



Some Notes about Architecture, Urbanism and Economy

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ABSTRACT

Economy can be considered as the transversal component of the human activities over territories. This fact can be observed from a diachronic perspective: the way how architectural typologies arose through history. But the relations between Economy and Architecture are not only established by the small scales but the larger ones. Cities and territories evolved from compact forms till spread ones in a parallel way to the arousal of the shopping areas. Urban sprawl could never be understood without these new typologies. The paper is based on the key note speech was held in the International seminar “Economy today” last September 2017 in Andrićgrad (Bosnia and Herzegovina). It is divided in two blocks: the first one relates to a general review of the historical reflections of this relation with a special mention to the consequences of an economic crisis either in the landscape or urban scales. The second part, partially included in the conclusions, reflects on the necessary changes in the university curriculums for a better visualization of this relation. It would imply new attitudes able to explain most of the architectural processes as the formal result of a larger interaction.

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1. Introduction

Architecture and urban planning as human activities, are necessarily linked to Economy. The economical component is present in their respective design processes, since they need funds to be developed. There are not urban forms without relations with economy, but at the same time it is difficult to understand the economy without an urban basis supporting it. Urban societies were the perfect location for sharing the first trading experiences. That is the reason why cities reflected this relation since the first ages. There are a lot of examples through History: Agoras (Figure 1), Forums, Souks and Medieval markets (Figure 2) are good paradigms of these relations. Their respective different cultures are beyond these simple urban forms.

Galleries and arcades during the 19th were in fact the precedents of the 20th mall centers, meanwhile the Central market typologies arose in the main cities of the planet. All these typologies provoked different reactions and they were engines of new territorial or urban developments. Shopping centers proliferated during the second half of the 20th century. They can be considered as one of the main causes of the urban sprawl, as a tool linked to other phenomena like the compounds, the large

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urban sprawl urbanizations with detached typologies and golf clubs. Development of the cities and anthropization of territories cannot be understood without economic reasons. Both of them can be explained through the Economic history studies. In fact, Tony Garnier based all his urban design of the new cities concept on the economic activities to be developed as the engine for them. (Fig 3 and 4)

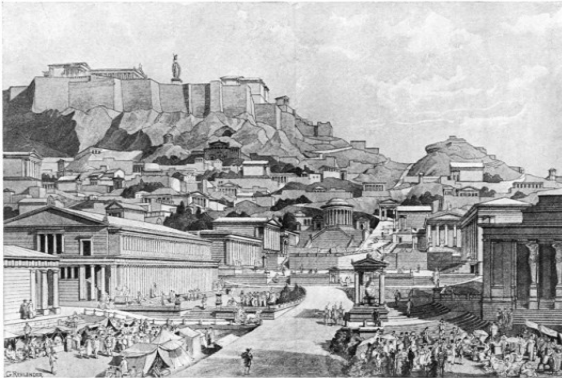


Figure 1. Agora in Athens.Reconstruction by G. Rehlender. From: Spamer's illustrierte Weltgeschichte (Spamer's illustrated history of the world) vol. 1, by O. Kaemmel and R. Sturmhoefel, Leipzig, 1893.



Figure 2. Market place, Norwich. 1854. From: Norwich Museum & Art Gallery.



Figure 3. Tony Garnier, Une Cité industrielle. Étude pour la construction des villes, 1917.

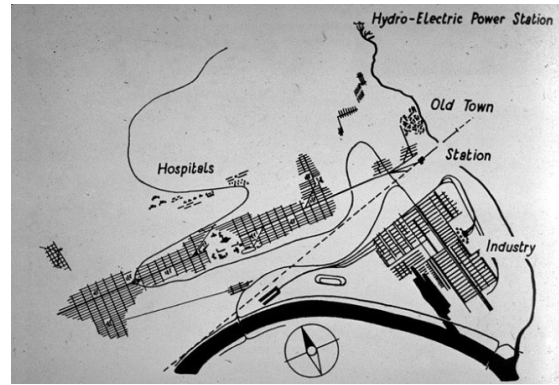


Figure 4. Tony Garnier. Proposal for a French city of 35.000 inhabitants.

The harmonious growing processes were based on a balanced relation between Territories and economies settled on them. The break of this balance provoked in each case anomalous reactions transformed into economic crises or city abandonments by appearing in the contemporary times the shrinking processes. Detroit city was largely studied in the last decades (Adedeji & Arayela, 2017) .

These phenomena cannot only be understood from the urban scale but also they can be upgraded to territories. Cities are the "natural" scenario for developing human activities, even the economic ones. The interrelation among the several cities needs this territorial support, as the basis for the territorial anthropization. They cannot be understood without the economic reasons beyond that. In fact Factory-cities, or cities with a dominant economy activity based on such specific production, like mining or cars are repeating cycles alongside the History. Detroit is a clear contemporary example for that. (Figure 5 and 6)

This is why we can affirm that Economy is an important factor for generating urban and territorial forms.



Figure 5. Detroit. From: Detroit by Air, by Alex S. MacLean.



Figure 6. Packard plant, 1900, today. From: Detroit by Air, by Alex S. MacLean.

2. The City as a Growth Machine

The vision of the city as a growth machine can be an appellative image for the comprehensive perspective. Some years ago, in 2013, Harvey MOLOTCH, published a paper titled "The City as a Growth Machine: Toward a Political Economy of Place". It would be a vision of the contemporary society linked to continuous competition among economic power. A city and, more generally, any locality, is conceived as the areal expression of the interests of some land-based elite. Such an elite is seen to profit through the increasing intensification of the land use of the area in which its members hold a common interest. An elite competes with other land-based elites in an effort to have growth-inducing resources invested within its own area as opposed to that of another. In the end the author confirmed his vision about the society, where the ... ". Conditions of community life are largely a consequence of the social, economic, and political forces embodied in this growth machine: The city is, for those who count, a growth machine." It seems logical to ask for the real limits of this growth process.

The growing process cannot be explained only from an economy theory point of view. Social aspects are really hardly linked too. And these questions are today clearly modified by the digital Era effects. Recent improvements about the theories of engagement of communities, under the umbrella of a participative network where the digitalization of the relations has an important role to achieve explain how these networks can work, as see in Figure 7. A fictional social network diagram consist of 165 Nodes and 1851 Edges. The SVG-file was auto-generated by

script. The underlying node/edge data can be extracted from the circle/line elements

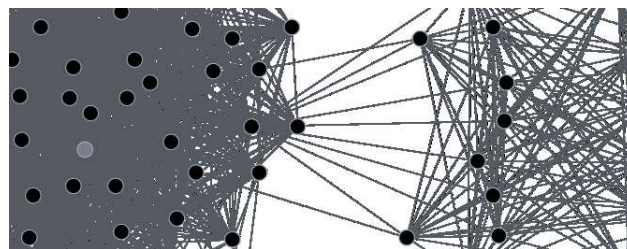


Figure 7 . "Social Network Diagram (segment)" by DarwinPeacock, Maklaan. Licensed under CC BY 3.0 via Wikimedia Commons – [https://commons.wikimedia.org/wiki/File:Social_Network_Diagram_\(segment\).svg#/media/File:Social_Network_Diagram_\(segment\).svg](https://commons.wikimedia.org/wiki/File:Social_Network_Diagram_(segment).svg#/media/File:Social_Network_Diagram_(segment).svg) 12/14/2015 Karen Calhoun

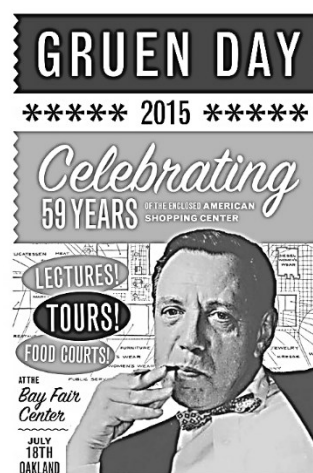


Figure 8. Gruen Day 2015 at the Bay Fair Shopping Mall in San Leandro, California.

3. The City as an Economic Machine

The relations between urban form and architectural typologies through the urban economic activities were previously exposed. The vision of city-market evolved till the concept of global economic machine.

Victor Gruen is considered as the first reference for these aspects, since he was one of the most important shopping malls designers. It explains the celebration of the Gruen Day. This event is the result of collaboration between 99% Invisible¹ and the Bay Area Infrastructure Observatory, at the Bayfair Center to celebrate Victor Gruen, the inventor of the modern shopping mall. In his book "The city as an economic machine" Gruen remarked the potentials of maximizing unplanned and impulsive purchases.

In fact this mental process, known as Gruen transfer, is based on the eventual irrational

¹ This initiative is an initial joint venture between KALW public radio and the American Institute of Architects in

San Francisco. See <http://99percentinvisible.org/about/the-show/>

economic mistakes of the consumer within a specific ambience. The idea would be to reproduce this atmosphere in the market places, (Figure 9) in a similar way to Manhattan's Times Square (Figure 10) or London's Oxford Street. A continuous visual aggression coming from the endless long roads with a large quantity of stores and neon lights compose these urban landscapes. Nowadays shopping malls try to reproduce this model.

According to these theories, the city is used as an economic machine, able to grow and develop its own process based on the economic principles of Competitiveness and hyper consume. The balanced process kept a sustainable vision for a long time. The hyper development of such activities in the chain production broke the balanced process till then.



Figure 9. Quartz shopping by Gruen.



Figure 10. Times Square. New York.

4. Globalization of the Relation between Economy and Architectures of the Cities

In 1900, only 10 percent of the world's 1.6 billion people lived in cities. During 2000, just over 50 percent of the world's six billion people lived in cities. And, by 2050, 67 percent of a projected population of 10 billion people supposedly will

live in cities. This is how an urban crisis is becoming in a global crisis too. If we observe the relation between Economy and Urbanism, previously presented, we can easily understand the consequences of an urban-economy crisis, as a global one. We can take into consideration the data of the relative weight of the biggest cities into world economy. Today only 600 urban centers generate about 60 percent of global GDP.²

This urban concentration has contributed for a more global world, bigger capacities for networks and better communication. A progressively bigger global concern about common topics was brought up and concepts like environmental issues, Ecology, social networks arose. The globalization included a deeper collective conscience. The global economy was included in this new vision of the world where old physical frontiers were overcome. Luke (2003) referred these concepts in his paper about global cities. He understood the global Urbanism as the creator of a set of contested regions where opposite concepts must all be rejiggered daily as transnational commerce dumps an ever-accelerating turnover of goods and services into the global economy. These concepts would be command and insubordination, control and resistance, communication and confusion, and intelligence and incomprehension.³

These characteristics didn't appear suddenly, but as a consequence of a long process of internationalization and a later globalization. The break of sustainable development processes can be defined in the Modern ages during the Industrial Revolutions (18th and 19th centuries). The imbalances between offer and demand provoked exceptional crises along with an uncontrolled economy. Europe knew quite well the consequences of these processes, where the irruption of neoliberal policies applied to the respective national economies played an important role.

Recent crash of 2007 affected in different proportions the developed countries all around the world. In this case the vision of this crisis in Southern countries was stronger. Most of these countries, with more pronounced visions in the last ten years as a consequence of the economic crisis of 2007, not yet surpassed in this country today.

² From Richard Dobbs, Sven Smit, Jaana Remes, James Manyika, Charles Roxburgh, Alejandra Restrepo (2011): Urban world: Mapping the economic power of cities

³ Luke, Timothy: Global Cities vs. "global cities:" Rethinking Contemporary Urbanism as Public Ecology, in Studies in Political Economy 70, Spring 2003

One clear example can be the legal framework of the Land Law in Spain. This policy, translated into territorial terms, implied important changes in the legal framework. The Spanish Land Law experienced great changes between 1956 and 1997. The original concept for the land in 1956 would be referred to the natural vocation of being agricultural, where the urban spaces became as exceptions within the landscape. This initial legislation tried to avoid the early transformation of the rural land into urban one. On the other side, the preamble of the legislation in 1997 justified this total liberalization of the land because of the high cost of the land and the needs to open the market to everyone, as well as the need to adapt the role of the Professional associations to the liberal market, according to then EU rules.

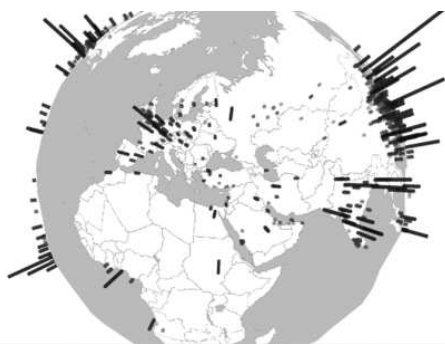


Figure 11. Interactive map of Mc Kinsey report 2011.

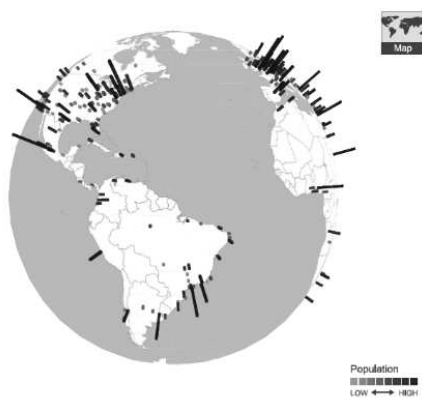


Figure 12. Mc Kinsey report interactive map from American continent.



Figure 13. Black Thursday effects in 1929 crisis.

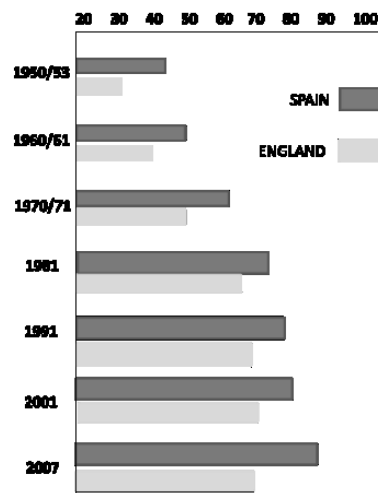


Figure 14. Comparative evolution between rent houses/bought houses and Spain vs. England.

But this phenomenon was not only affecting Spain. All the Southern European countries experienced these consequences in a clear way. If we pay attention to these economies, they knew several concatenated expansions without any decrease, at least between 1985 and 2007. These years were punctually affected by local crises because of an unusual increasing of economic activity around specific events, like Olympic Games in Barcelona and International Exhibition in Sevilla, but in any case, the normal growing process was recovered in a short time. These processes would be initially assumed by the general European context, where Greece, Portugal and Spain would be integrated into the European Union. Greece would be integrated in 1981, meanwhile Portugal and Spain would be in 1986. It is not casual the celebration of two international Fairs in Lisbon and Sevilla and the Olympic Games in Barcelona.

Neoliberal policies and thinking controlled so many countries around the world in a slow rhythm since the seventies. Their effects were visible in so many sectors, through the privatization of the different social resources and the progressive disappearance of the State intervention in the different sectors. This ideology was inside the different regulatory frameworks where the different countries of the EU would converge. The adaptation of so many laws contributed for a very positive attitude to liberate the control mechanism over the society.

Architectural and Urban planning processes were not an exception on that. In practical terms during the "golden" years of the Spanish economy, the building sector gave employment to 12.5 % of the work hand in the country, with the highest ratio inside the EU. These values linked

the economy process to the results of the Real Estate process with a high risk. In fact the bubble consequences were fatal for the whole economy involving banks in this global crisis. The results of the development of neoliberal laws in Spain, together with the generosity of the loan grant were the worst consequence from a progressive neoliberal statement since the seventies. An exponential increase of the prices, a high risk policy to impulse prices and markets with impossible loans and a creation of an artificial scenario where the banks suffered the consequences of a collapsed economy and a great percentage of unfinished public works all over the country. Similar scenarios were developed in other countries of Southern Europe. Italy got an important percentage of landscapes transformed into dismissed buildings of structures. Spain and Portugal knew similar scenarios. The task of recycling these scenarios is nowadays an important task.



Figure 15. Guadassuar.Valencia.Spain before 2007 crisis.



Figure 16. Guadassuar.Valencia.Spain after 2007 crisis.

A real estate bubble with catastrophic territorial consequences in Spain and Portugal started in 2007. Spain can be considered as a paradigm in the economic crises in 2007, affecting important world economies. Prior to this debacle, Spain's economy was largely admired by Western commentators. This country was able to create a total amount of 7 million jobs during the 1990s, with a yearly growth of nearly 4% in the period 1995-2007.



Figure 17. Quijorna. Madrid, Spain before 2007 crisis.



Figure 18. Quijorna. Madrid,Spain after 2007 crisis.

The tourism sector modernization brought up the possibilities to think of reasonable wealthy perspectives (Iranfar, 2018). Property development was other sector which capitalized this extraordinary economic boom. House prices accompanied simultaneously to both sectors, becoming by 220%, with a total expansion of the sector around a 30% in the period 1997/2007; something like more 7 million units. One of the effects of this bubble is the large number of inhabited houses. The 13, 65% of the Spanish houses were waiting for an owner, after 2007 crises. It was a total of 3.443.365. Homes, as well as other 676.000 unfinished houses. Prices evolutions were linked to this situation, as seen in Figure 19.

Spain has suffered several ups and downs in the ownership system. The Minister of Housing in 1957 defined the objective of converting the tenants in owners. The percentage of the renters changed coming from the 45.5% in 1960 to achieve less than 10% in the last 2000s and growing up till 21,2% in 2014. In any case the system to get the properties was always based on mortgage loans. The voracity of the financial entities dragged towards an unprecedented crisis that brought the crack of the whole system and forced the whole country to a long desert crossing till now.

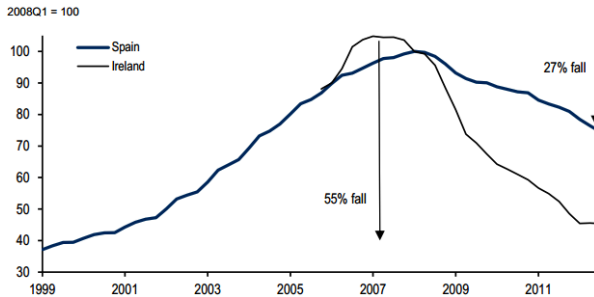


Figure 19. Comparative evolution between Spain and Ireland bubble effects. Source: Credit Suisse studies unit.

It is important to remark that several characteristics were always kept during these crises: Countries with very low interest rates and low to moderate tax rate as well as high loan-to-value ratios have the potential to experience large property bubbles. The physical consequences if that are always visible throughout the respective landscapes and territories.

5. Economy and Landscape Transformations

Economy has even influenced in other scales and spaces. Landscape transformations are usually based on economic decisions. Mediterranean terraces obsolescence is linked to the unfeasibility of economic processes on them. (Figure 20) It provoked the ruined landscapes of important territories where other purposes were got through agricultural activities. Geologic and ecological stability as well as fixing populations were parallel goals to be achieved.



Figure 20. Abandoned terraces in Alto Douro.

Plots redistribution in Galician territories, commonly known as re-parceling brought up important landscapes transformations in the last 50 years. (Figure 21) These processes consisted of new property distributions to easy better economic results in the agriculture production. Regional economy is based in this case on a family scale, rather than major ones.

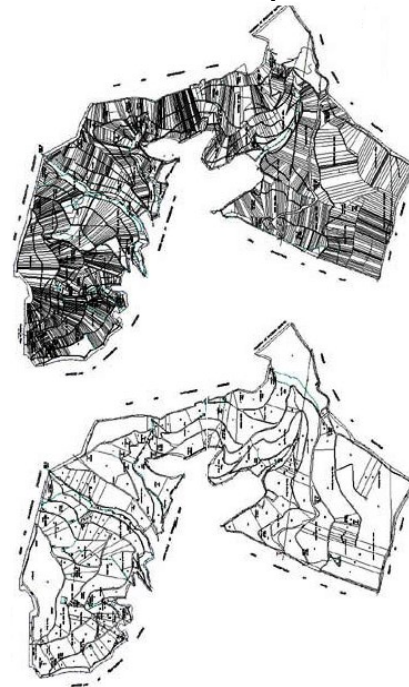


Figure 21. Plots redistribution in Galicia Spain 1964.

We can realize important changes in the Argentinian Pampa landscapes when the irruption of the soy within a scenario mainly dominated by the wheat. (Figure 22)



Figure 22. Argentinian Pampa region with wheat 2015.

The optimization of economic results was the main factor for a new strategy in Badajoz during 1950's and 60's. Badajoz Plan was able to transform an important area (196943 Ha) and 50 new towns. The total implementation was an

area equivalent to Luxembourg. This plan implied the construction of important dams to provide electrical power and enough irrigation systems to the region. A parallel population increase transformed the whole landscapes alongside Guadiana River.

Finally, economy influences into the architectural and territorial scales. It can be observed in the emerging countries, even in Africa.

Egypt can be a paradigmatic case and two examples can be highlighted: The first one is the generation of new urban forms as the resource to generate more economic activity, with the launching and construction of a new capital for the country. These actions were developed since 1957 by the different Governments till today. The proposal of a new capital for the country is a clear reference for that. The second example is settled in Cairo where 60% of its urban tissue is occupied by the real state bubble informal city shapes. Manshayet district is a well-known reference with an important economic basis: the Municipal solid waste (MSW) is the reason of the urban development as well as the chaos provoked. Its existence is as contested as necessary.

The post socialist city is other clear example of the relations between architecture and economy, where the most visible issue can be symbolized by two facts in Vilnius. The first one is the transformation of the old town hall into a shopping center. (Figure 24)

A simultaneous arrival of sprawl city typology and the displacement of decision makers to peripheries was noted. The implementation of new functions to ground floors with formal transformations in the different residential typologies have been the most "shocking" attitudes within the urban shape.

If we look at the global phenomena, we can note the hyper concentration around Mediterranean basin was strongly reinforced by tourism economy together with the second residence factor. This process is even exported to the southern med countries. The fall of this economy based on tourism sector has provoked important territorial imbalances and the solutions are not always better than the generated problems. Apartments, initially thought for the tourist never arrived, were transformed into university dorms too far from the campuses.

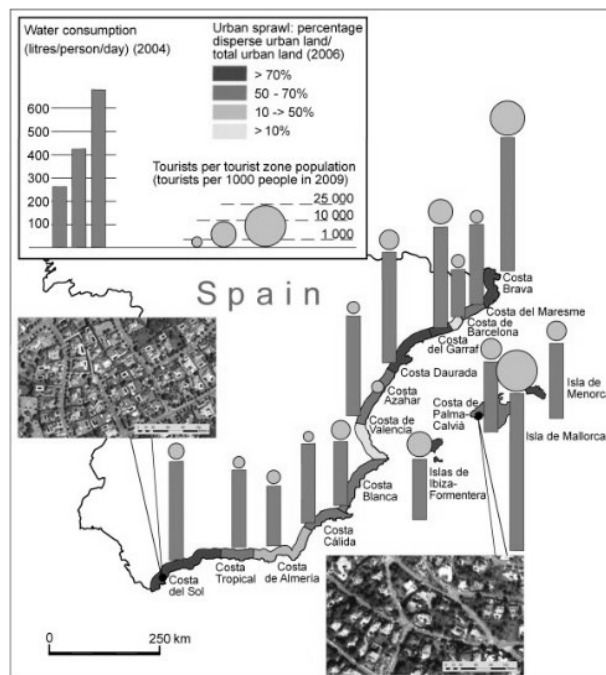


Figure 23. Water consumption in Mediterranean Spanish littoral region.



Figure 24. Gediminas 9 mall center, ancient Town Hall, Vilnius Lithuania.

6. Conflict Cities: Economical Aspects and Urbanization Processes

Divided territories and cities are special cases where the effects of this division carried on such economic status and, in a parallel way, the urban consequences were visible in both ways. As a case study I would like to refer Cyprus Island and more specifically the interruption of economic cycles in the copper production and the environmental consequences in Lefke, as well as the divided city of Nicosia versus the urban growth.

Divided territories suffer the economic effects in a specific way. Ex. Nicosia in Cyprus versus Limassol and Larnaca effect). The desolated Nicosia, especially in the surroundings of the buffer zone, is highly contrasted by the Limassol and Larnaca effects. Nicosia was collapsed due to the buffer zone effect and the economy didn't expand in the same way other southern cities did in Cyprus, like Larnaca and especially

Limassol. (Figure25) Similar effect can be felt in the northern side of Nicosia where its blocked urban evolution was in parallel to the important growth of Girne.

DISTRICT		
	1996	2015
Total		
Total	666.3	848.3
Lefkosia	288.0	330.0
	0.402	0.389
Larnaka	111.2	144.2
	0.167	0.170
Lemesos	191.5	237.0
	0.287	0.279
Urban Areas		
Total	454.7	570.2
Lefkosia	195.7	241.4
	0.430	0.423
Larnaka	67.6	84.9
	0.149	0.149
Lemesos	151.7	180.3
	0.334	0.316

Figure 255. Comparative population 1996-2015 in Cyprus. Source: Statistical Service of Cyprus (CYSTAT).

7. Economy as a Correction Factor of Urbanism

Historically the role of the Economy inside the urban discourse was always discussed, especially in the Contemporary architecture ages.

Eric Mumford is one of the most distinguished authors working on the Modernist discourse. His work on the CIAM (Figure 26) discourse changes in the period 1928-1960 is well-known.⁴ According to him, Urbanism would be a complex subject justifying this concept because of his urban vision as not only a development coming from the Economy and production mechanisms but from the life of the human being born always together with other ones.

In the opposite way, and during the fifth CIAM Josep Lluís Sert emphasized the chaos of the modern industrial cities problem, as a threat to the Public health of the labor population. According to Sert the solution would pass by a more useful and harmonious city through a reorganization process. It would be only possible using what he defined as “big technical instruments always supported by the new urban economy”. Sert deepened on the idea of cities being understood as a part of an economic, social and political complexity coordinated with the different biological activities. He named this

⁴ El discurso del CIAM sobre el urbanismo, 1928-1960 Eric Mumford

complexity “the individual and the collectivity”. His discourse would be parallel to Le Corbusier who published at this time “Ville radieuse”.

Port cities expansions transform radically the urban shape, when needed. Till 2000 the less accessibility in port cities coast lines, the more economic activity. Today there is a change in this aspect at the same time there is a change of the economic basis for urban societies. Hiedanranta Bay's new master plan Tampere seems to follow this line. The proposal was chosen to be developed in the next 20 years tries to respond to the rapid growth of Tampere's central region. The proposal, by by Schauman & Nordgren Architects, previews the transformation of the former industrial district into an innovation hub for sustainable economic development, creating 10,000 new jobs, and housing over 25,000 new residents.



Figure 266. GATEPAC, launching panel of the GATEPAC. “La Ciutat de Repòs i de Vacances” “Tourism city”. CIAM, 1933.



Figure 27. Image from “Let's transform Moscow into exemplary socialist city of the proletarian state” by Aleksandr Dejneka, 1931.

Gentrification is one more example of urban transformation that only can be explained from an economic point of view. Neil Smith's

Translated by: León Darío Espinosa Restrepo from original, Mumford, E. (2000) The CIAM Discourse on Urbanism, 1928–1960. Cambridge: MIT Press.

contribution was interesting, when he defined this phenomenon as a global urban strategy in despite of being initially emerged as a sporadic quaint, and local anomaly in the housing markets of some commander-cities"⁵. He defended the idea of these processes have been "thoroughly generalized as an urban strategy that takes over from liberal urban policy."

Much as the neoliberal state becomes a consummate agent of rather than a regulator – the market the new revanchist urbanism that replaces the urban policy in cities of the advanced capitalist world increasingly expresses the impulses of capitalist production rather than social reproduction. As globalization bespeaks a rescaling of the global, the scale of the urban is recast.

8. Conclusions

A strong relation between Economy, Urbanism and Architecture was always remarked. This relationship has been a fundamental piece in the development of the best and worst scenarios in the several scales, Territorial, landscape, urban planning and architectural scales. A good example would be the Suez Canal. This relationship is not reflected on the academic curricula in the schools of Architecture and it was better welcomed in the departments of Economy. Several examples can illustrate this fact:

The current department of Economy and Management of the University of Ferrara was named Dipartimento di Economia Istituzioni e Territorio, with important contributions to these relations, like the Master in city management or the Master in Environmental management and sustainable development.

It makes sense to deep on the idea of joining Architecture and Economy as the basis for new academic paths for learning both fields. Eventual paths of schools of Architecture must be based on these three eventual principles.

1. The idea of inseting economy in outcomes in some courses. As an example, the integrative design studio courses would include notions about Economy and production
2. The concept of proposing elective courses, or even major ones, with a clear economic vocation. IE gives to their

Architecture students the possibility of doing a minor related to this area.

3. The concept of master programs joining these two concepts. Masters in Urban economy are linked to this idea of transversality. MAPAUs, as a transversal experience for five years.

The links between Economy and Urbanism were more developed nowadays. The coming challenges are the links between both of them, the last Pritzker Aravena and the previous writings from Koolhaas define future lines to be followed.



Figure 28. Hiedanranta Bay's new master plan Tampere. Master Plan by Schauman & Nordgren Architects.



Figure29. Master course in Urban Economy, University Torcuato di Tella, academic year 2016/2017.

⁵ Smith, Neil: "New globalism, new urbanism :"Gentrification as a global urban strategy "



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