DEVELOPMENT VERSUS URBAN CONSERVATION IN RECIFE
A PROBLEM OF GOVERNANCE AND PUBLIC MANAGEMENT*

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Abstract
This paper presents a brief historical panorama of the relationship between urban economic development and heritage conservation in the city center of Recife since the 1960s. The relationship between urban development/modernization and the conservation of the Recife has not been a simple matter. There has been no simple causal relation between the two processes. On the contrary, there have been many factors that have made the relation complex.

This article argues that the apparent antagonism between development and conservation is a consequence of the design and implementation processes of public policies in relation to private initiatives. That means it is a problem related to urban management especially the ability of local governments to generate alternatives that include both heritage values and development perspectives formulated by the main and powerful economic actors.

Key words: Urban conservation, local development, Recife,

1.0 The objective and problem
This paper presents a brief historical panorama of the relationship between urban economic development and heritage conservation in the city center of Recife from 1960 to 2004.

In this period, there has been an increase in public and private initiatives directed towards the preservation or conservation of the built heritage of the city center of Recife. However, in the same period, an apparent paradox is observed: while there has been an improvement in conservation measures and initiatives, there has also been an increase in the social pressure for the transformation of the built heritage. This has incurred immense losses to the built heritage and loss of character to the urban landscape.

The relationship between urban development/modernization and the conservation of the Recife has not been a simple matter. There is no simple causal relation between the two processes. Many factors have made this relationship complex (Gittel, 1992) such as: the style of development and poverty; the intensity of demographic changes; the size of the city and its importance for the region or country; the balance of the economic sectors in

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the local economies; the type of political participation by social groups; the social perceptions in relation to the importance of environment and culture among other factors.

It is undeniable that the urban development of the city has put pressure on the urban structure and the building stock in order to adapt them to its requirements. Also, it is clear that the urban heritage structures have suffered more kinds of impact than the more modern parts of the city. This has led to the formulation of public policies to protect the urban heritage structures and to regulate requirements from private initiatives.

The idea of the value of the urban heritage has changed a lot in this period and has not yet achieved a consolidated social concept (Freitas, 1992). This has been an outcome of the improvement of urban management in order to face the challenges of the local development process.

This article argues that the apparent antagonism between development and conservation is a consequence of the design and implementation processes of public policies in relation to private initiatives. It is essentially a problem related to urban management particularly to the ability of local governments to generate alternatives that include both heritage values and development perspectives formulated by the main and powerful economic actors.

The method

The analysis of the urban conservation process of Recife was based on a simple structure to describe the management system of the city in different periods. The structure is composed of the following elements: development context and the local economy; conservation context; legal instruments; actors and participatory system and monitoring/control system. The analysis was carried out in accordance with three development periods, defined by the cycle of the urban development (growth – stability – crisis – stability – growth): 1960 – 1980; 1980 – 1993 and 1993 – 2004.

2.0 The analysis

Recife is one of the most important cities in Brazil. It was founded in 1537 as the port of Olinda. Between 1630 and 1654 it was occupied by the Dutch and became one of the most prosperous cities in the Americas. During the 17th and 18th centuries it was the world center for sugar cane production and a wealthy, baroque city with many magnificent churches and monasteries. During the Imperial period (1822 – 1889) Recife was modernized and enriched with many high quality civic buildings (palaces, hospitals, theaters, etc). The center of Recife has an important stock of thirty nine buildings and a historical area (Old Recife, where the port lies) protected by national law. Also, the center includes ten historical areas and many isolated buildings protected by municipal law. Basically, the heritage stock is composed of buildings from the colonial (17th c. – beginning of the 19th c.) and imperial periods.

2.1 The period 1960 – 1980

Development context and the local economy

This period was characterized by economic expansion, fast urban growth and the modernization of Brazilian cities. The local economies benefited from the expansion of industry in the metropolitan region, mainly due to financial incentive schemes. Recife was the most important pole of services and industries in the Northeast Region and, in 1970,
the local population reached a historical peak: 1.3 million inhabitants. The economic structure was diverse with a strong emphasis on industry and services.

The dynamic building sector was controlled by a small group of local entrepreneurs. However, its importance in the local economy could not match that of industry and the services.

**City center functions**

The city center was the most important economic area in the metropolitan region. Most of the important companies and the most prestigious jobs were concentrated there. The service and commerce sectors of the area targeted higher income earners and successful enterprises, serving the region as a whole. The port, located in the oldest part of the city, continued as the most important in the region. Public, educational and cultural services as well as the best urban infrastructure were also concentrated in the centre. This contributed to a heavy concentration of housing investment aimed at the middle class in neighborhoods close to the center.

**Conservation context**

The regional office of the National Institute of Historical and Artistic Heritage (IPHAN, responsible for safeguarding the heritage stock, was considered one of the most active and important in the country. The office was directed by architects linked to the Brazilian modernist movement. The activities of the office were restricted to the preservation of the listed buildings (the monuments) and to the control of building interventions in the listed areas. Also, the office could intervene on actions by the municipality in the public space.

The development pressure on the area was enormous. An intense process of substitution of old urban structures and buildings had started in 1940 and was still very intense. This was justified by property owners on account of the functional requirements of new and modernized activities. Also, the pressure on the transportation system, based on the private car, led to great changes in the urban fabric.

The IPHAN office had a very passive attitude in relation to this pressure. It used its control powers to protect only the listed buildings, the monuments, and some urban spaces of great cultural value. However, IPHAN, to a certain extent, supported the substitution process, under the argument that the city should evolve and absorb modern architecture (Guimaraens, 2002: 70). This attitude made a large contribution to the destruction of numerous old buildings and some radical changes in urban structures and the landscape. The historical skyline of old Recife practically disappeared in this period. (Photos 1 to 3)
Legal instruments

The legal instruments for controlling change to the urban structure and public space was restricted only to the national law for listing cultural properties, promulgated in 1935. It could be used only by the IPHAN office.

Actors and participatory system

Few actors were active in the conservation process: property owners, developers, the IPHAN office and intellectuals. Tenants and residents were not involved at all. The municipality had a secondary role, being active only in the case of interventions on the public space and public works.

The participatory process was restricted to the direct relationship among the actors involved in the legal processes of intervention in the urban structure. Normally, owners or developers would ask for building permits from the municipality, and IPHAN would analyze the projects. Due to the lack of any control instrument, the decisions on building permissions were made on an “ad hoc” basis. Owners or developers would bargain directly with the office of IPHAN or the municipality. Rarely would the negotiation be multilateral.

Intellectuals had an active role in specific public debates, normally related to the substitution of urban structures and buildings. Their arguments were restricted to the cultural aspects, especially to the historical significance of the heritage, but very few argued against the indiscriminate introduction of modern buildings into the old urban fabric.

Monitoring and control system

Monitoring was completely absent from planning activities by IPHAN or the municipality. Control was restricted to IPHAN following the implementation of approved projects or the identification of the necessary maintenance works of some endangered listed buildings.
2.2 The period 1980 – 1993

Development context and the local economy
This period was marked by the economic crisis of the country (financial crisis) and specifically of the Northeast region of Brazil. The crisis had an enormous impact on the urban economy of Recife, due to intense de-industrialization followed by a radical change in the economic base of the region: the decline of the sugar cane production. De-industrialization was mainly caused by the ending of federal subsides for sitting industrial plants in the Northeast and by the industrial decentralization process that was occurring in other parts of the country. The change in the sugar-cane production system was also due to subsidies being stopped.

The urban economy of Recife changed completely. It became a service-commercial economy instead of a commerce-industrial one. The social costs associated with this adjustment were very high and till now no way has been found to compensate for this. In addition, de-industrialization was followed by the loss of many ancillary activities due to businesses being transferred to other regions or closed.

The crisis was followed by the emergence of new economic centralities in the city. New areas started to be privileged for the location of high and medium incomes residences and sophisticated service and commerce activities. A new and better infrastructure and the environmental qualities areas, such as the south coast, attracted new residents and activities. The level of economic activity in the city center declined and the more sophisticated services and commercial activities were substituted by firms targeting low income consumers. This change was parallel to the dramatic decrease in the number of residents in the city center, especially those with middle and high incomes. Between, 1983 and 1985, the city center was occupied by stall-holders who practically filled all the spaces on the side-walks of the main commercial streets.

The new centralities helped the building sector and developers gain in importance in the local economy. The demand for housing and floor space for offices and shops started to be supplied by the construction of high buildings (more than 15 floors). Within a few years, the building sector became the most important sector in the local economy. In the space of a few years, the city center of Recife changed from a typical economically vibrant downtown to a poor and depressed area.

City center functions
The diversity of the city center’s economic activities dropped dramatically. Basically, it became the center of commerce and services targeting low income groups. The public services remained but almost all the departments of the Federal University left the area because of the opening and development of a new campus in the outskirts of the city.

The big novelty was the enormous increase in the number of illegal street vendors.

The city public transportation system continues to be centralized in the historic center.

Conservation context
The huge pressure on substituting the building stock stopped abruptly. Practically, there were no new constructions inside the perimeter of the city center after 1980. This was followed by a massive drop in property prices and under-utilization of the stock. The buildings started to decay, even those constructed after 1950, due to spending on maintenance being reduced. Also, a large number of newly started buildings were left incomplete.
The conservation of public spaces almost entered into collapse. The over-occupation of spaces by street vendors and the many illegal stalls (some of brick) made circulation and the cleaning of the area almost impossible, thus accelerating the deterioration and destruction of the public space. The municipality tried to confine the street vendors activities to certain areas of popular commerce. These were in the oldest part of the urban structure which had a large concentration of listed buildings, including baroque churches and monasteries. In these areas the quality of public spaces decreased rapidly and the control of the state of conservation of listed buildings almost disappeared. (Photos 3 to 5)

Between 1985/86, the state of deterioration in the city center reached its peak. The municipality launched the first strategy to rehabilitate the city center (Recife, 1986) and established a special office to deal with the oldest part of the city: Old Recife. The strategy was centered on public initiative and investment and was inspired by the Bologna’s revitalization. However, the strategy did not progress due to the lack of public funds and the non-involvement of the private sector in the decisions. The most important outcome was the introduction of the concepts of revitalization and rehabilitation into urban policies.

The conservation of the national monuments continues to be undertaken in the same style and at the same pace as before.

**Legal instruments**

In 1980, the municipality made an important move to control the substitution process by approving a law to protect the heritage in the city center and other parts of the city. Although a pioneer initiative for Brazil it arrived late, as the loss of character of the historic city center was already irreversible. The law established 31 protection areas, composed of two types of zone: the protection zone and the buffer zone.

The protection areas were also included in the master plan for the city. However, the plan isolated the protection zones from land use and building construction regulations, creating, in reality, empty zones in the plan.

The protection law was followed by the establishment of a Municipal Department for the Protection of the Historical Heritage (DPH) responsible for the control of interventions on the built stock and drawing up projects for the public spaces in the listed areas.

**Actors and participatory system**

The set of actors changed in this period. The developers withdrew from the scene, since they were interested in other parts of the city. Property owners assumed the role of developers only in very limited situations. They became important intermediaries in the conflict between the Municipality and the merchants renting the buildings being adapted to their new activities.

The Municipality assumed a new role as controller of the conservation/transformation process of the built stock in the historic areas. Street vendors, acting outside the legal framework, became the central actors in the period. They were at the centre of the main social conflicts in the central area.

The importance of the IPHAN office was reduced drastically with this move of the Municipality. Its action was confined only to matters affecting the national listed areas and monuments.

Participation was a term “invented” in this period. The popular movement was organized into community associations and started to act actively in the local political process. The
arena of conflict was the innumerous poor zones of the city center where there was street commerce. Although usually living in the peripheries, poor people used to work in the city center as street vendors.

The new master plan of the city had created the Municipal Development Council with representatives of organized society, mainly from the liberal professions, and of business owners. The building sector was over-represented in relation to the other actors and stakeholders. The Council was the only institutional forum where the conservation question could be discussed in the city. However, in the period, it was not used for this purpose.

**Monitoring and control system**

Conservation control was radically modified. The municipality created a service for controlling private intervention in the heritage stock and associated it with the previous practice of IPHAN. The service continued restricted to the analysis of the intervention proposals. Monitoring was introduced, but in a very tenuous way. It was restricted to reviewing the state of conservation of the properties benefited by a tax exemption scheme introduced by the municipal conservation law.
2.3 The period 1993 – 2004

Development context and the local economy

The 1990s were considered a continuation of the lost decade (the 1980’s) of the Brazilian economy. There was no significant economic growth. Most of the effort of the country was devoted to combating inflation. The years 2000 were characterized by the radical change in the role of the State: it withdrew almost completely from the production activities.

Recife tried to bring about the final transformation of its economy into one of providing services. However, this shift remained incomplete due, basically, to the low income of the population. The service sector remained without many important branches, especially those of high aggregate value. The exceptions were some sophisticated services, mainly medicine and information technologies, associated with advances made by the local Federal University.

The expansion of the service economy gave another push to the building sector. In a few years, it became the most dynamic and wealthiest sector in the local economy, bringing with it the development of many branches of commerce and industry.

City center functions

The functions performed by the city center remained basically the same as those of the 1980s. The exception was Old Recife, into which were introduced new branches of the service industry such as leisure and recreation services, sophisticated personal and enterprise services such as design, fashion and information technology bureau. Also, the public space was used for the performance of artistic events, mainly popular music shows. This change was the outcome of a revitalization process on the island of Recife that started in 1993.

Housing started to come back to the center through the conversion of middle class apartment buildings into small units for the lower strata of employees of commercial and service firms.

Conservation context

In 1993 the Municipality launched the revitalization plan for Old Recife. Until 2000, there was a small but continuous flow of public investment to the area, mainly in the public space. The plan’s objective was to change land use from port activities, bulk commerce and other traditional services to tourist, leisure and sophisticated services (Zancheti, et alii, 1998). The initial public investment was followed by substantial private investment to reconvert the built stock for use as restaurants, bars, shops and offices. The control of the conversions was restricted only to external aspects (facade and roof) which led to huge losses of historic internal structures, that is, the converted building received modern, very up-to-date interiors, using the architectural fashion of the moment.

The revitalization process spread quickly to other parts of the island due to initiatives by buildings owners aimed at attracting mainly offices offering services. In 2000, the State of Pernambuco invested, approximately, US$ 10 million to create the Porto Digital, an enterprise to promote the location and development of information technology and communication (ITC) firms in Old Recife. The main idea of the project was to use the historical location as a source of value for the products of the new businesses, that is, immaterial values. The project has been successful and has attracted many ITC firms to the area.
The revitalization plan was followed by Central Government investments to recover another part of the island which had two large empty buildings: an old (17th c.) monastery and a building-block from the early 1900s. This investment was financed by the Inter-American Development Bank in partnership with private investors. The monastery was transformed into a sophisticated shopping center and the building-block will be a complex of cinemas, coffee-shops and restaurants. Two of the best located vacant plots in Old Recife were transformed into private parking for these projects. (Photos 6 and 7)

The successful actions of the revitalization plan had a great impact on the prices of land in Old Recife. In 1997, the price of the land had already increased 70% in relation to 1992 (Zancheti and Lacerda, 2001). After 2000, prices rocketed due to the expectations generated by the location of the Porto Digital. The price increase reduced the rate of occupation of the vacant floor space in the area. Property owners expected rents to rise considerably. The activities located in the area before 2000, could not keep up with the new property prices. Even some ITC firms started to move away from the island, looking for less expensive areas.

The relative success of the revitalization of Old Recife and the need to find new places near the water-front attracted building developers to the area. Recently, the construction of two large and high towers for high-class housing very close to Old Recife has been announced.

Photos 7, 8 and 9: New architecture and the urban landscape (1993 - 2004)

**Legal instruments**

In the 1990s there were major changes to the urban legal system that had a negative impact on the conservation process. In 1997, the Town Hall approved a specific land use
law for the area of Old Recife. The law was a direct outcome of the Revitalization Plan and expressed its main planning directives. However, neither all the regulations nor the management system proposed in the plan were included in the law.

In 1996, a new city land use law was approved. The draft paper for the law received strong support from the building sector and developers, so it was approved almost without discussion by the Town Hall. Basically, it established only one type of building zone for the entire city with the exception of the conservation zone (natural and historical zones) and the hilly areas. In this zone the construction index was equal to four times the area of the plot, so the developers could choose indifferently any plot in the city. The only variable influencing the building decision would be location.

The law impacted the conservation zones negatively. The areas around them became zones of high interest for the developers, especially if they were close to waterfronts (the banks of rivers and the sea), or in high quality environmental areas.

The pressure from the developers led the municipality to approve another law that was disastrous for the conservation of the character of the urban heritage areas and urban landscapes. The law determined that the floor space of some listed properties, with very large plots, could be increased provided the old building itself was kept. The construction index to be used to calculate the floor space would be the normal one for the city (four times the area of the plot). This law has promoted building activity since it increases the supply of large plots located in the best environmental and historical areas of the city. Suddenly, the owners of large plots with historical buildings became owners of economic assets worth millions of dollars (a well-located large plot with an old building could be exchanged for 25% to 40% of the construction area of a 35 floors tower, depending on the environmental qualities of the zone).

**Actors and Participatory system**

The set of actors involved in the conservation of the city changed again (Zancheti, 2001). The return of developers to the conservation areas unbalanced the negotiating process. They immediately captured the sympathy of the municipal administrators and politicians by their ability of generating incomes and revenue for the municipality. It is important not to forget that developers have historically been the principal financiers of local politicians’ election campaigns.

Investors in ITC firms also entered the conservation arena, pressing for the deregulation of controls on building permits in historical areas, mainly of those articles of law related to the interiors of buildings and the expansion of floor space.

The participation of actors in the conservation arena was concentrated on the Development Council. All efforts to create specific forums and institutional spaces for a broader participatory spectrum failed due to pressure from developers and local politicians to keep their positions in the existing institutional structures. Since its creation, the Development Council has been politically dominated by the representatives of the developers and the construction sector. Most of the professional groups (architects, engineers and lawyers) represented on the Council vote in support of the developers. Clearly, there is a building coalition formed around the developers that includes construction sector representatives, high officials of the municipality and professional associations.

The only groups to react to the directives imposed by the coalition are the environmental and cultural NGOs and the University representatives. They have been the sole voices in
the Council to speak against the projects presented by developers in the conservation zones, but they do not have the clout to face down the proposals of the building coalition.

Monitoring and control system

The monitoring and control system has remained the same as that of the late 1980s. The new legislation did not integrate the proposals for a more efficient control system, nor did the municipality invest in enlarging and developing a monitoring system for urban conservation.

3.0 Discussion

The picture delineated above is a good example of the complexity of the theme development v. conservation and the need to invest in improving public management systems for urban conservation.

In Recife, the development of the city has undergone a complete and lengthy cycle in the last forty-five years. The relationship of this process with the conservation of urban structures is not direct. It is possible to observe that all phases of the economic cycle have been accompanied by systematic losses to the urban heritage structure. In the first period – that of economic expansion - the losses were due to the substitution of historical heritage by modern urban structures. In the second period, the economic crisis, the abandonment of maintenance procedures accelerated the decay of the structures. The third period was typical of the overuse and abuse of the heritage stock as an instrument to aggregate values to the production line of property developers and entrepreneurs of services.

In all the periods it is observable that the public sector, especially local government, had an immense responsibility for what was happening.

In the first period, the local government acted inorganically, splitting the development control responsibilities among many organisms and accepting conservation control as the exclusive attribution of a central government office (IPHAN). This procedure made conservation a restricted activity of urban management linked only to the preservation of the heritage stock.

In the second period, the municipality played a more active role, but lacked the capacity to link conservation to public policies to mitigate the impact of the economic development crisis. It enlarged the scope of its policies to include urban conservation but restricted the action to the narrow track of preservation controls on private property. By doing so, it lost the possibility of future alliance with the owners of heritage properties who were interested in reversing the continuous fall in the price of land and properties in the city center. The conflict between the municipality and the street vendors also contributed to the deterioration of the heritage, since the conservation areas were used as a bargaining element in negotiated agreements between the Municipality and the vendors.

In the third period, the public policies for the city center were reformulated to include revitalization principles. Local government sought partnerships with private investors to implement a revitalization plan for the oldest part of the center. In addition it has been successful in forming policies for reversing the image of the center, by turning a depressed area into a pole of cultural and sophisticated services and for recreational events. On the other hand, local public policies have tended to accept unconditionally the intervention proposals of the private sector, especially of property developers. The political coalition for development, centered on the developers themselves, with strong support from municipal officials, has imposed a style of development based on the radical
transformation of the built heritage, especially of the interiors of buildings, and on the urban landscape of the areas surrounding the listed perimeters. This style has been imposed through restricting the participation of some actors and stakeholders in development policy decisions. In addition, public officials and local political groups have tended to reject any proposal for enlarging the number of citizen’s forums to discuss development/conservation public decisions.

4.0 Conclusion

This brief study points to the need to re-direct the debate on the conflict between local development concerns and urban heritage conservation measures.

First, the case of Recife is a good example for showing that development and conservation are two faces of the same coin. There cannot be conservation without local development because it is an activity that needs the use of social resources that cannot generate financial benefits in the short term.

Secondly, the impact of development on the conservation of the urban heritage is partially determined by the urban management process, especially public management. However, there are impacts that are linked to structural development transformations that depend on the capacity of the city to adapt to a new context, and this capacity is directly related to the style of urban governance and urban management. In these cases, urban heritage conservation depends on the structure of social values that define good governance or management. The decisions concerning urban conservation are always made within a framework for evaluating the social cost/benefit. The parameters for the evaluation of costs and benefits are directly related to the social values that define the limits of the action of the actors in the city. To have a public decision in favor of conservation measures that stop a development project, society needs to define very high values for the continuity of the heritage. Also the present and future use of heritage values must clearly compensate for the presumed losses of the project.

Thirdly, the construction of heritage values is a long social process. There is a clear way to build up the process for evaluating the urban heritage. Certainly, this process is partly to do with improving urban governance and management and creating institutional spaces for social agents and stakeholders to participate, but this is not sufficient. Conservation improves when local society learns how to make heritage values part of the process of aggregating economic values, that is, heritage is considered an asset of special qualities.

Fourthly, the integration of development needs with conservation concerns brings new threats to the maintenance of heritage qualities (or values). This integration seems to follow a dialectical process that can be summarized as: 1) there is an enlargement of the scope of the conservation concerns, when the local development is in crisis; 2) to surpass the crisis, the public and the most important economic agents of the period “discover” ways to use the heritage as an active element in measures for economic recovery; 3) the transformation of heritage into an asset creates new threats to the continuity of heritage qualities and values in the following phase of development and 4) there is a period of heritage losses during the peak phase of the economic cycle.

Fifthly and lastly, conservation integrates into local development only when the set of values that regulates governance and the urban management process is able to incorporate heritage values into development, especially those values that support the ideas of continuity and permanence. This can be achieved only through the enlargement of institutional spaces for public participation and the existence of a social process that
guarantees the non-adherence of the public administration to projects involving the most powerful economic actors in the local development political arena.

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