

The 10 TRAITS of GLOBALLY FLUENT METRO AREAS

GLOBAL CITIES INITIATIVE
A JOINT PROJECT OF BROOKINGS AND JPMORGAN CHASE

BARCELONA

GDP (country rank), 2012 ¹	Share National GDP, 2012 ²	GDP/Capita, 2012 ³	Population, 2012 (country rank) ⁴	Share National Pop., 2012 ⁵	GaWC Global City Ranking, 2010 ⁶	# Global 2000 HQs, 2012 ⁷	GDP/c Growth 1993-2012 ⁸
\$170,980,689,190 (2)	12.08%	\$36,281	4,712,748 (2)	10.18%	41	3	1.39%

1) Benchmarks — what is the city’s recent ranking performance in terms of global firms, connectivity, diversity, range of cultural assets, immigrants, visitors?

Barcelona, the capital of Catalonia, has become one of Southern Europe’s leading business destinations over the past two decades. In the European Cities Monitor assessment the city rose from 11th in 1990 to fourth in 2009, and it is consistently regarded by senior executives as one of the cities doing most to improve itself.⁹ This attitude reflects the success of Barcelona’s tourist appeal and destination branding; it has placed as high as sixth in the biannual Anholt-GfK Roper City Brands Index. Two decades on from the Olympics, the visitor economy remains pivotal; Barcelona is the 20th most-visited city in the world, and sixth in the Euro-Africa time zones.¹⁰

Although Barcelona has gradually diversified its economic base, the city has made more modest advances in acquiring international firm confidence and investment. The city ranks only 47th in the 2012 AON Consulting People Risk Index, due mostly to problems in improving productivity and increasing the size of its talent base. International investment has been ordinary but is improving; a rise in total foreign direct investment (FDI) projects since 2006 has seen the city improve from 38th between 2003 and 2006 to 21st in 2010.¹¹ Despite a robust export scene, Barcelona has been losing ground in the European real estate market, ranking in the bottom five of European cities for the past four years.¹² But within a context of deep Spanish economic depression, unemployment figures are relatively mild, and maintenance of a healthy fiscal situation offers some reason for a positive outlook.

2) Narrative – the city’s journey into and through globalization. What kind of economic and development trajectory has it taken? What has changed over time?

Barcelona first engaged in extensive international trade during a 19th-century textile boom. But the suppression of regional identity and neglect of spatial planning under General Franco’s administration inhibited Barcelona’s expressive and outward-facing character, despite large-scale immigration and industrial growth. In the first years after the end of the Franco dictatorship, unemployment was chronically high, the physical environment was deteriorating, cultural projects were scarce, and political instability was considerable.

Under Pasqual Maragall, the mayor from 1982 to 1997, the city council’s administrative structure was overhauled and a new, more productive relationship with trade unions was forged. His stewardship saw Barcelona make a switch from large-scale road projects toward bespoke interventions in central and suburban public space.¹³

The award of the Olympics in 1986 proved the cornerstone for Barcelona’s transformation. It catalyzed the modernization of the city’s built environment and telecommunications, the enrichment of its landscape, the extension of global air connectivity, and the projection of a self-confident Catalan city identity. Along with critical infrastructure improvements, it also set in motion a collaborative ethos among public and private stakeholders that remains pivotal to the city’s can-do philosophy. After the Olympics were successfully hosted in 1992, the private sector became much more actively involved in the city’s economic functioning, especially as flows of public investment associated with the games declined.

By the late 1990s Barcelona was recognized internationally as an innovative and self-confident capital of media, arts, education, and tourism. A new program of work was created in order to prepare the city to host the 2004 UNESCO-supported Universal Forum of Cultures. The city’s leadership has created the conditions for entrepreneurs to flourish in new technological industries, with the support of pioneering development agency Barcelona Activa. A series of forward-thinking strategies and the improvement of governance at the metropolitan level have implanted a profound sense of international ambition around events, students, trade, and innovation, all leveraged off the city’s unique quality of life.

Barcelona’s globalization challenge in the next decade is to demonstrate its capacity to attract emerging market investment as a city synonymous with international business as well as entertainment. Although the city has shown its capability of adjusting to new global opportunities, it will now need to show it can deal with the consequences and challenges of global success. This will be the essential test of the Catalan city’s global fluency.

3) Elements of international and global orientation - In what ways is the city globally connected and relevant? What sort of trade patterns does it exhibit?

Barcelona has witnessed a phenomenal rise in diversity since the turn of the century. Foreigners now make up over 17 percent of the population, up from just 2 percent in 2000, with most of this growth taking place before the global economic crisis.¹⁴ The city has been especially attractive to citizens of poorer nations in South America, North Africa, and South and East Asia.

Barcelona’s exports of €40 billion annually are overwhelmingly sent to Western and Southern Europe as the city works to develop its business links with Asia.¹⁵ The biggest intercontinental trade partners are the United States (3 percent) and Mexico (2 percent); China accounts for 1.5 percent.¹⁶ The city’s foreign investment record accounts for just 10 percent of Spain’s national total in recent years. Barcelona firms are primarily investing in China, with other investment links forged in Ireland, Argentina, and Turkey.¹⁷

Barcelona is the only city in Europe with a port and an airport among the dozen busiest on the continent.¹⁸

Passenger numbers through its main airport rose from 5 million in 1977 to 33 million in 2007. The Catalan capital has much fewer air links with South America compared to Madrid, but it is a notable air hub for African cities, with over 10 direct connections and more than 500,000 passengers a year. Overall visitor numbers have more than trebled since the 1992 Olympics.

4) To what extent is the city's international dimension inherited or intentional?

Barcelona did not possess the sort of compelling political, historical, economic, or scale advantages that made the transition to becoming a capital of the Mediterranean inevitable. Although the city council has benefited from a sizeable tax base and the symbolic power as capital of the region, the quest for productive metropolitan leadership was never guaranteed and has involved careful negotiation to achieve alignment.

Internationalization therefore cannot be dissociated from a distinctive vision and capability among municipal and business leaders. Pasqual Maragall was instrumental to the culture of the city's social democratic leadership, one which proposed to deploy private capital to extract public utility, and which embraced global trends by strengthening civil society and embracing citizen-based pragmatism.¹⁹ Maragall spearheaded the use of design as a leadership tool, with the help of a generation of progressive experts with capability in economic, social, and cultural issues.

Maragall also began the municipal government's pro-active participation in urban symposia when creating the first inter-mayoral dialogues. Since then other leaders have embedded the idea of shared urban learning through multiple electoral cycles. The city is now headquarters of the United Cities and Local Governments network, and now hosts the Mobile World Congress up until 2018.

Barcelona's leadership agenda produced a particular kind of creative and stylish image to the world just as the Olympics became a truly global media spectacle. The city has effectively promoted its multi-lingual, recreational, and gateway personality, especially during the mayoral term (1997–2006) of Joan Clos, which committed Barcelona to European competitiveness, municipal openness, and management rigor. Attractive design has not only boosted citizen identity, but has helped build the city's internationally recognizable and communicable character.

The livability platform has been dependent on investment directed toward connectivity infrastructure. The city's airport has among the largest capacity of any in Europe, while the upgraded port has been guided by investment from Hong Kong multinational Hutchison Port Holdings. These twin developments have opened Barcelona to the Asian logistic and tourist markets, which are priorities given Madrid's leadership in the Latin American region.

¹ Brookings analysis of Moody's Analytics and Oxford Economics data.

² Ibid.

³ Ibid.

⁴ Ibid.

⁵ Ibid.

⁶ "The World According to GaWC; Classification of Cities 2010," September, 14, 2011.

⁷ The data were produced by G. Csomós and constitute Data Set 26 of the Globalization and World Cities (GaWC) Research Network (<http://www.lboro.ac.uk/gawc/>) publication of inter-city data.

⁸ Brookings analysis of Moody's Analytics and Oxford Economics data.

⁹ "European Cities Monitor," Cushman & Wakefield, 2011.

¹⁰ "Euromonitor International's Top 100 City Destinations Ranking," Euromonitor International, 2013, available at <http://blog.euromonitor.com/2012/01/euromonitor-internationals-top-city-destinations-ranking1-.html>.

¹¹ "Global Location Trends 2011," IBM, 2012, available at http://www.idaireland.com/news-media/publications/library-publications/external-publications/IBM_2011; British Council, 2010, http://opencities.britishcouncil.org/web/download/managing_diversity.pdf.

¹² "Emerging Trends in Real Estate: Europe 2012," Urban Land Institute, 2013, p. 39, available at <http://www.uli.org/wp->

content/uploads/ULI-Documents/Emerging-Trends-Europe-2013.pdf.

¹³ Donald McNeill, "Mapping the European Urban Left: The Barcelona Experience," *Antipode*, Vol. 35, No. 1, 2003, pp. 74–94.

¹⁴ "Barcelona Data Sheet 2012," Ajuntament de Barcelona, 2012, available at <http://w42.bcn.cat/web/en/media-room/presentacions/index.jsp?componente=222-96939>.

¹⁵ Joaqui Llimona, "Barcelona: A Bid Towards Internationalization," available at www2.lse.ac.uk/europeanInstitute/research/catalanObservatory/documents/pdf/Crisi-and-Local-Gvt/Presentacio-LSE---JLlimona.pdf

¹⁶ "Barcelona Data Sheet 2012," Ajuntament de Barcelona.

¹⁷ *Ibid.*, p.18

¹⁸ *Ibid.*

¹⁹ Donald McNeill, "Mapping the European Urban Left."

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