention of promoting a less conditioned expression of their points of view, the anonymity of each of opinions was reserved at the time of transcribing the interviews. Finally, reconnaissance work of the regenerated areas was performed, and photographs were taken allowing highlighting some important elements in the text.

Machala is a city located in the southwest of the country, facing the coast and near the border with Peru. The city, that in 2010 had a population of 249,000 inhabitants, making it the sixth most populous city, is the capital of the province of El Oro. As consequence of a fast economic growth, the city shows a rapid and disorderly economic expansion: illegal land invasions occur, resulting in neighbourhoods of low houses built on flood plains and with low-quality materials, where services fail and there is no sanitation. An informal commercial sector develops to provide consumer goods at low prices for workers; this changes the prevailing economic model until the fifties. The explosive urban growth, along with the deteriorating political situation in the whole country (military dictatorships followed by populist governments and social unrest) will affect the way the city is managed. From the seventies on, a progressive abandonment of any concern for the ordering or urban planning occurs in Machala, corruption begins to spread, and the needs of the population are disregarded in terms of equipment, green areas, paved streets or flood prevention. In a few years, Machala became the fourth most populous city in Ecuador, with the highest rate of demographic growth. As a result, problems arise, such as urban insecurity and accelerated destruction of the hitherto existing mangrove landscape (Murillo, 2009: 61-65). In this context, in 2005, Carlos Falquez Batallas from the Christian Social Party (of conservative trend) arrives at the city hall after beating the then-Mayor Mario Minuche, from populist Ecuadorian Roldosista Party. He had ruled for 12 years with a strong populist bias, while from 2005 a new political period opens, characterized by applying at small scale the same measures developed in Guayaquil a decade earlier by León Febres Cordero and Jaime Nebot, party companions of Falquez.

The arrival of Carlos Falquez Batallas as mayor of the city involved the implementation of an urban regeneration project, in line with other Latin American cities, aimed to improve the environment, image and security of the city and promote the creation of new housing, of renewed economic spaces or leisure activities (Nobre, 2002: 109). In Latin America, this phenomenon is a consequence of the deterioration suffered by the central areas, and the need for a “symbolic re-conquest” of downtowns by the middle class (Janoschka, Sequera & Salinas, 2014). This is something that the Machala municipality has pointed out through a dialectic that emphasizes the idea of “recovery” of public spaces, which links it to the idea of “re-conquest centre” in Guayaquil (Chiriboga, 2007: 200) through a fragmented conception of recovery and reorganization of the city (Janoschka, Sequera & Salinas, 2014: 1245) which obviates any action of comprehensive planning.

The basic ideas of the form that takes in Machala the urban regeneration process have to do with the legalization of land invaded decades ago, the provision of basic services to them and the creation of public spaces (new or reclaimed) that encourage arrival of new businesses and the promotion of leisure and recreation of the people. These formal issues, which are not exempt from ideological backgrounds, as pointed out by other studies on urban regeneration (Williams, 2014), are susceptible to different readings through a series of thematic elements like the reclaimed areas, the implementation of strong measures security thereof, seeking external investment in these places, citizen participation in urban regeneration project, or the interests of powerful groups and coalitions therein. For this reason, with the framework of urban regeneration in Machala as a background, below, the article interprets these issues, following the methodology commented before. In this sense, a first question is related to the

regeneration of public spaces such as parks and plazas. In these places, the local government has carried out a series of interventions to create new areas for leisure and enjoyment of citizens, leaving behind a situation of widespread neglect of these places. These improvements also have been used to promote tourism in the city, aimed at *machaleños* themselves, and to encourage the arrival of visitors from other cantons. In fact, if the tourist attractions of the city are consulted on the website of the Municipality, it can be seen that all elements that can be visited, with the exception of the cathedral and the harbour, are public spaces regenerated by the administration of Carlos Falquez Batallas. Thus, as Neil McInroy points out, interventions in public spaces are increasingly used to develop positive images of an area, so that they can serve to enhance its attractiveness to potential investors and become a place where residents and visitors can identify with city (McInroy, 2000: 23-26).

Fieldwork conducted in Machala, identified three elements linked to the regeneration of public spaces. The first, a positive assessment of interventions due to physical degradation previously suffered and that led to the proliferation of itinerant businesses, beggars and alcoholics around. Second, despite the acceptance of this need for intervention, it was found a critical assessment of the results of the regeneration of these areas. These reviews are given by both the dominant forms in the regenerated areas (a postmodern architecture, decontextualized from history and tradition of the city), and the content (which is further discussed below) and for the cost, that many interviewees considered high, and have come to define as «onerous decorated» (Quirola, 2014). Finally, the third element identified, has been the fact that many of the interventions have not solved some of the most pressing problems of the city: the small number of green areas and social inequality, that remains despite urban regeneration.

The exhaustion of growth at Machala around the agro-export model, which started in the second half of the twentieth century, and its replacement by an economy based on real estate and consumption of services was accompanied by the passage of a model of «non-management» to another sustained in urban entrepreneurship. As has been shown, urban regeneration of Machala copies the aesthetic, political, ideological and cultural model of Guayaquil. For the city studied, business logics are limited to squares and parks of the city centre and the main arterial road that concentrates in gated communities, malls and franchises. This model would generate «islands of investment» attractive for local and foreign capital without a solution to urban problems drawn from decades ago. The result is a dual city, in which certain areas of high urban quality coexist with other areas where there are no basic services, and precariousness extends in large pockets of poverty.

From politics, this management model would have served the local government to build new coalitions to support the regenerative initiatives and to sell an image of change that allows them to stay in power. As in Guayaquil, has created a symbology that links the former mayor Carlos Falquez Batallas (2005-2009 and 2009-2014) and the present, his son Carlos Aguilar Falquez (2014-2019) with urban regeneration and urban interventions. This has occurred in a context in which public participation has been absent, as the respondents indicated. With regard to the development of the city, there has been stagnation in relation to the levels of inequality and poverty, in contrast to what happened in other cities of Ecuador. It also provides new perspectives from which is possible assessing the questionable efficacy of management, more beyond the social cleansing operations, privatization of public space or

security hardening of the intervened areas, highlighted by the international literature. As we have seen, the implementation of these measures has not come to solve some problems that remain after all urban regeneration strategies undertaken.

This article shows, from the study of the process of urban regeneration in Machala, that despite the past time, many of the tenets of critical geography are still valid today, visible in the processes of urban regeneration in many Latin American cities. Today, these postulates, however, should be combined with local elements and specific trajectories, in order to be read with greater accuracy. For Machala, this means accepting the existence of a cultural, economic and political dependence of Guayaquil, that has been maintained over decades, and has influenced the decisions of the local power groups, thus explaining the features that take urban development models. This occurs in a context of booming urban regeneration processes in Latin America, which leads to propose what extent changes in Machala respond to a general dynamic in the region. This work opens new lines of research, from the study of this phenomenon in cities of intermediate size of Ecuador or from other Latin American countries.

