Revitalization and tugurization in the historical centre of Santiago de Chile

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\textbf{Abstract}

In Latin America, globalization started first in Chile, around the shift to the neoliberal economic model in 1974. It has manifested itself in various structural changes in the Chilean capital Santiago. Privatization of public space, accelerated socio-spatial segregation, the privatization of services and especially education, plus foreign immigration, led to urban renewal and functional revitalization on the one hand, to tugurization and ghettoization trends on the other. The result is a fragmented urban fabric, characterized by islands of wealth and poverty within the traditional urban structure.

\section*{Introduction}

Since 1974, Chile and its capital Santiago have been following the economic doctrine of neoliberalism and of opening up to the world market. As a result, Chile has experienced an economic boom that has liberated the country from underdevelopment and secured it a place among the 10 leading OECD states. In 2010, Chile had the highest rate of economic growth of all OECD countries (OECD, 2008, 2011). Opening up to the world market under conditions of neoliberalism has produced a withdrawal of the state (and the metropolitan region) from formerly important areas such as town planning and urban development. This deregulation went hand in hand with the privatization of public institutions and the liberalization of the real estate market. This market is now controlled indirectly by criteria such as rate of return and profitability. Key actors often are transnational investors and real estate companies. The economy has taken the place of politics in urban development.

For the Chilean capital, but also for other large and medium-sized cities in the country, globalization has brought with it a number of unexpected consequences that manifest themselves in the urban physiognomy and structure. Most striking of these are the fragmentation of essential services, retail, industry, office and residential districts, the privatization of public space in the form of horizontal and vertical gated communities, closed-off streets and private motorways, and the verticalization of the skyline with the advent of ever higher skyscrapers. The authors have documented this development in a series of texts (Borsdorf & Hidalgo, 2007, 2008; Hidalgo, Borsdorf, & Sanchez, 2005).

Another effect of privatization is the establishment of private universities, permitted in Chile since 1980 and currently numbering 36 institutions, compared to 25 state universities. By early 2011, these private universities (excluding the Pontificia Universidad Católica de Chile) registered 295,801 students, which is roughly half of all students in Santiago. Public universities are operated by the state. In recent years, many private universities have been established that are run by Chilean and transnational corporations. Both types of universities require high taxes, and there is an ongoing debate about the level of these taxes in the country. Private universities are located across the whole metropolitan area but cluster somewhat in the central districts, thus upgrading them to a certain degree (see Fig. 1). This raises the question whether such impulses may trigger gentrification.

At the same time, the central districts are the destination of international immigration, especially from Peru. Although they make up only the second-largest group of immigrants, Peruvians are ‘visible’ and sometimes marginalized by Chilean society, which in turn has produced a degree of micro-ghettoization. In spatial terms, this is a process by which minorities or social groups are physically separated from surrounding areas. The term is derived from Jewish enclaves in Europe and has been used for the ghettos of blacks in US cities (Macionis & Parillo, 2009). In Santiago,
immigrants moved into old warren quarters (conventillos and cités). This process may be better called tugurization.¹

Despite strong globalization effects in metropolitan areas, they, and particularly central municipalities, are striving for a policy of revitalizing² central districts. By doing so they are also combating profitability interests of land speculators, real estate companies and investors, who, in the course of the fragmentation³ of the urban space, are reconsidering central locations as attractive and potentially lucrative. Drivers of revitalization and tugurization are visualized in Fig. 2. To revitalize their inner cities, municipal administrations are using heritage listing and subsidies for renovation and refurbishment as well as increasing the appeal of such districts by investing in infrastructure and city marketing.

¹ Tugurization (from Peruvian tugurio = hovel) means a process of concentration of Peruvian immigrants to inner-city old warren quarters, formerly inhabited by poor Chileans. The process results in a transformation of former socially segregated quarters into ethnically segregated ones.

² Revitalization is a policy to face urban decline by upgrading derelict quarters.

³ Urban fragmentation is a process of social exclusion and segregation. It is characterized by the rise of gated communities, enclosure of streets, privatization of public space, controlled urban entertainment centres and walled business parks within poor and marginal communities.
Below we shall discuss in more detail the processes of revitalization, gentrification and tugurization, followed by an analysis and cautious assessment of the potential of inner-city Santiago to initiate locally sustainable urban development under conditions of globalization. Our study area is the Comuna Santiago and adjacent municipalities.

This is a new approach. There are plenty of studies about the effects of globalization in Santiago de Chile, both synthetic ones (de Mattos, 2010) and analytical ones (Borsdorf & Hidalgo, 2008). What they leave out, however, are the three processes that interest us here, i.e. revitalization, gentrification and tugurization.

The case study area

The municipality of Santiago is the local government for 200,800 people living in this central community. It is the core of the 34 municipalities in the metropolitan area (Arenas & Hidalgo, 2003). In the last census (2002), 5.5 million people were counted in the metropolitan area (40% of the Chilean population). Estimates of the actual population put it at 6.4 million. The metropolitan area makes up the urbanized area of the metropolitan region, which is the administrative unit.

The General Law of Urban Planning and Construction (1975) regulates the process of urban planning. In purely formal terms of planning, Chile has a clear pyramid structure. At national level, the general political guidelines are given in the National Urban Development Policy, a strategic instrument that sets the framework for other levels of planning. This instrument is prepared by the Department of Housing and Urban Development (MINVU) and approved by presidential decree. At regional level, guidelines to regulate urban development are defined in the regional plan of urban development. This is a strategy tool developed by the regional MINVU office (SEREMI-MINVU) together with municipalities and requires final MINVU approval. The inter-communal level is covered by the inter-communal zoning plan which, according to the guidelines defined by national and regional policies, provides macro-zoning (land use) and defines the city limits of metropolitan areas. The plan must be signed by the regional governor and regional council (CORE). The mayor is appointed by the president of the republic and CORE is an advisory unit composed of the mayor and a group of regional directors who are elected by municipal councillors. The communal council members, in turn, are elected positions in municipal elections. Once enacted, the zoning proposal for the inter-community level is to be approved, ultimately, by MINVU.

The Communal Development Plan (PLADECO) establishes guidelines for urban development at community level, while the regulatory plan and the sectional plans define land use in detail. Communal zoning plans and sectional zoning plans must comply with land uses allowed in the inter-communal zoning plan. These instruments are developed by the respective municipalities and should be approved by the councils. Final approval is granted by the SEREMI-MINVU (Table 1).

### Methods

The analysis is based on cartographic methods and on analyzing the data compiled by the authors (field work and statistics). In a first step, the building permits for housing, educational institutions and commercial buildings were geo-referenced using the sources mentioned in Table 2.

#### Table 1

<table>
<thead>
<tr>
<th>Level</th>
<th>Instruments</th>
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<tbody>
<tr>
<td>National level</td>
<td>National urban development policy, General law on planning and construction</td>
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<td></td>
<td>General ordinance of planning and construction</td>
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<tr>
<td>Regional level</td>
<td>Regional development strategy (ERD)7, Regional plan for urban development (PRDU)</td>
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<tr>
<td>Metropolitan level</td>
<td>Inter-communal zoning plan (PRI), Metropolitan zoning plan (PRM)</td>
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<tr>
<td>Community level</td>
<td>Communal zoning plan (PRC), Sectional zoning plan</td>
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7 Strategic, non-binding instruments.

### To identify the concentration of commercial establishments, a density analysis (Kernel) was carried out using ArcGIS 9.3. To describe the socio-economic level of the population, the index of socio-economic development (IDS) was applied (Borsdorf and Hidalgo, 2008), including the three subindices. The data are based on the last available census (2002).

To estimate the 1992–2002 changes in socio-economic status (SES) within each census district, we relied on indicators commonly used in the literature on urban social structure. On the basis of the data available from the 1992 to 2002 Chilean censuses, we constructed an index of socio-economic development (IDS) using standardized (Z) values. Socio-economic status was measured by the consumer goods available at household level, including cars, motorcycles, washing machines, TV sets, cable TV service, and microwaves. A second set of variables considered the attributes of the dwelling, such as the quality of roofs, walls and floors. The third dimension was the educational level of the head of household (incomplete lower school, completed lower school; incomplete middle school, completed middle school; completed technical training; completed professional training). By adding the standard values of these dimensions, we estimated SDI values for 1992 and 2002 in each census district, differentiating between districts with and without social housing. The index values range from 0 to 1, with higher values indicating higher SES (Hidalgo & Borsdorf, 2005).

### Results

#### Revitalizing the residential function

Urban regeneration policy in the inner city of Santiago is based on an Act of 1987 (Ley 18.595: Renovación Urbana) and on an initiative of 1991 (Subsidio de Renovación Urbana, SRU) promising state subsidies for renovation measures (Bertrand, Figueroa, & Larraín, 1991).

Between 1991 and 2005, in 17 municipalities (out of a total 34) of the metropolitan area, some 20,000 applications for subsidies
were granted, 7500 of them in the Comuna Santiago alone (Arriagada, Moreno, & Cartier, 2007).

Alongside the regeneration and renovation measures, the authority CORDESAN (Corporación de Desarrollo de Santiago) was created in 1985 by the municipality of Santiago to complement these efforts with measures to upgrade the image of the inner city through aggressive marketing (Contreras, 2009: p. 3). The original motive was to recuperate the damages of the 1985 earthquake. In the following year, CORDESAN became the principal driver of real estate activities (restauration, rehabilitation, reconstruction, construction, decontamination, preservation of the architectural heritage, impulses for commercial activities, and gateway to the private sector, see Valenzuela (2000)).

Even so, the SRU programme has not been the main driver of urban regeneration policy. Between 1990 and 2010, private housing associations created 10 times more residential units in the municipality of Santiago, usually in the form of high-rise apartment blocks, than were created through state-subsidized schemes. In the Comuna Santiago, between 2001 and 2010, the total residential floor space increased from 2.634 million m² to 4.933 million m², i.e. by 87.3% (based on the Catastro de Avvaluaciones SII, 2001–2010). See Fig. 3.

Such building activity deserves a closer look. Under the current regulatory framework, neither building quality nor height are prescribed. This has led to the construction of residential towers of more than 30 storeys on very small plots. The developers’ top priority remains maximizing the rate of return. Issues of protecting historical monuments or ensembles are being neglected. There is no regulation of cityscape, green areas or urban tree stands, nor is there any basis for assessing the aesthetic, historical or economic value of the buildings. In 1996, the Chilean government put down 433 established norms of anti-seismic construction. However, the norm is weak with respect to planning decisions.

The earthquake of 27 February 2010 might have acted as a spur for creating such a basis for well-founded planning decisions about reconstruction or demolition. Such a study would also be desirable because Santiago is hit by larger earthquakes every 10–20 years. In the city centre of Santiago, about 100 buildings suffered severe damages, which are now being repaired, not least with SRU funding. Revitalization measures and new building activity have let the population of the Comuna Santiago grow from 230,977 in 1990 to 237,369 in 2010. Compared to the increase in residential floor space, this growth is minimal. In 2001, average floor space per...
The numbers would be even more striking were it not for the strong immigration since 1990, mainly from Peru, into the Comuna Santiago. These immigrants come from the lower classes and live in the remaining degraded buildings of the inner city.

Contreras (2009) found that many of the new inhabitants of the city centre belong to the middle-income bracket, often below the income level of the existing local population (Contreras, 2009: 13). This statement would contradict the observation that some inner-city districts have entered a phase of gentrification. Actually, Contreras’ generalizing finding needs to be modified in the sense that there are three groups migrating into the inner city: the people in the middle-income bracket that he mentions, plus students from the private universities, and foreign migrants (mainly Peruvians). Such an amendment does not change Contreras’ analysis of incomes but allows us to identify the opportunities and risks of gentrification and tugurization of this development.

**Functional revitalization**

Until the end of the 1960s, the inner city centre of Santiago was also the main retail and service centre. When first small shopping centres opened in upper-class areas, this did not alter the situation. With the reorientation in the early 1980s towards a neoliberal economic policy, more and more hypermarkets, shopping centres, malls and specialist retail parks sprang up across the entire metropolitan region (cf. maps in: Borsdorf and Hidalgo (2007)). The decentralization of retail, together with the spatial fragmentation of business headquarters, office towers and industrial parks, as well as the archipelago-shaped expansion of gated upper-class districts are all characteristics of the fragmented city (Scholz, 2002).

For the city centre this meant a marked loss of significance. The affluent groups in particular began to orient themselves on the new temples of consumerism. In recent years, however, we can observe a certain reversal in this trend, comparable with similar processes in European cities. Here we see the emergence of more and more city-integrated shopping centres and malls, in an effort to lure buying power back into central locations (Fig. 4). Santiago, with its existing galleries of shops, offered good conditions for an upgrade of its centre (Hidalgo & Zunino, 1992). Sixty percent of the building blocks in the centre have such galleries that link the adjacent streets for pedestrians. A city-integrated mall sprang up in the city centre, following a European pattern. Eventually a multi-ethnic element was added when Peruvian restaurants, eating houses and shops opened, something that is missing from the sterile retail temples in the municipalities at the periphery. Chilean bohemians are attracted to such locations that offer good shopping, art galleries, excellent eating and exotic cuisine, cabaret, show openings and other cultural choices. These developments created further prerequisites for a gentrification of the inner city.

**Gentrification**

Gentrification processes are in some cases related to neighbourhoods where ethnic minorities have been established (Cahill, 2010;
universities are teeming with student life. This development by this development. Today the private universities educate more undergraduate students than the state universities.

Peruvian immigrants seized their chance to sell low-cost "ethnic food". Particularly at night, the districts near the new universities are teeming with student life. The long-time residents do not always welcome this, but Chilean bohemians may find this new vitality attractive.

It is this combination of centrality of location, proximity to the university, old town regeneration, cultural life, culinary choice and retail infrastructure that has given parts of the city centre a new appeal. We can observe three types of development: in the Barrio Brasil (to the west of the Plaza de Armas and the Carretera Panamericana) private universities and the students living nearby enliven the district (Fig. 5). Affluent foreigners (North-Americans, Europeans) and Chileans have moved into the Quartier Las Tarria (between Parque Forestal and Alameda). They are attracted by the proximity to the Bellavista district across the river. Bellavista as such is inhabited by the lower classes, but its many bars, restaurants and chic courtyards provide an atmosphere that appeals to the 'gents'. The well-to-do remain amongst themselves in their residences but are close enough to participate in the life of Bellavista. The Santa Isabel district, south of the Alameda, is undergoing a social-spatial upgrade. Its central location and easy accessibility have attracted higher-earning young adults and students into the new apartment towers.

It remains to be seen if the processes described above will lead to gentrification (Friedrichs & Keckses, 1996; Lees, 2011; Macionis & Parrillo, 2009). The bohemians are visiting the Barrio Brasil only in the evening or weekends and still shy away from moving into the inner city permanently. Rents and real estate prices remain low, the quality of new buildings is as yet not very good. The inhabitants still are people who have lived there for a long time, on low or middle incomes, students, immigrants. Within the agglomeration, it is still mainly the lower-income bracket of the population that is enticed by the "alternative atmosphere" to move into this area. The Barrio Santa Isabel is experiencing a fast upgrade. Whether this is enough to raise the image of the district to such a degree that it becomes chic to live there for yuppies remains to be seen.

The district of Las Tarria has more claim to be called gentrified. It has already reached the second stage of gentrification. Rents and real estate prices are high, and the restaurants follow suit. The poorer population, unable to keep up with theses prices, has moved out. The Barrios Brasil, Santa Isabel and Las Tarria already had the highest growth rates in population and number of apartments from 1992 to 2002. These observations suggest that gentrification is going on in the analyzed quarters.

Tugurization

One consequence of globalization is the liberalization of the movement of people and of the labour markets. Where there are significant wage or living standard differentials, this triggers migration flows. The favourable economic development of Chile makes the country a prime destination for migrants from (poorer) neighbouring countries. When the economic crisis hit Argentina, many Argentinians emigrated on the lookout for work. Today this flow seems to be petering out. The second-biggest group of migrants are the Peruvians. In contrast to the Argentinians, they are easy to identify by their appearance. Peruvian immigration, unlike that of Argentinians, therefore is often perceived as a problem by the Chilean public (Borsdorf & Gómez, 2011; Torres & Hidalgo, 2009).

What contributes to this perception is the fact that Peruvian males are concentrated in the inner city, while the females are mainly found in the upper-class quarters (as maids) and the amassed Peruvians in the city centre are highly visible. They run cook shops, restaurants, shops selling ethnic goods, telecommunications and money exchanges but also dance and social clubs. Today the menus of the restaurants have adapted to Chilean standards and become attractive for the bohemians of Santiago.
The Peruvians are found at the bottom of the Chilean income scale, some are only working in the informal sector. So they economize mainly in rental costs, often six people are sharing a flat of 30–40 m² for a monthly rent of ca. USD 150. Up to 25 parties live in the old courtyard houses of the city centre, sharing the basic installations of kitchen and bathroom. With the demand for cheap accommodation, the old warren quarters (conventillos or cités) became attractive again. They were created back in the 19th century by adapting courtyard houses (conventillos) or built from scratch (cités) to provide accommodation for the rural migrants of the time. A cité is a construction type, developed in the early 20th century, an early form of gated community for the poor. The term corresponds the walled city centres of medieval times (Arteaga, 1985). These warrens are now being upgraded so that the remaining blocks in the cités have the highest concentration of Peruvians (Fig. 6). In the earthquake of 27.02.2010, many of these buildings were damaged. As money for rebuilding is lacking, many Peruvians were still living in tents in early 2011. Fig. 6 compares the distribution of the Peruvian population with IDS (see the explanation above and: Hidalgo & Borsdorf, 2005). In many, but not in all cases, a low IDS corresponds to a concentration of Peruvians. Many of the Peruvian immigrants occupy the old cités or conventillos where the hygienic conditions are those of the early 20th century.

This precarious living situation and the renaissance of a dwelling structure (warren), long thought gone, may be termed ‘tugurization’. We use this term, based on a Peruvian expression, because of the ethnic background of the inhabitants. While seeming to run counter to the processes of revitalization and gentrification described earlier, tugurization is not necessarily in contradiction to them. Rather, multi-ethnicity and cultural diversity, culinary choice, price levels and a certain exotic atmosphere correspond to the lifestyle and attitude towards life of the student population and the bohemians.

Discussion

The effects of globalization on cities are often equated with fragmentation (Low, 2005; Scholz, 2002). While not contradicting this assessment in principle, the findings of this study suggest that it needs to be widened. In city centres, too, fragments may occur in the course of globalization, in the form of marginal inner-city spaces, retail galleries, private universities or even gentrified streets and blocks. Thus, tugurios can co-exist within quarters in which gentrification processes are occurring. This fragmentation occurs in many Latin-American cities (Coy, 2006; Grupo Vidanta, 2008). Santiago has only just entered this process (with an uncertain outlook), which holds dangers and opportunities (López Morales, 2009, 2011).

The process of fragmentation is part of urban regeneration processes, driven by incoming population like students and artists.
This may be seen as an initiation of gentrification. Peruvian immigrants represent the other component of fragmentation, which in this case is characterized by tugurization.

The picture given in this article is still incomplete. This is not only due to the data sources we used, referring to different years, but also to the imponderability of how the processes will continue. Therefore only the future will tell whether unplanned urban regeneration, mainly subject to market forces, the immigration of poor but active Peruvians, and the close proximity of students, traditional population and immigrants can improve relations and understanding. However, in many streets and blocks the number of inhabitants per spatial unit is ecologically alarming, social cohesion is still endangered and the economic situation remains precarious.

There are signs, however, that tugurization, which may indeed be seen as ghettoization on a micro-scale, is no obstacle to revitalization or even gentrification. In the fragmented urban organism as a whole, rich and poor are arranged in close proximity. In parts of the city centre that show revitalization trends most clearly, such close proximity is definitely tolerated. We must stress, however, that the upgrade is only in its initial phase and we cannot yet discern whether, and if so, where, revitalization does indeed lead to gentrification.

Fig. 6. Peruvians living in the municipality of Santiago 2002.

**Conclusion**

Rapid changes in the urban, social and economic structure characterize current urban development in Santiago de Chile. Since 1974, when the country shifted its economic policy towards the neoliberal paradigm, privatization occurred not only in industry and services, but public spaces were also privatized. In the city, private educational institutions and universities became the main drivers of revitalization in former lower- and middle-class districts, which may lead to gentrification processes in the near future. However, an accelerated process of segregation has taken place in the form of gated communities or even cities and the closure of former open streets. Immigrants from other countries moved to Santiago. The Peruvians are blamed for creating a new Lima in the city centre of the Chilean capital, initiating a process of modern tugurization.

All these processes transform the urban fabric of Santiago de Chile into a fragmented space, in which globalized structures are located like islands in the traditional city structure. Whereas the urban growth of Santiago de Chile has slowed down in recent decades, the main transformation now is influenced by neoliberalism and globalization (Greene & Soler, 2005).
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References


