

Research Article

Producing a “Successful City”: Neoliberal Urbanism and Gentrification in the Tourist City—The Case of Palma (Majorca)

Sònia Vives Miró

Research Group for Sustainability and Territory (GIST), Department of Earth Sciences, University of the Balearic Islands, 07122 Palma, Spain

Correspondence should be addressed to Sònia Vives Miró, so.vives@gmail.com

Received 1 December 2010; Revised 29 April 2011; Accepted 5 July 2011

Academic Editor: Mike Raco

Copyright © 2011 Sònia Vives Miró. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Since the 1990s, the intensification of capital accumulation, especially in its financial dimension, has been one of the keystones for the triumph of neoliberalism. Spanish neoliberal policies have focused on the flexibilization of the real estate sector, leading to the specialization in the secondary circuit of accumulation. This has generated a third real estate boom which has been accompanied with an outstanding housing bubble. The Balearic Islands are a paradigmatic case within these logics, tourist specialization being the main trigger of the process. In Palma, the region's capital, neoliberal urban planning policies have been implemented in order to convert it into a “successful city” within the global urban network competition. These policies have led to Palma's uneven geographical development through processes like gentrification, as is the case of the Gerreria, a neighborhood of Palma's city center.

1. Introduction

Fernández Durán [1] has defined the Spanish physical and social landscape transformation as an urban-development tsunami. The specialization of the Spanish capitalism in the secondary circuit of accumulation has been understood as the spatiotemporal solution to the crisis of the nineties [2]. (Harvey [3] introduced Marxist analysis in order to explain the capitalist urban process. According to Harvey [3], the secondary circuit of accumulation is based on two parts: the formation of fixed capital and the consumption fund. On the one hand, fixed capital consists in the physical framework which aids the production process, used over a long-time period. It is the machines and the factories, but also public works. On the second hand, the consumption fund comprises commodities that aid the production process, items enclosed within the consumption process, and others acting as physical framework for consumption. It is consumer durables and the built environment for consumption such as housing). The production of new space is subordinated to the logics of the regime of flexible accumulation through financialization, flexibility, and privatization.

Since the nineties, the expansion of neoliberalism has involved the entrepreneurial turn of local governments,

by playing a new role in the urban governance. Local governments, in conjunction with private agents and urban elites, have turned into promoters developers, producing the city based on competitive logics, in order to scale positions in the global urban hierarchy. In this sense, gentrification policies have been one of the main urban strategies that have driven cities towards success in the global market.

With the integration of the Balearic Islands into the global capitalist economy, Palma—the archipelago's capital—has become one of the main tourist cities of the Mediterranean and a European *semiperiphery of pleasure*. Thus, its urban and political transformation has been subordinated to the logics of capital which have been manifested under the neoliberal hegemony.

The aim of this paper is not so much to develop a theoretical discussion about the concepts used, but to analyze the power relationships that have been articulated in the process of implementation of neoliberal policies in Palma.

2. Urbanization under Neoliberalism

Since the seventies, neoliberal thinking has become dominant in many parts of the world. Neoliberalism is a political

ideology that advocates private property, the privatization of social resources, the flexibilization of regulatory frameworks that might hinder free market values, and the *supposed* withdrawal of State intervention. The new neoliberal paradigm has influenced fields ranging from philosophy, spatial issues and society to everyday life, together with interrelations among all the latter [4]. The spread of neoliberalism has been linked to the financialization of the capitalist economy [5]. Capitalist policies have been historically based on the need to find profitable targets for the absorption of surplus capital. In the neoliberal phase, finance has become the key variable in expansion; meanwhile, the gap between the real economy and the financial one has grown [6].

2.1. Urbanization as a Solution of Surplus Financial Capital. Financial capital has generated several crises around the globe, and urbanization has become an important economic stabilizer at the global scale. In recent years, real estate development and urbanization have come to play a very prominent role in the expansion of capital [7]. This process has been sustained by opening up access to credit which has led mass numbers of people into debt, especially the working class [2].

The logic of building cities according with the dynamics of global financial capitalism has given rise to what is known as *neoliberal urbanism*: a form of urbanism subordinated to the dictates of capital, where urban powers attempt to position their cities in higher positions of the hierarchical global urban network in which competitiveness is the key. Cities positioned at the top-global cities are the focus of most financial flows, being the most powerful in the world arena [8]. Besides, these urban spaces are specialized in the FIRE sector (Financial, Insurance, and Real Estate), which is also extremely connected to the touristization of that spaces [9].

The production of the city as a one of the most relevant driving forces behind capital accumulation, within the framework of neoliberal urbanism, has contributed to the generation of new spatial, social, and power relations. These relations have been materialized through processes like *urban entrepreneurialism* or gentrification. This process of transformation has accelerated an uneven pattern of geographic development, in turn sparking off the organization of protests against this model of capital accumulation [10–14].

Lefebvre stated that all societies—and thus each mode of production—produce a certain space, their own space. Hence the question to be done is what is the relationship between the capitalist mode of production and the production of space? According to Harvey [15], Lefebvre was believed to have found the key when he uttered his famous phrase that capitalism survives through the creation of space, although he was not correct in his explanation of the manner in which it would be carried out. And, as Smith [10, 11] notes, Lefebvre focused less on the production process and more on the reproduction of the social relations of production, which constitutes the driving force behind the capitalist society in a process that is inherently spatial.

Thus, capital accumulation dynamics produces space through the reinvestment of the surpluses generated. When the logic of accumulation grinds to a halt, new spaces must be found for the profitable production of capital and the absorption of surpluses. This is defined by Harvey [16] as a *spatiotemporal fix*. Harvey [16, page 115] states that “a certain portion of the total capital is literally fixed in and on the land in some physical form for a relatively long period of time (depending on its economic and physical lifetime). Some social expenditure (such as public education or a health-care system) also become territorialized and rendered geographically immobile through state commitments. The spatio-temporal “fix”, on the other hand, is a metaphor for a particular kind of solution to capitalist crises through temporal deferral and geographical expansion”.

Urbanization offers a way of solving the problem of surplus capital. Harvey [15] argues that, in the last thirty years, a huge amount of surplus capital has been absorbed through urbanization, specifically by restructuring, urban expansion, and speculation. To contextualize this idea, Harvey [15] explains that urbanization has historically been proposed as a solution to the issue of surplus capital, outlining the cases of the urbanization of Paris by Haussmann and New York by Robert Moses. The production of the city and the real estate market has been some of the main engines of capital accumulation of urban capitalist economies [17]. The production of the city has turned into a main solution for the spatial capitalist crisis, which is eminently financial at present times.

2.2. New Urban Governance and the Entrepreneurial City. Within the described framework, it should be highlighted that urban space has been linked to a new form of urban government. The neoliberalization of the space has been accentuated in the Spanish state, playing the Spanish economy a key role in the global secondary circuit of accumulation. The new urban governance is grounded on efficacy and efficiency criteria from an economic point of view. Cities are classified according the role they play in the global urban hierarchy which is defined by economic competitiveness. This new type of urban governance can be understood as a symptom of a wider process of Western governments’ neoliberalization since the capitalist crisis of the 1970s [18].

During the past three decades, the forms of neoliberalization have changed. In a first wave, during the Thatcher and Reagan governments, the role of the state was reduced and some of the social victories of the working class were dismantled. Meanwhile, in a second wave, since the nineties, new forms of governance have been established and the state has regained the lead in order to ensure the free market and free capital circulation. In this second wave, the state has recovered a new protagonism with a higher intervention role for solving the continuous crisis caused by free market expansion [18, 19].

The development of policies aimed primarily at promoting the expansion of urban real estate market is the second element that characterizes *cities* in the neoliberal

urban governance. This is known as *boosterism* which consists in the promotion of a city with the aim of improving its social perception and to revalue land prices [2]. Within the interurban international competitiveness context, cities apply urban marketing strategies in order to attract investors. The implementation of *growth at any price* policy subordinates social justice and environmental issues. Municipal public services have been progressively privatized, and urban planning has become subordinated to market imperatives [18, 19, page 47]. The “winners” of this radical political and economic transformation are the landowner class, the financial sector, and the construction and real estate companies. Nevertheless, the urban oligarchy presents close ties among its members and companies [20].

Within this political role of the neoliberal city, urban elites and private agents play a key role in the decision making process. According to Harvey [21], in recent decades, cities are run in business style with entrepreneurial discourses. In this sense, urban policies are addressed towards capital interest instead of the fulfilment of citizens’ needs. Town councils have changed from being the managers of collective goods and services distribution to being economic promoters within the free market logic. Public administrators seek the collaboration of the private sector to manage the city. The concept of *governance* emerges as the concert between public and private actors. Moreover, the term private actor is often used in order to hide the fact that it means the capitalist class. Public-private partnerships become a new form of governance in which the private sector plays an active role in the decision making process [18].

This set of urban policies makes up the *entrepreneurial city*, defined by Harvey [21] as the city which adopts an entrepreneurial strategy in order to succeed in an increasingly global economy. This entrepreneurial bias was not the main driving force of the urban management before the neoliberal revolution. In this sense, the new functions of these cities are those related to the creation of a good entrepreneurial climate: marketing and promotion, investment attraction, competitive advantages improvement, promoting of new businesses, technical assistance to companies in order to make them more competitive, and so on [18].

In *entrepreneurial cities*, in addition to the widespread production of residential space, another way of producing space and transforming the city is to use other mechanisms that “open up” the city and attract financial capital, such as the construction of what are known as *Large-Scale Urban Development Projects* (LSUDP) and *mega-projects*. According to Swyngedouw et al. [22], a LSUDP is a large infrastructure or urban development that fosters the materialization of power relations that emerge in urban areas. These power relations express as well the global-local nexus of the production of the city within global capitalism. Some *mega-projects* or LSUDP are executed under the guise of urban renewal in both tourist areas and historical centers [22]. According to Brenner and Theodore [13], power elites and urban bodies expect that the new forms of urban intervention will have a *trickle-down effect* on the surrounding territory. However, very often the results of them have been processes of gentrification and an *uneven development* [12].

At the global level, within the neoliberal urban scenario, local governments have had to find their particular way in order to insert themselves in the systemic logics. In this sense, local authorities ensure that cities take the “road to success”. The adoption of urban policies within this logic corresponds to what Harvey and Smith [17] have termed as the *entrepreneurial turn*. This consists in the realignment of the governance practices by which local governments adopt regulations that facilitate surplus extraction. Most of European and North American cities have adopted the *entrepreneurial turn*, and, consequently, it has entailed the detriment of the redistributive approach that was prominent before the neoliberal hegemony. The redistributive approach states that local governments’ main duty is the provision of municipal collective services. Additionally, the activity of local councils in urban policy has become increasingly oriented to “scale” positions in the global urban ranking [20].

When analyzing the processes of political and spatial urban transformation, it is essential to understand that although the neoliberal discourse has become hegemonic, every city has its particular way of inserting into the neoliberal urban transformations. Furthermore, the consensus of urban competitiveness has been constructed around a set of particular elements in each place. In short, it is not that cities receive passively capitalist globalization, but they reproduce and amplify it. In this new form of neoliberal urban governance, the state at all levels—local, regional, state—takes an active role as a promoter. In fact, the local administration does not withdraw but is redesigned as a major agent in sustaining the market [16].

2.3. Gentrification and the Tourist City. The concept of gentrification has been analyzed from two main theoretical currents: the supply-side and the demand-side [23]. Nevertheless, both currents converge in understanding the centrality of class in any explanation of gentrification [24, page 110].

The supply-side approach, being Neil Smith the author who has made a wider contribution, understands the gentrification as a product of the oligopolistic accumulation of the urban rent in a context of market economy [14]. According to Smith, gentrification is a social process connected to the social, economic, and political restructuring of cities [24, page 114].

According to this current, the rent gap has been characterized as one of the central mechanisms behind the gentrification process. Nonetheless, the rent gap is a necessary condition but not sufficient [24, page 112]. Smith [12] asserts that when neighborhoods suffer from a lack of investment, the rent that can be earned from the land falls and property purchase and rental prices drop. With a continued lack of investment into the area, the gap between the rental price of the land and the rent that could be obtained if the area were to be redeveloped grows to the point where it begins to be profitable to reinvest in the area. Although this rent gap can occur purely as a result of market activity, public policies often prove essential, since they encourage or discourage

a lack of investment or reinvestment. The relevance of the rent gap theory remains in the fact that it reveals the “the social bases, economic workings and socio-spatial results of class power in one specific instance, the rent gap is an expression of class power within urban land market” [24, page 114].

On the other hand, the demand-side approach states that the main driving forces of *gentrification* result from sociocultural and occupational structure changes, with an increase of the advance services employments, as it has occurred in many postindustrial cities of the advanced capitalist countries [23, page 156]. The most important authors within the demand approach are Lees, and Ley [25] and Hamnett [26, 27]. Hamnett advocates that gentrifiers are the centerpiece of gentrification [28]. According to this approach, Hamnett and Whitelegg [29] expose, for the general process of transformation from commercial and industrial buildings and zones to residential, that *gentrification* is understood “as part and parcel of this process in that the transition from industrial to post-industrial society is associated in part with a process of upwards social class change, and associated shifts in housing demand which is particularly marked in central and inner-city areas. The attraction of converting old, centrally located, industrial, office, and warehouse buildings for residential accommodation is that they offer large spaces in unusual buildings, in close proximity to the city center which appeal to a new type of buyer who highly value centrality and accessibility both to work and to social facilities” [29, page 122].

Finally, after the controversy among Hamnett, Smith and Clark [30], it could be accepted that these approaches are more complementary than they were supposed, being Smith research on the Lower East Side gentrification an example of the integration of the two currents [12].

Literature on *gentrification* exposes that the evolution of *gentrification* has been developed in three waves. The first wave of *gentrification* took place during the late seventies in certain global cities, at the neighborhood scale. This was promoted by public policies, under the premise to combat urban decay, aimed at creating a “good climate” for real estate business [23]. During the second wave, from the eighties to mid-nineties, *gentrification* became part of larger economic development strategies with global financial capital involved. This stage is characterized by the formation of public-private partnerships and the rise of *urban entrepreneurialism* and spatially affected inner city areas. Since the early 1990s recession, researchers have defined a “third wave” of *gentrification* in many cities, which consists in a “restructuring” of the *gentrification* process itself with a myriad of spatial forms—neighborhood reconstruction, new build gentrification, commercial areas, and so on—and includes the formation of new alliances between private developers and local government [31–35]. In this sense, the growth of large corporate developers, Real Estate Investment Trusts (REIT), and mortgage brokers of new networks is creating new forms of “corporatised gentrification” and it has turned into an urban global strategy [35–37].

In the case of urban tourist spaces, Gotham [35, page 1102] has defined the concept of *tourism gentrification* as a

“heuristic device to explain the transformation of a middle-class neighborhood into a relatively affluent and exclusive enclave marked by a proliferation of corporate entertainment and tourism venues”. Meanwhile, he argues “that research on tourism gentrification is warranted not by the intensity or magnitude of gentrification, but by the distinctiveness of the patterns inscribed by the process” [35, page 1102].

Gotham attempts to reconcile the two theories of gentrification. With the aim to avoid reductionism within the analysis, Gotham understands that there is a conceptual link between *gentrification* from the supply-side and demand-side. Thus, from the supply-side, tourism development affects the change of capital investment patterns in the sphere of production. Besides, these patterns are accompanied with new financial forms for real estate development and the creation of spaces of consumption. Meanwhile, the sociophysical spaces associated to *gentrification* are also “a very visual expression of changing consumption patterns in cities” [38, page 288] and [35, page 1103].

In short, it could be argued that the analysis of tourism gentrification can offer insights about the complementarity between the different gentrification theories, as it provides a unique perspective on tourism and the dynamics of urban redevelopment. However, regarding the studies of gentrification and tourism in the Spanish state, it is necessary to mention the contribution of Garcia Herrera et al. [39] on the influence of tourism on urban change processes in Santa Cruz de Tenerife (Canary Islands), based on Smith gentrification theory.

In the case study of the neighborhood of the Gerreria in Palma (which will be explained in the next pages), *gentrification* is analyzed from the supply-side perspective as it is understood that the regeneration of this urban area has occurred according to the financial capital dynamics and not as a result of the existing demand. The fact that the Gerreria, and Palma historical center, is a tourist space—not lodging tourist space—has been used as a pretext for encouraging urban policies addressed to clear the area and redevelop it. Therefore, the process has not been triggered by middle-class residents’ demand and potential tourists. Tourists did not appear as gentrifiers at the beginning of the process, neither after the redevelopment. Consequently, despite the fact that the new residents of the Gerreria are not tourists, this case of gentrification might be understood as tourism gentrification, due to urban policy aims to produce an urban space addressed to the tourism marketing of the city.

3. Neoliberalizing the Tourist City of Palma (Majorca)

Being exposed to the theoretical framework according to which the case of Palma will be analyzed, from now, this paper will focus on the city of Palma. The aim is to explore the role of urbanization in financial capitalism within the context of a global urban network, highlighting the strategies adopted by neoliberal urbanism, such as entrepreneurialism and the implementation of mega-projects. This logic of production of the city has several implications on both

changes to the city and changes to urban social spaces, one example being gentrification.

Palma is the largest city in the Balearic Islands and the capital of the archipelago. It stands on the Mediterranean coast, covering an area of approximately 208.63 km² with 401,270 inhabitants [40]. As the capital of one of the world's leading tourist destinations, it has become integrated in new global financial dynamics synonymous with neoliberalism, and this has acted as the driving force behind its development strategy: a strategy based on competition as a means of achieving a place in the global urban network, consolidated through neoliberal urban policies. Thus, Palma has become a "successful city" thanks to its consolidation as a tourist destination, so much so that the image that the City Council sells is "Palma, a business city". Some of Palma's latest tourism merchandise feature the slogan *I love Palma*, echoing the *I love NY* tourism slogan used for New York, reminiscent of the era when Mayor Giuliani "cleaned" New York City streets of the unwanted [4, 12, 41].

3.1. The Balearic Islands' Incorporation into Financial World Capitalism. The aim of this section of the paper is to ascertain how and why the Balearic Islands have become part of the neoliberalized world and what their function is. The Balearics' incorporation into global processes can be understood if we focus on the archipelago's role as an outlying European tourist destination and target for real estate investment, although both aspects are very closely linked. The Spanish real estate boom and housing bubble are some of the outcomes of the European Union's neoliberal project, together with the flexibilization of the property market's regulatory framework [2]. Both factors sparked off a new tourist boom and foreign capital flows to the Balearic real estate market, an archipelago that was already one of the Mediterranean's leading tourist destinations [42].

The neoliberal political process, which encourages the expansion of financial capital, has also spread to Spain and the Balearic Islands. Together with new housing regulations there—of a fiscal, financial, mortgage, and land-use planning—this process has been tied in with the development of the third real estate boom and housing bubble, accelerating European capital flows toward the Spanish and Balearic real estate sectors in the form of Foreign Direct Investment (FDI) [2, 43]. According to the Spanish Central Bank, foreign investment into the Spanish real estate sector experienced an increase of 689.9% between the Maastricht Treaty (1992) and 2007—from 680.8 million € to 5,378.8 million €-.

Nevertheless, these capital flows have not represented the main source of finance for the Spanish construction sector and for urban growth. In general terms, the two largest financing sources have been the revenues from sales and the mortgage market. It is important to mention that surpluses have fed extraordinarily the Spanish housing bubble, representing 44.51% of housing financing between 1996 and 2007, meanwhile 32.54% has been financed through the mortgage market [44]. The huge amount of capitals invested into the Spanish real estate sector has provoked

what García Bellido [45] and Fernández Durán [1] defined as an *urban-development tsunami* (or love affair with cement). According to Fernández Durán [46], one of the main driving forces behind the growth of the Spanish economy is thus the external demand, and this has been particularly relevant in the tourist and littoral spaces [44], as the Balearic Islands.

The third real estate boom has been termed *the Spanish brick craze* by Murray [47]. According to Murray [47], in only ten years, the average rate of housing construction multiplied by 2.49, while the price of a square meter almost tripled. The rapid process of urban development and housing construction that has taken place in the Balearic Islands since the fifties has been parallel with periods of tourism growth. Indeed, the real estate booms cannot be separated from the tourist booms.

The first real estate and tourist boom took place in the Balearics in the late fifties and early sixties, with Spain's incorporation into world capitalism, although the boom came to an end in 1973 with the global crisis of the fordist regime of accumulation. During that period, the number of tourists visiting the Balearics rose from 188 thousand in 1955 to 3.5 million in 1973, that is, an increase of more than 3.38 million tourists in 18 years. Moreover, while in the early fifties, there were 146,096 dwellings in the Balearics, in the early seventies, this figure rose to 213,473. With the expansion of the construction sector, urban areas doubled, from 56.55 km² to 119 km² [42]. This meant that the urban development growth rate was of 0.7 hectares per day [48]. Rullan [42] defined the first boom as a period lacking in democratic guarantees and democratic participation, it was the building developers, with the authorities' approval, who were responsible for urban planning, laying the cornerstones of the Balearics' economic and spatial model.

During the second real estate and tourist boom, the number of visitors rose by approximately 2.5 million in ten years—from 5 million in 1981 to 7.5 million in 1991—. During this period, 141,399 new homes were built, with a total housing stock of 415,512 homes in 1991. Thus, land occupation by urban areas grew at a rate of 1.3 hectares per day [48]. This growth was possible due to the new external demand for home property, accounted for by lower interest rates.

From the second half of the nineties, the Balearics experienced a new boost as a specialist tourist area in what Rullan [49] has defined as the third tourist boom. This has been possible by following the financial rationale of the production of urban space and through the investment of foreign capital into the real estate sector.

During this period, foreign real estate investment into the Balearic Islands grew from 26 million euros in 1993 to 90.7 million euros in 2006. FDI into the Balearic real estate sector mostly comes from Western European countries and Tax Havens. The first two investor countries into the Balearic property sector account for 40.1% of the total investment: German capitals summed 222.9 million euros and UK capitals 94.9 million since the introduction of the euro. Half the top twenty countries that invest in property in the Balearics are tax havens: Switzerland, the British Virgin

Islands, Guernsey, Luxembourg, Jersey, Panama, Liechtenstein, Monaco, the Isle of Man, and Gibraltar. Tax Havens represent 36.5% of the total FDI, being the third investor country Switzerland with 61.8 million euros followed by the British Virgin Islands with 43.7 million euros between 1999 and 2006 [50].

During this boom, the growth rate of most indicators exceeded the two previous booms. Annual passenger arrivals reached a figure of 13 million (an increase of 5 million), which was possible only after the enlargement of airport infrastructures [48, 51]. The pace of housing construction increased continuously. While in 1993, 2,906 houses were built, in 2000, the figures rose to 13,868 new houses. In 2004 the number of houses built rose to 9,244 units and figures increased until 2006 when 10,307 new homes were built. The housing stock amounted to 537,912 homes in 2006. During the nineties, the urban growth rate in terms of land transformation was of 2 hectares per day. In 2000, urban land covered about 6.21% of the Balearics' surface; meanwhile, the Spanish average was 2.08% [48, 52].

In this real estate and tourist boom, investment was the incentive behind the building process because homes were mostly built to perform as financial assets for anticipated returns as they rose in value, as opposed to them having a social function. According to the Spanish Statistics Office's Population and Housing Census [40], in 2001, there were 85,535 empty homes and 97,148 second homes in the Balearics.

3.2. Producing Urban Space and the Housing Bubble in Palma.

The evolution of tourism in the Balearic Islands has also determined Palma's urban development. During the third real estate and tourist boom (Figure 1), a period spanning the second half of the nineties until the housing bubble burst (2007), the number of tourist decreased from 44,124 tourist beds in 1995 to 44,047 tourist beds in 2006. This means that traditional tourist supply has been stabilised during this period. At the same time, the number of dwellings rose from 134,976 units in 1991 to 167,877 in 2006. From 1996 to 2006, the rhythm of housing construction speeded up with 26,575 new homes built in Palma. Nevertheless, twenty percent of the total number of homes in the city remains empty, and 9.4% counts as second homes [47]. Therefore, almost 30% of the homes are underused, and this indicates that the generation of new residential housing mainly responds to speculative interests and not to the need to build homes for social use. The 167,877 homes can be translated into residential beds, and those homes could mean 503,631 residential beds. (residential beds are calculated in urban plans by multiplying a ratio of 3 inhabitants per dwelling) This meant that the municipality had a total capacity for accommodating some 547,678 people in 2006. Being Palma's population of 375,048 inhabitants and the residential housing capacity of 503,631 beds, it can be argued that there is a surplus capacity of 128,583 residential beds or 42,861 houses. Moreover, in the last decade, immigration has increased continuously, with an increase of 702% between 1996 and 2006, rising from 6,885 foreigners in 1996 to 55,230

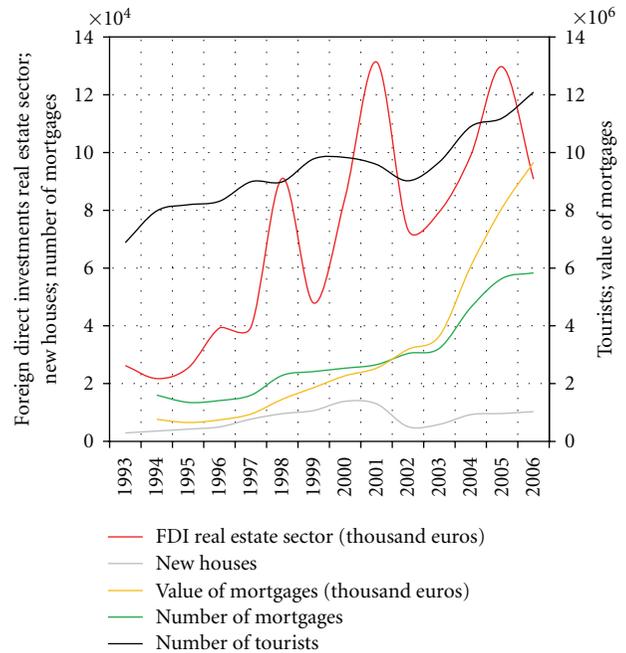


FIGURE 1: Third real estate and tourist boom in the Balearic Islands. Source: [47].

in 2006. Immigrants represent in 2006 the 14.72% of Palma's population [53–56].

Palma's "touristization" has been consolidated through a form of urban expansion based on speculative spatial policies rooted in the production of the city as a main economic growth key factor. Housing speculation generated a sharp rate of growth in housing prices, surpassing real values, and creating an outstanding housing bubble. House prices in Palma have reached figures which exceed the average price statewide [55]: while the price per square meter before the third real estate boom (in 1995) was €661/m², in 2006, it was €2237/m². Therefore, the price per square meter in Palma increased by 238% in just 10 years, this number becomes 122.2% if the annual inflation rate is taken into account [53].

Although the price of housing is presented as a standard measure for the municipality, there are big differences in the price of existing housing and in price rises that occurred during the third real estate boom in Palma (See Figure 2). These unequal increases in property prices can be interpreted as an indicator of the uneven geographical development of the city during this period.

Besides the residential production of the city, *Large Scale Urban Development Projects* and *mega-projects* have been keystones of urban neoliberal policy. Thus, it is a new spatial form of neoliberalization that includes Palma Convention Center, integrated in the proposed face-lift to Palma's waterfront, and the new Son Espases Hospital, together with a few projects involving mega-infrastructure that are already underway, like the expansion of the airport, the proposed construction of a second city ring-road, and the extension of the Port of Palma.

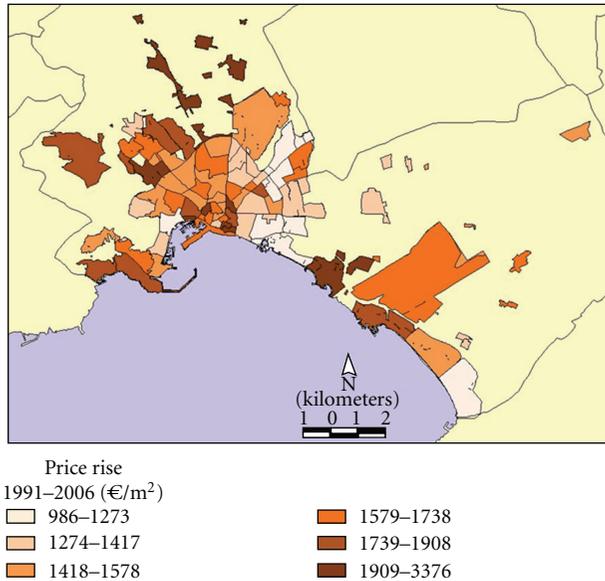


FIGURE 2: Increases in the average price of housing from 1991–2006 in €/m², by statistical area. Source: ours, 2007.

Surplus capital generated by the residential and infrastructure-related production of the city has been accompanied with many cases of urban corruption. *Crony capitalism* has been one of the main features of the third real estate boom with closed links between politicians and entrepreneurs who have been involved in urban development projects [57, 58]. Between 2008 and 2009, the Balearic's political and business worlds saw legal proceedings for cases of corruption in the name of money, power, and land. It has become usual to see politicians and businessmen paraded through law courts and police stations. In February 2009, the costs of corruption and the embezzlement of public money between 2003 and 2007 were estimated to amount to some 230 million Euros [50].

In summary, the adoption of the neoliberal urban policies in the city of Palma has been founded on entrepreneurial strategies which form the basis of the new residential and infrastructure-related production of the city. These means that the accumulation of capital (leading subsequently to numerous cases of corruption) has in turn led to the city's uneven geographical development by transforming Palma and its social space.

3.3. Neoliberalizing Urban Policies. Although, before the nineties, Palma had already held urban operations characteristic of neoliberal urbanism, the assumption of neoliberal governance was intensified from the mid-nineties with a process that was linked to the third tourist boom and the third housing bubble take off. In this regard, during this period, the consolidation of Palma as an entrepreneurial European city specialized in tourism can be understood as the result of the *spatiotemporal fix* taken by the city through the entrepreneurial turn.

In May 1991, for the first time since the start of the political Spanish transition, a conservative coalition—Partido Popular (PP) and *Unió Mallorquina* (UM)—governed Palma. The conservative party took the power after the socialist government—Partido Socialista Obrero Español (PSOE)—between 1979 and 1991, being Ramon Aguiló the major. The socialist Town Council was influenced by the postdictatorship spirit with a certain transformative will, which was reflected on urban planning. Nonetheless, the Spanish socialist party took the neoliberal path already in the mid-eighties.

The conservative Town Council in 1991 was led by Joan Fageda who was professionally linked to the construction sector. The main political issue in the city of Palma was the urban question and the conservatives campaigned for urban growth mixed with a populist discourse. In order to gain the power, Fageda used a rhetoric full of statements that emphasised the need for a “safer city, a cleaner city, a more comfortable city, a city where you may drink clean water, a city with well-cared gardens, a city with a more fluid traffic and better public transport” and he advocated for an “urban planning instrument which had to be clear and flexible” [59, page 7].

The new urban discourse made by the conservative Town Council entailed a change of perspective on urban policy in comparison to the socialist Town Council. The conservative turn, based on flexibility criteria, considered that the previous urban model was utopian (twelve years of government of the PSOE). The 1985 General Urban Plan (PGOU 1985) was influenced by the left urban planning school (e.g., Giuseppe Campos Venuti) and contained some interesting elements such as the “right to the city”. Therefore, at the beginning of the nineties, local authorities defended that the city and its General Urban Plan had to shift towards “reality”. This shift towards “reality” meant city's adaptation to global economic restructuring. Hence, within the process of the global economic restructuring, Palma faced the “tip of the iceberg” of the neoliberal turn in the early nineties with the arrival of the conservatives at the Town Hall and the adoption of flexible urban policies.

Therefore, local authorities and elites looked for the way to create a city model more competitive with tourism and real estate specialization as the accumulation basis. One of the key pieces in the change of the urban model was the modification of the General Urban Plan. Subsequently, in 1991, began the General Urban Plan revision, being approved provisionally in 1994 and definitively in 1998.

Meanwhile, before the approval of the new plan, the 1985 General Urban Plan was revised with the introduction of numerous and controversial changes. Some of these changes allowed the conversion of tourist lodges, built before 1985, into dwellings. With this change, the obsolete and huge hotels located in degraded tourist zones were transformed into residential units with small apartments addressed to immigrant population. While capital could extract a new surplus from old lodges, the urban area continued its deterioration process. Moreover, these changes permitted the construction of commercial malls such as the *El Corte Inglés* and *Porto Pi*.

The new General Urban Plan was approved on the 23rd of December 1998 (entering into force on 2nd of February 1999), when the Partido Popular was still in the municipal government, led by the Town Major Joan Fageda and the Councillor José María Rodríguez. According to Murray [47], this plan relinquished the integral vision of the city contemplated in the 1985 General Urban Plan approved by the municipal council headed by Ramon Aguiló (PSOE).

The General Urban Plan contemplated some Special Internal Reform Plans (PEPRI). The Special Internal Reform Plans have led to the direct gentrification of the neighborhoods of the Gerreria (which will be analyzed later in this paper and has also been studied by Morell [60] (and the Calatrava (studied by Franquesa [61]). Since the approval of the 1998 General Urban Plan, it can be underlined the fact that it has undergone occasional strategic changes to allow some controversial urban planning projects, such as Son Espases Hospital at the outskirts of the city and Palma Convention Center within the waterfront line redevelopment project, among others.

In 1997, the Partido Popular State Government, headed by Jose Maria Aznar, selected the Urban Program for the integral development of the Gerreria and the Calatrava neighborhoods as two of the best Spanish projects submitted for Urban Community Initiative [62]. These urban programs (1997–2002) were developed within the framework of European Structural Funds (ESF), specifically through the European Regional Development Fund (ERDF) created in 1975, and they provide funding for “productive investment and infrastructure”. In addition to the ERDF, the ESF provided complementary funding by financing investment into urban areas with more than 100,000 inhabitants through “the stimulation and creation of companies in order to support the infrastructure improvement in urban areas in a state of decline” [62].

This was the first time that urban planning had been conducted through a public-private partnership in the Balearics. One of the partners of Palma Antiga, the company in charge of the urban regeneration works, was Gabriel Cañellas. While being president of the Regional Government of the Balearic Islands (1983–1995), he was convicted for using the works of the Sóller Tunnel for illegal financing of his party, Partido Popular (PP). Nevertheless, he was finally acquitted due to prescription of the offence [63].

In 1998, the City Council decided to create the Plan Mirall Consortium with the alleged aims of “restoring the city’s old quarters; encouraging the population back into the center of Palma; promoting quality tourism; integrating financially excluded members of the population; reviving the old quarter” [64]. In essence, the plan was used to “beautify” the city, so once again a policy was used to give the city a “facelift”. This approach received criticism as to it favoured some neighborhoods in detriment of many others. One of the main Majorcan newspapers claimed that “there should be equal planning for all, because Palma is more than just four streets visited by tourists. It is a city that wants to look at itself honestly in the mirror without favoring any particular part” [64].

The above illustrates how urban planning has taken an *entrepreneurial turn*, characteristic of neoliberal urbanism, that is, basically by readjusting local government practice and adopting regulations that facilitate the reaping of benefits [65]. It is important to mention, at this point, that this is the first urban policy that envisages private investment into urban reform activities. Palma’s integration into the network of global cities has therefore led to the development of new functions synonymous with an *entrepreneurial city* [66].

In the case of Palma, a clear example of the adoption of entrepreneurial policies is the construction of the city Convention Center and the new “waterfront strip” (a 4-star hotel and the development of 100,000 square meters of land, where between 300 and 500 dwellings will be built). To make these projects possible, the City Council has had to modify the General Urban Plan, extending the amount of land that can be developed to facilitate building work managed by Barceló Group [67]. The Barceló Group is one of the main Spanish tourist companies which was founded in Majorca in the thirties and now has become transnational [68]. The idea is that, according to the Plan propaganda, Palma can be positioned as a new competitive business destination thanks to the future Convention Center: the Conference Center will encourage the arrival of affluent tourists not only confined to the summer. The concept of “deseasonalization” is an important factor by allowing for a combination of business travel, leisure, sports, shopping, and culture in the broadest sense of the word. This project clearly responds to entrepreneurial policies within a neoliberal framework.

In February 2007, the construction of Palma’s Convention Center was tendered out to the joint venture formed by Barceló (50%), Globalia (20%), Acciona (15%), Sampol Ingeniería y Obras (15%), and Iberostar (10%), with a contract for 42 years and an investment of 130 million Euros. The government offered the land free of charge and has invested 44 million Euros in the project. Gradually, however, members of the joint venture pulled out of the project, with Barceló remaining as the dominant group [47, page 342]. The city Convention Center and the waterfront strip plan changed after 2007 municipal elections. The Conservative party (PP), previously governing Palma’s Town Hall, approved the former plan with several irregularities which were amended afterwards when the Palma’s Convention Center joint venture was about to start the works and Palma’s Town Hall was governed by the Socialist party (PSOE) [47].

With the burst of the financial and real estate bubble, although public authority intervention has challenged neoliberal principles, governments have attempted, in essence, to ensure that the real estate sector does not collapse [2]. According to this, in 2008, Act 5/2008 of May 14th was approved by virtue of which urgent action was taken in order to obtain private land for social housing. Under the pretext of providing subsidized housing, it mainly offers builders and developers more land to build social and private houses, being a counter-cyclical measure. One of its aims is to solve the problem of an oversized construction sector rather than at combating the difficulties of access to housing or improving inefficient management of property conglomerations.

Under the same logic, in 2009, the State Government approved Plan E (the Spanish Plan for the Stimulation of Employment and the Economy) with the excuse that it was avoiding a general financial collapse. This plan represents a “boost to the economy and employment” (<http://www.economiasostenible.gob.es/que-es>) with the earmarking of more than 50,000 million euros for the entire State. Of this amount, 67.8 million euros were allocated to Palma, where two large construction conglomerates have been the main beneficiaries: Construcciones Llabrés Feliu SL and Melchor Mascaró SA.

3.4. Gentrification and Tourism in the Neighborhood of the Gerreria. This section analyzes the process that the former red-light district of Palma, the Gerreria (the Catalan place name alludes to a district of artisan potters), has undergone. Following the logic of neoliberal urbanism, the Gerreria has today become a gentrified district. From a state of absolute abandonment, financial investment has led to a rise in the value of property and the displacement of most of its more vulnerable social classes. The evolution of the Gerreria could be described as a process of *creative destruction* characteristic of neoliberal urbanism, leading to the *gentrification* of this urban space.

As we have already advanced, the study of gentrification in the neighborhood of the Gerreria (Palma) analyzes the process from the supply-side approach. So, it is understood that the regeneration of this urban area inserted into the “tourist atmosphere” has taken place in relation to the financial dynamics of capitalism and not due to an existing demand.

The Gerreria is a neighborhood in the north-east of the historical quarter of Palma and is located inside what was the ancient walled 11th century Muslim city (Figure 3). During the middle ages, it was an area with a high number of workshops and merchants and a center for artisans and traders. According to Gené [69], along with the Calatrava, the Gerreria was one of the medieval city’s main artisan quarters. During the tourist boom of the sixties, the neighborhood’s traditional population began to move out to outlying areas, where there was a more profitable outlet for trade and crafts. New commercial uses could not easily be adapted to the historical quarter’s urban structure and so uses that had hitherto been the area’s mainstay gradually disappeared. The fact that they were not replaced with other uses accelerated the decline of this urban space. Buildings occupied by the district’s traditional inhabitants were taken over by the unemployed, low-income immigrants, and other marginalized groups, attracted among other things by low rents there [62].

In the late seventies and early eighties, the sale and consumption of heroin started to go hand in hand with the prostitution that had characterized the area for decades, leading to what became known as the red-light district or Chinatown in its direct translation of the original Catalanian place name “Barri Xino” [60]. This process was parallel to other Spanish cities. The long socioeconomic crisis of the seventies, due to global capitalism decline and the political

change after Franco’s death, was followed with a deep urban crisis being heroin and young death major expressions [70]. Also in the seventies, together with the decline of housing and social conditions in the area, traders moved out. In short, the common perception of the Gerreria was that of a red-light district synonymous with drug-dealing and drug-use, illegal activities, prostitution, danger, dirtiness, and a lack of public facilities, with a population of elderly residents and social outcasts [60].

The 1985 General Urban Plan [71] contemplated a Special Internal Reform Plan (PEPRI) for the neighborhood. After a long process of approval, this would pave the way for the construction of a new neighborhood. In order to overcome its negative image, it would become known as the Gerreria, mainly for business purposes, meanwhile the popular name “Barri Xino” would be rejected due to its social exclusion connotations. In the 1985 General Urban Plan, Palma’s historical quarter was designated as an area under a Special Regime, identifying three types of area based on changes to their urban structure and built heritage. These types are Spontaneous Renewal Areas, Areas for Construction and the Adaptation of Public Spaces, and Areas in a Bad State of Decline. The Gerreria belonged to this third category (in conjunction with the Jonquet, the Calatrava and Puig de Sant Pere), and its regulation was contemplated by means of a Special Plan for Protection and Internal Reform (PEPRI) [71].

In 1995, ten years later, the PEPRI was finally approved, after a long controversy over the proposed amendment of the General Urban Plan and a preliminary version of the PEPRI. That preliminary version included two large urban development projects in the Gerreria: the construction of Palma’s Law Courts and a large underground car park. The plan was conceived to renovate and redevelop the neighborhood over a period of eight years. In 1997, under the sponsorship of the European Union, an Urban Program was implemented for the Gerreria. The ruling class argued that this would facilitate private investment into the neighborhood, leading to the district’s transformation.

The transformation of this part of the Gerreria, once the PEPRI had been approved, was carried out through an agreement between Palma City Council and the joint venture that won the tender for the project, S’Estel Nou Palma S.L. This joint venture (made up of one of the strongest Mallorcan building companies, Llabrés Feliu, and a real estate company, Gerència Immobiliària Balear, founded in 1995 by Gabriel Oliver, its executive director) was responsible for the development work, property expropriation and relocation of former residents, and the sale and management of new housing. The development project covers a total of 14,300 square meters of land, entailing the building of some 300 new homes, shops, and 1000 parking spaces.

This redevelopment operation has therefore involved a complete face-lift to the neighborhood (Figure 4). If, beforehand, the district was in a state of architectural and social decline, with its redevelopment, this is no longer the case. It has become a new neighborhood, lacking in personality and featuring a type of building that can be found anywhere in the city or in any city. After the work’s

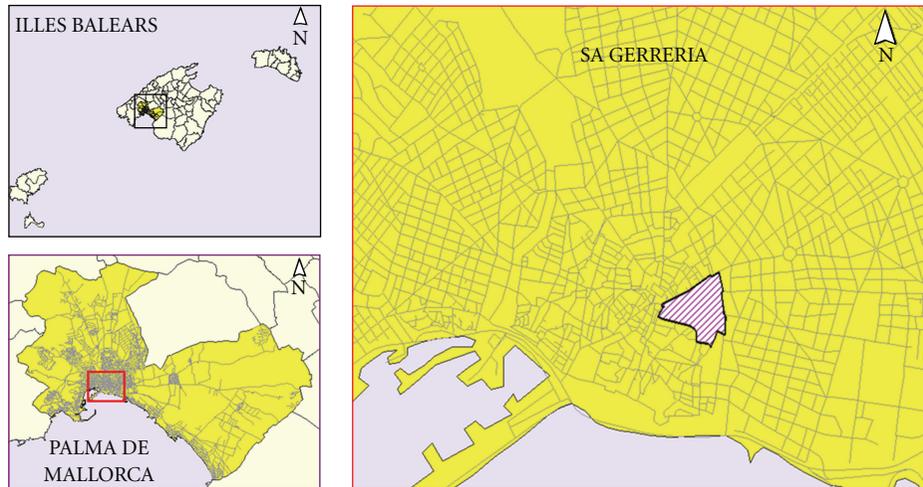


FIGURE 3: Location of Gerreria. Source: ours, 2009.



FIGURE 4: Appearance of the neighborhood before and after the redevelopment work. Source: [69].

completion, it was presented as part of the “city of the future”. Obviously, the area’s “cleansing” and its beautification have led to a rise in property prices, which was certainly one aim of the project. Now dwellings are priced at over €248,500, and the middle classes are moving there because, in this way, it will conserve a positive image and the City Council thus expects to convert the neighborhood into a new tourist attraction, being introduced in the tourist circuit of Palma’s historical center.

Without accurate statistical data for the area, it is not possible to calculate the rent gap with any precision but an approximation has been made by comparing the evolution of housing prices in the Gerreria compared with the average price of housing in Palma before and after its redevelopment. While no details could be found of housing prices during the neighborhood’s decline from the seventies onwards, the first figure that was obtained for 1991, before the approval of the PEPRI, shows that the price of housing in Gerreria was 4.68 times below the average figure for Palma. Since 1995, when the PEPRI was approved, prices have started to rise above the average for housing in Palma. Now, when the average price of housing in Palma seems to have come to a halt, prices in S’Estel Nou have skyrocketed (although it appears to be hard to sell housing there). In December 2008, the average house

price in Palma was €2,342/m², while, in S’Estel Nou, it was €4,970/m², that is, more than double.

The Gerreria PEPRI not only stands out for having involved the demolition of much of the neighborhood, but also for expelling much of its original population [70]. Franquesa [61] points out that the 1998 General Urban Plan firmly reflects this goal. The plan states that “in the management of Special Plans, there is another important omission: measures to attract members of the population from a medium-to-high income bracket to the area [...] Therefore, a more flexible and dynamic management system is needed in order to ensure a successful reform of Palma’s old quarter” [72, page 80].

Although, when the PEPRI was drafted, the district was already a sparsely populated area due to the state of decline into which it had fallen, the transformation brought about by the PEPRI has led to a process in which the original population has clearly been replaced. Despite the fact that statistical information provided by census data, municipal population censuses, and other internal municipal sources is scarce, it is possible to observe some aspects of the evolution of the neighborhood. Between 1993 and 2001, its population fell from 1,921 to 556 residents. Afterwards, between 2001 and 2007, it rose once again from 556 to 791 residents,

without reaching the same figure as the early nineties. This population growth is a result of the urban policies applied to that area, and there is a marked transformation in its social structure with the ascent of high-middle class.

In the Gerreria, the block 2b is outstanding and illustrative due to its population changes and relocation of former dwellers. In relative terms, this block is the zone of the Gerreria which has suffered from a larger number of expropriations and relocations due to the implementation of the reform plan (PEPRI): 89 families were affected by the relocation programme; 41 of them (46%) have been relocated by the Municipal Housing Department to new homes; 27 (30%) have received compensation; 7 (8%) have been transferred to nursing homes; 7 (8%) have been reaccommodated by a private company; the other 7 (8%) have not been reaccommodated. Thus, evictions and reaccommodation are the culmination of a process of *destruction*: emptying the old neighborhood in order to refill it subsequently [70]. From this point on, the new process of *creation* (filling up the neighborhood) has been based on the building work and the management of new housing. The production of this space with its new image confirms the original goal: to create a new middle-class neighborhood able to attract tourism and capital investment.

S'Estel Nou building works have almost finished and the new apartments are already on sale. In an interview, in the magazine *Miracasa*, Gerència Immobiliària CEO Gabriel Oliver Cerdà (Gerència Immobiliària is one of the partners of the S'Estel Nou joint venture) explained that this redevelopment work represented a "unique opportunity, which is very hard to repeat in Palma [...] Having a parking space is a luxury and it is available at a very competitive price". He also explained that the flats are designed for "those wishing to live in the city center, those currently living in towns or villages or in Minorca or Ibiza, those seeking a second home in Palma, or investors who want to invest their capital".

In this regard, private investment into the neighborhood has facilitated its redevelopment and transformed it into an area to which its previous population cannot return, obviously because it is far beyond their purchasing power. Once again, this project embodies a neoliberal speculative approach to housing. Similarly, public institutions have already attempted to attract tourists and artists to the neighborhood with projects like "Gerreria: a journey through craftsmanship". This project launched by the City Council is aimed at offering a different perception of the neighborhood by fostering a "modern image" of a place where cultural activities institutionally accepted are available, with no "undesirable elements on the streets" due to the implementation of new security strategies. This has been the case of some Spanish cities, being the most known Barcelona [73, 74].

To conclude, according to Franquesa [61], gentrification has become a key objective in the revitalization of Palma's old quarter and the criterion with which its success is measured. But what lies behind the goal to attract middle-to-high-class sectors of society? The answer is real estate profits. That is why this kind of policy is being used in Palma. So,

in accordance with Hackworth and Smith [75], planning directed at gentrification has been a widespread strategy in neoliberal urbanism, aimed at attracting capital flows.

4. Conclusions

Urbanism and the production of city, as Lefebvre and Harvey stated in the seventies, are fundamental for the survival and expansion of the capitalist system. The urban transforms itself according to the changes of historical capitalism. In this way, it is possible to read the urban space as an expression of capitalist system dynamics and changes. Thus, urban entrepreneurialism has been a key strategy within neoliberal urbanism. Local governments have embraced urban entrepreneurialism in order to position their cities into the global urban hierarchy. Furthermore, gentrification has been one of the main tactics related to that logic. It is not just developed as a simple urban development project within a neighborhood but is presented as a cornerstone strategy of global urbanism.

The Spanish state has adapted to neoliberal capitalism through the specialization in the secondary circuit of accumulation, by subordinating the production of the city to the dictate of the New Urbanism. The Balearic Islands, highly specialized in tourism, have been one of the main Spanish regions where these logics have been implemented. Palma, the archipelago's capital, has been promoted as a successful city from neoliberal point of view. Since the mid-nineties, the local government has taken the entrepreneurial turn with the implementation of neoliberal policies, becoming a main urban and tourist promoter. In the production of new urban spaces, the entrepreneurial policies have been implemented through strategies like gentrification and Large Scale Urban Development Projects. As a result of these policies, class power has been restored and a real estate and financial oligarchy has emerged.

The case study of gentrification, the neighborhood of the Gerreria (Palma), has been analyzed from a perspective that stands private agents and local government as the gentrifiers of the process. Nonetheless, middle-class individuals and tourists did not play a prominent role in that process.

Furthermore, this case might be understood as a process of tourist gentrification, even though gentrifiers are not tourists. Though, gentrification of the Gerreria is part of the tourist and urban agenda. Gentrification in tourist spaces has been part of the global tourist marketing strategy which is, at the same time, connected to the secondary circuit of accumulation. The urban policies that have led to the gentrification of the Gerreria have entailed not only the replacement of former population and land revaluation, but also the rise of Palma's Historical Center as a tourist space.

Acknowledgments

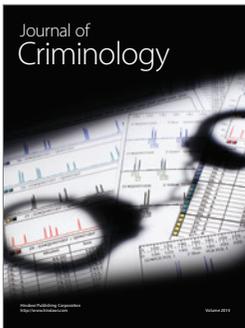
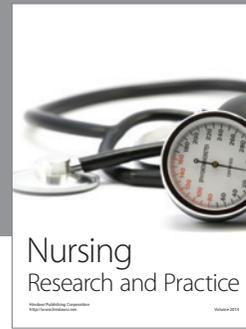
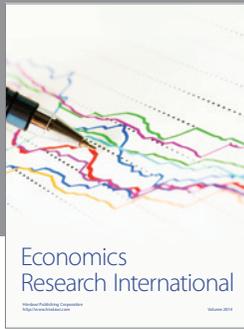
The author would like to express this gratitude to Ivan Murray for his contributions to improve this paper. This paper also benefited greatly from the comments of the Center for Place, Culture, and Politics researchers and fellows, especially

David Harvey, Neil Smith, and Jeremy Rayner. The research leading to this paper was financed through research project “La Geoeconomía y la Geopolítica turística. Análisis de la glocalización turística balear, implicaciones socioambientales” (CSO2009-08400) under the Spanish Ministry of Science and Innovation National Plan for R&D and Innovation, and through a research training grant for public university staff (FPI) awarded by the Government of the Balearic Islands.

References

- [1] R. Fernández Durán, *El Tsunami Urbanizador Español y Mundial*, Virus, Barcelona, 2006.
- [2] I. López and E. Rodríguez, *Fin de Ciclo. Financiarización, Territorio y Sociedad de Propietarios en la Onda Larga del Capitalismo Hispano (1959-2010)*, Editorial Traficantes de Sueños, Madrid, 2010.
- [3] D. Harvey, “The urban process under capitalism: a framework for analysis,” *International Journal of Urban and Regional Research*, vol. 2, no. 1–4, pp. 101–131, 1978, <http://onlinelibrary.wiley.com>.
- [4] D. Harvey, *A Brief History of Neoliberalism*, Oxford University Press, New York, NY, USA, 2005.
- [5] J. M. Naredo, *Raíces Económicas del Deterioro Ecológico y Social, Más Allá de Los Dogmas, Siglo XXI*, Madrid, 2006.
- [6] O. Carpintero, “El poder financiero de los grandes grupos empresariales. Los nuevos ‘creadores’ de dinero,” in *Economía, Poder y Megaproyectos*, F. Aguilera and J. M. Naredo, Eds., pp. 79–123, Fundación César Manrique, Lanzarote, 2009.
- [7] D. Harvey, *¿Estamos Realmente ante el fin del Neoliberalismo?* vol. 41, Revista Herramienta, 2009, www.archivochile.com/Debate/crisis.08.09/crisis00135.pdf.
- [8] S. Sassen, *The Global City: New York, London, Tokyo*, Princeton University Press, New Jersey, NJ, USA, 2nd edition, 2001.
- [9] N. Smith, *New Urbanism: Gentrification as Global Urban Strategy*, Antipode, 2002.
- [10] N. Smith, *Uneven Development: Nature, Capital and the Production of Space*, Basil Blackwell, New York, NY, USA, 2nd edition, 1984.
- [11] N. Smith, *Uneven Development: Nature, Capital and the Production of Space*, Basil Blackwell, New York, NY, USA, 2nd edition, 1990.
- [12] N. Smith, *The New Urban Frontier. Gentrification and the Revanchist City*, Routledge, London, UK, 1996.
- [13] N. Brenner and N. Theodore, *Spaces of Neoliberalism: Urban Restructuring in North America and Western Europe*, Blackwell Publishers, Malden, Mass, USA, 2002.
- [14] J. Hackworth, *The Neoliberal City: Governance, Ideology and Development in American Urbanism*, Cornell University Press, Ithaca, NY, USA, 2007.
- [15] D. Harvey, “The right to the city,” *New Left Review*, no. 53, pp. 23–40, 2008.
- [16] D. Harvey, *El Nuevo Imperialismo*, Akal, Cuestiones de Antagonismo, Madrid, Spain, 2004.
- [17] D. Harvey and N. Smith, *Capital Financiero, Propiedad Inmobiliaria y Cultura*, Universitat Autònoma de Barcelona, Bellaterra, Barcelona, 2004.
- [18] S. González, “Trepando por la jerarquía urbana: nuevas formas de gobernanza neoliberal en Europa,” in *Ciudades en la Sociedad de la Información*, P. Vivas, R. Ribera, and F. González, Eds., no. 5, UOC Papers, 2007, http://www.uoc.edu/uocpapers/5/dt/esp/gonzalez_sara.pdf.
- [19] J. Peck and A. Tickell, “Neoliberalizing space,” in *Spaces of Neoliberalism Urban Restructuring in North America and Western Europe*, N. Brenner and N. Theodore, Eds., pp. 33–57, Blackwell, Oxford, UK, 2002.
- [20] J. M. Naredo and A. Montiel, *El Modelo Inmobiliario Español y su Culminación en el Caso Valenciano*, Icaria Editorial, Barcelona, 2011.
- [21] D. Harvey, “From managerialism to entrepreneurialism: the transformation of urban governance in late capitalism,” *Geografiska Annaler*, vol. 71b, no. 1, pp. 3–17, 1989.
- [22] E. Swyngedouw, F. Moulaert, and A. Rodriguez, *Neoliberal Urbanization in Europe: Large-Scale Urban Development Projects and the New Urban Policy*, Antipode, 2002.
- [23] L. Lees, T. Slater, and E. Wyly, *Gentrification*, Routledge, London, UK, 2008.
- [24] N. Smith, “Blind man’s buff, or Hamnett’s philosophical individualism in search of gentrification,” *Transactions of the Institute of British Geographers*, vol. 17, no. 1, pp. 110–115, 1992.
- [25] L. Lees and D. Ley, “Introduction to special issue on gentrification and public policy,” *Urban Studies*, vol. 45, no. 12, pp. 2379–2384, 2008.
- [26] C. Hamnett, “Gentrification and the middle-class remaking of inner London, 1961–2001,” *Urban Studies*, vol. 40, no. 12, pp. 2401–2426, 2003.
- [27] C. Hamnett, “City centre gentrification: loft conversions in London’s city fringe,” *Urban Policy And Research*, vol. 27, no. 3, pp. 277–287, 2009.
- [28] C. Hamnett, “The blind men and the elephant: the explanation of gentrification,” *Transactions of the Institute of British Geographers*, vol. 16, no. 2, pp. 173–189, 1991.
- [29] C. Hamnett and D. Whitelegg, “Loft conversion and gentrification in London: from industrial to postindustrial land use,” *Environment and Planning A*, vol. 39, no. 1, pp. 106–124, 2007.
- [30] E. Clark, “On blindness, centerpieces and complementarity in gentrification theory,” in *The Gentrification Reader*, L. Lees, T. Slater, and E. Wyly, Eds., pp. 251–255, Routledge, London, UK, 2010.
- [31] E. Wyly and D. J. Hammel, “Modeling the context and contingency of gentrification,” *Journal of Urban Affairs*, vol. 20, no. 3, pp. 303–326, 1998.
- [32] E. K. Wyly, M. Atia, and D. J. Hammel, “Has mortgage capital found an inner-city spatial fix?” *Housing Policy Debate*, vol. 15, no. 3, pp. 623–685, 2004.
- [33] E. Wyly, “Mortgaged metropolis: evolving urban geographies of residential lending,” *Urban Geography*, vol. 23, no. 1, pp. 1–29, 2002.
- [34] M. Davidson and L. Lees, “New-build ‘gentrification’ and London’s riverside renaissance,” *Environment and Planning A*, vol. 37, no. 7, pp. 1165–1190, 2005.
- [35] K. Gotham, “Tourism gentrification: the case of New Orleans’ Vieux Carre (French Quarter),” *Urban Studies*, vol. 42, no. 7, pp. 1099–1121, 2005.
- [36] J. Hackworth, “Postrecession gentrification in New York city,” *Urban Affairs Review*, vol. 37, no. 6, pp. 815–843, 2002.
- [37] N. Smith, “New globalism, new urbanism: gentrification as global urban strategy,” in *Spaces of Neoliberalism: Urban Restructuring in North America and Western Europe*, N. Brenner and N. Theodore, Eds., pp. 80–103, Blackwell, New York, NY, USA, 2002.
- [38] J. Carpenter and L. Lees, “Gentrification in New York, London and Paris: an international comparison,” *International Journal of Urban and Regional Research*, vol. 19, no. 2, pp. 286–303, 1995.

- [39] L. M. Garcia Herrera, N. Smith, and M. Vera Mejias, "Gentrification, displacement, and tourism in Santa Cruz de Tenerife," *Urban Geography*, vol. 28, no. 3, pp. 276–298, 2007.
- [40] Institut Nacional d'Estadística, <http://www.ine.es, 4/7/2009>.
- [41] N. Smith, "Giuliani time: the revanchist 90s.," *Social Text*, no. 57, pp. 1–20, 1998.
- [42] O. Rullan, *L'ordenació Territorial a les Illes Balears (Segles XIX-XX). Quaderns D'història Contemporània de les Balears*, no. 53, Documenta Balear, Palma, Majorca, 2007.
- [43] F. Díaz-Orueta and M. L. Loures, "La globalización de los mercados inmobiliarios: su impacto sobre la Costa Blanca," *Ciudad y Territorio*, no. 155, pp. 77–92, 2008.
- [44] J. M. Naredo, O. Carpintero, and C. Marcos, "Patrimonio en vivienda y ahorro de los hogares en el final del ciclo inmobiliario," *Cuadernos de Información Económica*, no. 212, pp. 55–67, 2009.
- [45] J. García-Bellido, "Por una liberalización del paradigma urbanístico español (III): el tsunami urbanístico que arrasará el territorio," *Ciudad y Territorio. Estudios Territoriales*, no. 144, pp. 273–284, 2005.
- [46] R. Fernández Durán, "De la CEE a la UE 'superpotencia mundial' (Roma, 1957-Lisboa, 2007). 50 años de la 'Europa' del capital culminan con el nuevo Tratado de Reforma," 2007, <http://www.quiendebeaquien.org/spip.php?article655,2010>.
- [47] I. Murray, M. Blázquez, and J. Amer, "Doblers, poder i territori de 'marca balear' (1983-2009)," *Journal of Catalan Studies*, vol. 13, pp. 321–350, 2011.
- [48] M. Blázquez and I. Murray, "Indicadors de sostenibilitat del turisme a les Illes Balears," Tech. Rep. 2002-2003, CITTIB, Palma, 2003, (DIR).
- [49] O. Rullan, "De la cova de canet al tercer boom turístic. Una primera aproximació a la geografia històrica de Mallorca," in *El Medi Ambient a les Illes Balears. Qui és Qui?* M. Alenyà et al., Ed., pp. 171–213, Sa Nostra, Palma, Majorca, 1999.
- [50] DataInVex Estadísticas de Inversión Extranjera en España, <http://www.datainvex.com, 24/8/2009>.
- [51] A. Bauzá, "El Aeropuerto de Palma de Mallorca. La puerta que abre el proceso de compactación espacio-temporal de la isla," in *Ciudades, Culturas y Fronteras en un Mundo en Cambio*, I. Caravaca, V. Fernández, and R. Silva, Eds., pp. 259–276, Actas del IX Coloquio y Jornadas de Campo de Geografía. Consejería de Obras Públicas y Transportes, Junta de Andalucía, Sevilla, 2008.
- [52] A. A. Artigues and O. Rullan, "Nuevo modelo de producción residencial y territorio urbano disperso (Mallorca, 1998-2006)," *Scripta Nova*, vol. 11, no. 245, p. 10, 2007, <http://www.ub.es/geocrit/9porto/artigues.htm>.
- [53] S. A. Societat de Taxació, <http://web.st-tasacion.es/html/index.php>.
- [54] INE, "Padrón municipal. Spanish Institute of Statistics (INE), Madrid," 2006, [http://www.ine.es/jaxi/menu.do?type=pcaxis&path=/t20/e245/&file=inebase, \(3/7/2010\)](http://www.ine.es/jaxi/menu.do?type=pcaxis&path=/t20/e245/&file=inebase, (3/7/2010)).
- [55] Spanish Ministry of Public works, <http://www.fomento.es/mfom/lang.castellano, 5/8/2010>.
- [56] S. Vives Miró, "Les implicacions socials de la lògica financera de l'habitatge. L'exemple de Palma," *Treballs de la Societat Catalana de Geografia*, vol. 66, pp. 75–99, 2008.
- [57] F. Aguilera and J. M. Naredo, *Economía, Poder y Megaproyectos*, Fundación César Manrique, Lanzarote, 2007.
- [58] F. Iglesias, *Mapa de Presuntas Irregularidades y Actos de Corrupción Urbanística 2000-2007*, Fundación Alternativas, Madrid, Spain, 2007.
- [59] J. Fageda Aubert, "Mis 20 años. Gráficos de vida municipal. Ajuntament de Palma," <http://www.joanfageda.com/index.htm>.
- [60] M. Morell, "La barrialización de la ciudadanía. Localizando el urbanismo neoliberal en ciutat de Mallorca' in Diez años de cambios en el Mundo, en la Geografía y en las Ciencias Sociales, 1999-2008," in *Proceedings of the 10th Geocritical International Congress*, Universidad de Barcelona, May 2008, <http://www.ub.es/geocrit/-xcol/365.htm>.
- [61] J. Franquesa, "Vaciar o llenar o la lógica espacial de la neoliberalización," *Revista Española de Investigaciones Sociológicas*, vol. 118, pp. 123–150, 2007.
- [62] M. S. Mas Fiol, *La Reforma de Gerreria: L'anàlisi D'una Transformació*, Universitat Politècnica de Catalunya. Departament d'Infraestructura del Transport i del Territori, Barcelona, 2008.
- [63] A. Manresa, *Baleares S. A.: Lo dicho en El Pais*, Res Publica Edicions, Eivissa, 1998.
- [64] N. Planas Novella, "L'interminable 'pla Mirall'" Diari de Balears. 24/01/2001.
- [65] D. Harvey, *The Condition of Postmodernity: An Enquiry into the Origins of Cultural Change*, Blackwell, Oxford, UK, 1989.
- [66] S. González Ceballos, "El Ocio en la ciudad emprendedora' in VI Congreso Mundial de Ocio (área temática cultura i espacio)," 2002, <http://fama2.us.es:8080/turismo/turisonet1/economia%20del%20turismo/turismo%20de%20ciudades/OCIO%20EN%20LA%20CIUDAD%20EMPRENDEDORA.PDF, 2/10/2009>.
- [67] M. Juncosa, "Govern y Cort exigen a Barceló que continúe las obras' a Última Hora," pp. 16–17, (30/05/2009).
- [68] J. Buades, *Do not Disturb Barceló*, Viaje a las Entrañas de un Imperio Turístico, Barcelona: Icaria, 2009.
- [69] M. A. Gené, *La Gerreria: Protegir no és Destruir*, El Mirrall, Palma de Mallorca, 2001.
- [70] R. Fernández Durán, *La Explosión del Desorden. La Metrópoli Como Espacio de la Crisis Global*, Editorial Fundamentos, Madrid, Spain, 3rd edition, 1996.
- [71] Ajuntament de Palma, *Pla General d'Ordenació Urbana de Palma*, Ajuntament de Palma, Palma, 1985.
- [72] Ajuntament de Palma, *Pla General d'Ordenació Urbana de Palma*, Ajuntament de Palma, Palma, 1998.
- [73] UTE, *Barcelona Marca Registrada. Un Model per Desarmar*, Virus, Barcelona, 2004.
- [74] M. Delgado, *La Ciudad Mentirosa. Fraude y Miseria del 'Modelo Barcelona'*, La Piqueta, Madrid, Spain, 2007.
- [75] J. Hackworth and N. Smith, "The changing state of gentrification," *Tijdschrift voor Economische en Sociale Geografie*, vol. 92, no. 4, pp. 464–477, 2001.



Hindawi

Submit your manuscripts at
<http://www.hindawi.com>

