

ECONOMIC INTEGRATION AND URBAN POLICIES IN ROSARIO METROPOLITAN AREA

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ECONOMIC MODELS IN ROSARIO METROPOLITAN AREA

Rosario city is located on Paraná's riverside, 300 km north from Buenos Aires. Its Metropolitan Area, with about 1.200.000 inhabitants, involves 15 towns: Granadero Baigorria, Capitán Bermúdez, Fray Luis Beltrán, San Lorenzo and Puerto San Martín in the north axis; Funes, Roldán, Pérez, Soldini and Zavalla, in the west extension, and Villa Gobernador Gálvez, Alvear, Pueblo Esther, General Lagos and Arroyo Seco, in the south axis.

This region, that was -originally- an agriculture-exporter area, has reassumed -recently- after going by an industrialization phase, its original profile. The city is today the centre of "*the biggest area of soya's transformation to planetary scale*" (GRACIOSI; MUSSI, 2005). In fact, in the frame of a strong process of economic re-structuring, the city and its region are experiencing a strong process of economic growth, in which the different towns are positioning with unequal successes.

Since the end of the XIX Century, Argentina was an agriculture-exporter country. The primary production associated to the cattle and agrarian activity was the base of economy. Turning the middle of XX Century, Argentina started with the developing of an industrial model based in the concept of "imports substitution".

In correspondence with economic model adopted in the international labour division, the region defined its urban structure starting from its main regional components: railroads and ports. The existent productive facilities until then were related almost exclusively with the cattle activity (meat cold storage industries).

In the 40s, first industries of "imports substitution" period started to locate in the region. The profile of these industries was directly associated to the elaboration of basic materials such as steel, hydrocarbons and paper, but also with the production of light and semi-heavy factories. This was the beginning of the industrialization process in the next area to Rosario.

This incipient industrialization was reinforced during 60s and 70s, with the arrival of international capitals, which produced the consolidation of the north axis of the metropolitan area as an industrial area.

However, the strategy of economic integration defined by national authorities in the 90s implied the so-called "re-primarization" of Argentine economy. That is to say: the country returns to its historical role assigned by international market.

In fact, this process of "re-primarization" had begun earlier. The industrial profile of the region, that had been defined according to protective measures taken by national policies –at first–, began to weaken by the middle of 70s, when protection measures and incentives were abandoned, also by national measures.

CHANGES IN ROSARIO METROPOLITAN AREA

Globalisation and transformations of last years of XX Century in the structure of Argentine State introduced significant changes in the territorial organization of Santa Fe province. The southern coast, where Rosario Metropolitan Area is located, is one of the areas where these changes are more conspicuous. Today, a different scheme in the territorial organization -very different from that of twenty years ago- is presented.

Different aspects strengthen this situation. In general, they were due to new orientations in public policies (the end of welfare state based on the principle of subsidy from the state with the dismantling of public enterprises, privatisation of services and transference of inactive lands to municipalities); in the economic activities (industrial re-conversion, services development, threatening dominance of financial capital, high unemployment); in regional organization (conformation of the Central Region between the provinces of Córdoba, Santa Fe and Entre Ríos; integration of Argentina in the Mercosur); in the social dynamics (internal migrations, increase of marginality, social exclusion). These processes, which characterized the changes that Rosario and its region are going through, are referred specifically to the modernization of big infrastructures, industrial re-conversion, new forms of urbanization and the deepened social unbalance. This is the way of integration to global economy in Rosario Metropolitan Area.

In the 90s, starting from the application of national laws that finished with public enterprises, new private investments settled on the riverside. The end of the national state monopoly on port activities marks the starting point for the conformation of a system of ports along Paraná river, with a great diversity of operations: terminals for bulk solid exportations, minerals, fuels, chemical products.

Besides, the works carried on in regional roads produced a radical change in the metropolitan area regional and country insertion. The continuation of the Rosario - Córdoba Highway and the Rosario - Victoria Bridge, are turning Rosario into a crossroads of traffic that will complete definitely the bioceanic corridor between the south of Brazil and Chile.

But, in spite of the infrastructural works optimised regional accessibility, the process of last years produced the collapse of mobility infrastructures.

This process has increased the pressure on Paraná riverside, introducing a new version of the historical tension among productive uses and recreational and sports activities. Many cities aim to receive port terminals and industries, in a competitive strategy that is doubtfully sustainable. These grain complexes have been multiplied dangerously and threaten the balance in riverside use, as well the magnificent scenery and natural resources of the region.

Those promising facts had their counterpart in the economic crisis that substantially affected the industrial activities in the metropolitan area. This stage of re-conversion of industrial activities is shown by the dramatic decrease of employment in the sector, the closing of numerous enterprises, the opening of new ones and the start of a process of internationalisation of capital for the development of manufacturing activities. The north metropolitan axis, historically the most industrialized, has been gradually the most affected. In the middle of the 90s, machinery and small chemical industries disappeared. This process accompanies a change that has started in the middle of the 80s with the rising of an important number of new agricultural and industrial enterprises (soya oil manufacturing) that works only for international markets. The south strip, traditionally devoted to cold storage industry, has suffered a similar process of extinction of small and chemical industries, together with the flow of big automobile industrial complexes, promoting the rising of new subsidiary companies.

On the other hand, Rosario urban periphery has detected, in the last years unusual processes in the occupation of the territory, related to new modalities in residence and in commercial activities.

Changes in the lifestyle of middle and high-income sectors, recent development of communications in all levels, as well as the strategies of real state agents, features new tendencies in housing market. People prefer to live in cities near Rosario and gated communities are being built in Rosario and the west metropolitan axis. At the same time, new modalities of commercialisation -appeared in the last decade- are developed. The specific demands of accessibility and localisation within the city create a new morphologic, functional and social map of the periphery.

In last decade, the process of marginality of large sectors of the society deepened. Among many aspects, this process is shown through the remarkable increase of population living in the so-

called “shanty towns” and through the shifting of low-income sectors to live in small towns near Rosario. This kind of occupation of urban land increases year after year and it is characterized not only for the conflict regarding the use and ownership of the land but also, and mainly, for the wretched conditions that the habitat presents in general.

Summarising, the transformations caused by “globalisation” occur in the frame of a contradictory uncertainty (the evolution of the economy), a certainty (social exclusion), and challenges (adequate institutions, especially municipal authorities) in front of the changes.

DEVELOPMENT POLICIES IN ROSARIO METROPOLITAN AREA

Facing the described scenario, towns within Rosario Metropolitan Area have chosen different development strategies:

- Towns that have optimised and enlarged their own port terminals (associated to oil industries and grain depots), such as Puerto General San Martín (north metropolitan axis), one of the traditional ports in the region.
- Towns that introduced new activities, such as Villa Gobernador Gálvez (south metropolitan axis), where new grain complexes are added to its traditional industrial activity (cold storage meat), and General Lagos (south metropolitan axis), a town strongly shocked by 90s crisis with the collapse of a very important paper industry, with the location of a great port and one of the most important grain company in the region (Dreyfus).
- Towns that increased as much their port facilities as their industrial activities, such as Alvear (south metropolitan axis), traditional port town that developed an important industrial activity with the location of General Motors and the development of a successful Industrial Park.
- Towns that took advantage of the benefits of economic surplus generated by advantageous international prices of soya. This is the case of Rosario, city that has been object of significant public actions of urban renewal in old ports and railroads yards areas. In last years, and associated with this urban renewal initiatives, the city became scenario of a vertiginous construction dynamics and of important investments in commercial and recreational centres. Port activities have been restricted to a limited sector, liberating the rest of the riverside for recreational, sport and cultural developments.
- Towns with a high environmental quality, centres of weekend houses, that grew significantly not only in their traditional residence but also as centres of qualified permanent residence. That is the case of Funes, Roldán (west expansion) and Pueblo Esther (south metropolitan axis). Funes has betted strongly to its traditional residential role, while Roldán and Pueblo Esther have assumed more ambiguous strategies: Roldán is postulated to locate support activities related with loads transport and transfer, challenging to damage its profile as residence centre; Pueblo Esther, on the other hand, has betted complementarily to the industry (although far from the residential area) and of a port located in full area of weekend residences.
- Towns that have attempted a weak equilibrium among its traditional industrial activities, new port activities and weekend residence development. This is the case of Arroyo Seco and General Lagos (both in south metropolitan axis), which take advantage of installed capacities, different coastal characteristics and certain favourable environmental conditions for housing development.

Finally, the group of towns more hit by the crisis, among which it is possible to identify different situations:

- Towns that were not able to convert neither to reactivate their industries and were not able to find an alternative role, as Pérez (west expansion).
- Towns that have tried to reorient or to reactivate their former role with scarce success, such as Fray Luis Beltrán or Capitán Bermúdez, both in the north metropolitan axis.
- Towns that bet to a diversification of their profile. This is the case of Granadero Baigorria, whose industries were almost desolated. This city bets to her old complementary role of weekend residence to reactivate herself. It is also the mentioned case of General Lagos.

SOCIAL DINAMICS IN ROSARIO METROPOLITAN AREA

Demographic and socio-demographic data from 2001 National Population Census show us clearly about social fragmentation processes inside Rosario Metropolitan Area. For this case study, different data have been chosen in order to show main social features of involved towns, such as:

- **UNSATISFIED BASIC NEEDS (UBN) HOMES:** information about family incomes, chief family education, housing conditions and services access (drinkable water and sewerage system). This indicator shows the rates of poorest social situation of towns and inhabitants. In this case, number of homes with families in UBN situation is considered.
- **OVERCROWDING CONDITIONS:** information about number of homes with two / three persons per room or more than three persons per room (the worst overcrowding situations considered by census).
- **HOUSING CONDITIONS:** materials building quality, considering two poor situations: 1 –no proper protection materials for weather conditions (cold, hot, rain), no ceiling, thin walls–; 2 – no solid neither resistant materials–.

Also demographic features have been considered:

- **POPULATION:** year 2001.
- **GROWTH POPULATION:** during last ten years.
- **MIGRATION GROWTH:** during last ten years.
- **AGE POPULATION:** segments of ages.

According to this information, shown in Table N° 1 sixteen towns of Rosario Metropolitan Area have been divided into five groups. This classification shows the extremes, very far the bottom (well conditions) from the top (bad conditions), and three intermediate situations that can be easily and clearly distinguished:

Group 1: towns with the worst social conditions (Villa Gobernador Gálvez y Pérez)

In this group we have two towns that share the following demographic features: they are medium size towns with moderate population growth, low migration growth and a very high rate of young people.

These towns shows the poorest social situations: about 20 % of UBN homes, more than 20 % of homes with overcrowding conditions and more than 20 % of houses with poor building conditions.

These towns have an old industrial tradition in the metropolitan area. At the beginning of 90s, Villa Gobernador Gálvez had a very high industrial activity and Pérez, had a smaller one (railroad industry but with large number or workers), supplemented with primary activities (agriculture farms, flowers, orchards). By the end of the 90s, both of these two towns, mainly Pérez, had been deeply affected by economic crisis.

Group 2: towns with very bad social conditions (Puerto General San Martín, Alvear, General Lagos, Granadero Baigorria y Pueblo Esther)

In this case, we find five towns with the following general aspects: they are mostly small towns that have different population increase processes (very high rates, high rates and moderate rates and high and medium migration growth rates) but with a high rate of young people in all cases.

These towns have very bad social conditions: about 17 % of UBN homes, this same rate of homes with overcrowding conditions and 20 % of houses built with no proper conditions.

In this group we find three industrial towns in expansion with new ports and new soy oil factories. In the early 90s, one of these three towns (Puerto General San Martín) had a large industrial activity and important port installations and the other two (General Lagos and Alvear) were both of them mainly agriculture centres with small ports with low trade movement. At present, Puerto General San Martín is developing its port and industrial profile, while General Lagos and Alvear are being chosen as adequate places for industrial location.

Granadero Baigorria had -at the beginnings of 90s- medium industrial activity, and was highly affected by economic crisis at the end of that decade.

The last town, Pueblo Esther, is an old agriculture centre that developed areas of weekend recreation since the '60s, today in expansion.

Group 3: towns with bad social conditions (Fray Luis Beltrán, Capitán Bermúdez, Roldán e Ibarlucea)

Four towns, which present the following general situations, integrate this group: they are small towns with high and medium rate population growth, high and medium migration growth and high rate of young people. One of these towns –Capitán Bermúdez– is an exception to the described demographic feature. It is medium town, with very low population growth and a very low rate of young people (a very special situation in the whole metropolitan area whose explanation are not studied in this paper).

Towns in this group exhibit bad and moderate social conditions: about 13 % of UBN homes, about 15 % of homes with overcrowding conditions and this same rate of houses built with no proper materials. With two exceptions, almost 20 % of houses build in poor conditions for Ibarlucea (the highest demographic growth town) and almost 10 % of his kind of houses for Capitán Bermúdez (the lowest demographic growth town).

This is a more diversified group according with productive situations: by the beginning of 90s, two of them (Capitán Bermúdez and Fray Luis Beltrán) were traditional industrial towns (with high and medium activity), both affected later by 90s economic crisis; other two (Roldán and Ibarlucea) were agriculture centres with areas for weekend houses. At present, the four towns kept their own traditional profiles and Roldán and Ibarlucea developed as residential centres.

Group 4: towns with quite good social conditions (Rosario, Arroyo Seco y San Lorenzo)

In this group there are three towns presenting some different demographic profile but similar social features. They show different and pronounced demographic sizes: one of them, the

central city of metropolitan area, is close to one million inhabitants, and both two others are medium towns. They have low demographic growth –almost zero growth in Rosario, the central city–. And they have also low migration growth and present a moderate rate of young people. Spite of these differences they share a similar social profile: quite low UBN homes (about 10 % of total homes), and also these similar rates for homes with overcrowding conditions and houses built in poor conditions.

In this group we have the three oldest towns of the region, the three oldest ports. All they had industrial activities, in a more diversified productive structure, and they were affected in different ways by 90s economic crisis.

Group 5: towns with better social conditions (Funes y Zavalla)

In this group we have only two towns of small size and quite opposite demographic features: one with low rates of demographic and migration growth, the other with high rates. But both of them showing moderate rates of young people.

Despite of their own sizes and demographic dynamics, they show good social conditions: less than 10 % of UBN homes, and close to 10 % of homes with overcrowding situations and house built in poor conditions. In this case, except UBN data, towns of this group have similar features than towns of Group 4.

At the beginning of 90s, one of these towns (Funes) was the main area for weekend houses in the metropolitan area. At present, Funes continues with this profile, now housing population from Rosario who moved definitively to this town, chosen as the new place of residence. A migration movement started also in the last decade. The other town (Zavalla) was a traditional agriculture centre and houses the Agriculture Faculty since 1994. This education establishment gave a new dynamics to local economy.

TABLE N° 1
SOCIAL FRAGMENTATION IN ROSARIO METROPOLITAN AREA. Demographic and social conditions in selected towns. Year 2001

TOWN	POPULATION	DEMOGRAPHIC GROWTH 1991 – 2001 (rate)	MIGRATION GROWTH 1991 – 2001 (rate)	INHABITANTS BETWEEN 0 – 29 YEARS (rate)	TOTAL HOMES	UBN HOMES (rate)	HOMES WITH 2 / 3 PERSONS / ROOM (rate)	POOR BUILD CONDITIONS HOUSES (rate)
VILLA GOB. GÁLVEZ	74.658	18,4	4,9	58,9	18575	22,9	22,5	23,6
PÉREZ	24.436	18,0	7,7	56,8	6367	18,8	20,9	24,5
GENERAL LAGOS	3.341	33,5	17,8	54,2	873	18,1	13,3	20,2
ALVEAR	3.313	24,1	22,8	51,3	944	16,6	16,9	19,2
PTO. G. SAN MARTÍN	10.871	15,9	10,0	57,7	2772	16,2	18,3	19,9
GRO. BAIGORRIA	32.427	46,7	14,7	55,9	8542	15,7	17,8	18,8
PUEBLO ESTHER	5.186	88,4	30,1	56,4	1397	15,6	18,5	19,5
FRAY LUIS BELTRÁN	14.390	20,1	11,7	55,5	3855	14,4	14,7	15,7
IBARLUCEA	2.603	79,8	25,2	57,1	704	14,3	16,3	19,9
CAPITÁN BERMÚDEZ	27.060	3,8	6,4	41,7	7738	12,4	12,9	11,5
ROLDÁN	11.468	22,2	12,6	52,2	3174	12,1	15,1	15,7
ARROYO SECO	20.008	12,0	6,8	47,9	5841	11,7	10,5	9,5
ROSARIO	909.397	0,05		47,8	275622	10,7	11,8	10,5
SAN LORENZO	43.520	5,73	6,3	50,8	12518	10,4	11,5	10,5
ZAVALLA	4.663	11,1	9,6	45,8	1444	9,6	8,8	13,6
FUNES	14.750	64,8	26,7	49,5	4278	7,6	12,0	9,7

SOURCE: Data from Censo Nacional de Población, Hogares y Viviendas 2001.

CONCLUSIONS

The effects of Rosario Metropolitan Area integration to global economy have different results. Not always a good economic and productive performance is related with social improvement in the population. Rosario Metropolitan Area is a good example of this.

Social indicators do not show the better situations in those towns with high levels of activities, mainly those related with grain, oil industries and ports, such as Puerto General San Martín and Alvear. Many arguments can be found to explain this situation:

- In some cases, Provincial Government, in other Municipal authorities, have released big companies of paying provincial and local taxes, so there is no revenue to towns where they are located.
- National government retains taxes and does not give back in the same proportion to towns.
- Skill workers and managers do not live in the industrial towns; they commute every day from Rosario to their industries.

So, benefits of investments are being capitalized by other levels of government administration, while local authorities assume the impacts and the costs of the uses that they house in their towns.

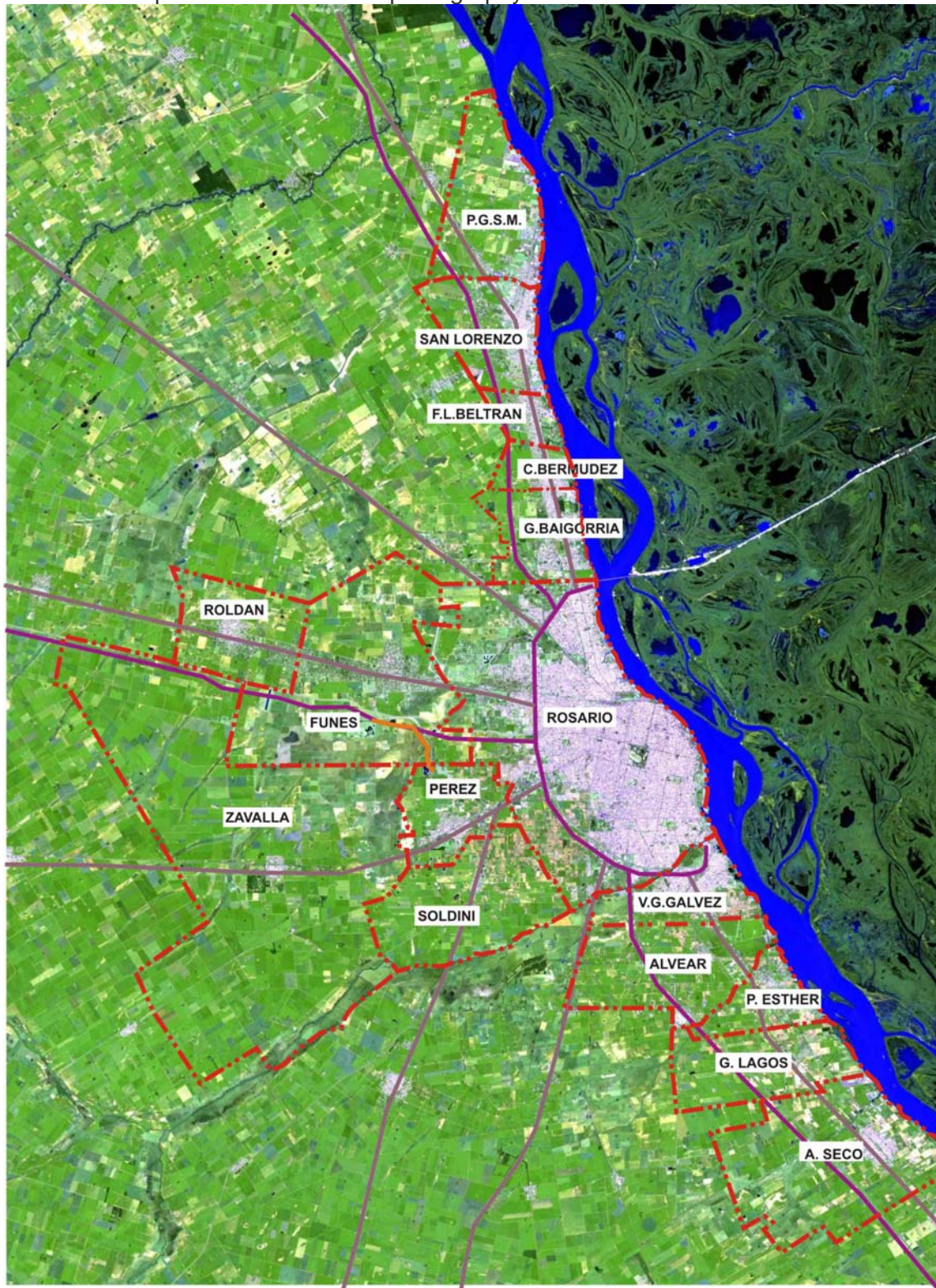
In general, towns have been positioned in the new scenario starting from their original profile. Novel strategies are not registered. Towns compete to capture investments and, in some cases, they do not develop sustainable strategies but rather they accumulate passive environmental to receive supposed economic benefits. The ranking of successful policies emerge as a result of purely local strategies in face of external demands. So, a great fragmentation of the initiatives is verified as a result of disparate and not integrated strategies.

Summarizing,

- Those towns that show better situations defined a profile for their own town have chosen a way to get it and act in such direction.
- On the contrary, those towns that show the worst situation do not think in a strategic way and only react trying to solve problems to given situations.

Finally, it is necessary to notice that there is a lack of strategic definition for the whole area including the different towns' points of view. Experiences are few. Parallel initiatives led by Municipality of Rosario and by Santa Fe Province show political distrust and difficulties for carry on common projects. In spite of this, provincial government has recently started with a regional plan for the metropolitan coastal area.

Rosario Metropolitan Area. Satelital photography with towns' administrative boundaries



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