ABSTRACT: This paper seeks to study the policy making in central-autonomous-local government relations through the analysis of a particular intergovernmental organisation, The Consortium of Santiago de Compostela, that has developed a co-operative form of decision-making in two policy areas (cultural policy and urban planning policy). The argument is that this organisation is the result of the institutionalisation of the intergovernmental negotiation that came up through the policy-making in a particular local environment. The second step of the argument consists on the affirmation that this kind of organisation is not favoured by the informal mechanisms of the intergovernmental relations (IGR from now on) in the Estado de las Autonomías. The argument is based on the assumption that the interest of each level of government consist on three types of roles: ‘topocrats’ (local government and autonomous government), ‘policy promoter’ (local government) and ‘policy guardians’ (autonomous government and central government). The conclusion is that the institutionalisation of the IGR through that kind of organisations depends on two principal factors: the main conflicts that frame the IGR in the Estado de las Autonomías (or Autonomous Communities State), and the policy area that embrace the negotiation.
Introduction

The link between local autonomy and local effectiveness in the policy-making is an open discussion among every democratic political system. On the background of this affirmation is that effective policies reinforce the legitimacy of the local institutions. But, to what extent it is true that good policies make for good government?

The analysis of this link requires some considerations about the concept of ‘democratic legitimacy’. This will be exactly the first section of the paper. The second step will be a short description of the IGR in the Estado de las Autonomías, as it makes up the institutional context of the case study. Thirdly, it is the explanation of the object—the Consortium of Santiago de Compostela—seen as a result of the institutionalisation of the intergovernmental negotiation through the policy making (urban planning and cultural management). The argument is based on the assumption that each level of government defends self-interests during the negotiation. As a consequence of the assumption is the classification of the roles played by each governmental actor: ‘topocrat’, that is the role played by the autonomous and local governments; ‘policy promoter’, the one played by local government and ‘expenditure guardian’, played by the autonomous and central governments. The ‘dual’ role of the autonomous government is caused by the normal running of the Estado de las Autonomías. The argument is therefore that this organisation model is not favoured by the formal mechanisms of the IGR in the Estado de las Autonomías. Moreover, this model won’t be probably generalised to other municipal environments just with the synergy of the IGR running in Spain. The fourth and last part of the paper is the revision of the previous steps. The conclusion is that the institutionalisation of e intergovernmental negotiation through organisations as the one analysed in this paper depends mainly on two factors. First, the conflicts framing the IGR in the Estado de las Autonomías during the negotiation for the intergovernmental policy; and secondly, the policy area that is subject to negotiation.

Before starting the analysis it is worth mentioning the main interest of this case study: the exploration of a mechanism for the intergovernmental co-operation that could inform about one possible way out to the empirical dilemma of the autonomy as a pre-requisite for the effectiveness in local policies.
The reasons for the legitimacy of local institutions: theoretical considerations

It is normally accepted among political studies about local government the triplet that links more autonomy in local government to more efficacy in the policy-making and this last to more legitimacy of the local institutions. The link between the three variables is not very discussed at the theoretical level. However, the experience seriously challenges the empirical expression of this causality.

The minimal definition that understands legitimacy as “citizens’ positive attitudes towards democratic institutions” (Montero et al., 1997: 126) is not of much help for the analysis of our triplet. We need more in-depth normative tools to understand the recognition ways of democratic institutions. Professor Klaus Offe prefers to get around this “citizens’ positive attitudes towards democratic institutions” in the definition of legitimacy and to focus the discussion in the argument and the reasons that citizens give for their acceptance of the democratic regime and its institutions (2000:6).

Summarising a lot the thinking of this author about the legitimacy concept, Offe gets back from the political philosophy of the eighteen century the three elements of human nature that shape social and political life: interests, reasons and passions. Usefully highlighting the more modern classification by David Easton (1965), Offe explains how citizens perceive their interests (material and values) being affected by certain package of politics or by a party in government; in case of negative perception, citizens feel frustrated or dissatisfied. Citizens can be rationally convinced of maintaining their loyalty towards a political regime. If it is not the case, we talk of delegitimization or illegitimacy. Finally, citizens are linked to a political community by passions (like patriotism, nationalism, chauvinism, pride, etc.). If they lack of this kind of link, we talk of disaffection.

Offe’s explanation is based on two variables: a ‘cause’ that he calls political affection and a ‘trust’ that he operationalises as the feeling of political efficacy. The combination of both variables in a two-by-two matrix draws four possible cases in what Offe goes into the causes of populism, political cynicism, violent militancy, non-conventional political participation and other phenomena that are normally classified under the generic name of disaffection.
The objective of this revision of the legitimacy concept is to warn about the reduction that we normally do in the concept when talking about legitimacy in discursive contexts related to policy-making. In that kind of studies we take only a part of the legitimacy concept: the one which refers to the citizens’ reasons and, at the best, also the one which refers to the interest they show. We usually set apart the affective dimension of the concept, which also explains citizens’ involvement in political life. In this paper I only use the ‘rational’ part of the ‘democratic legitimacy’ concept because analytical reasons. However, because of this election I can’t infer anything about the link between policy efficiency and legitimacy of local institutions. I will try to analyse, then, the other two parts of our triplet: efficiency and autonomy.

Central-Autonomous-Local Relations in the Estado de las Autonomías

The power-allocation that focuses the main part of this paper can’t be understood without an approach to the institutional frame in which it took place. The Estado de las Autonomías consist on a system of territorial allocation of power –with obvious federalist elements, but with certain differential characteristics with regard to this model— that is modified successively with the fundamental guideline of the negotiation among the different levels of government existing in Spain. Because of this reason, it is said that the Estado de las Autonomías is a slow, complex process with a constant negotiation about the point to which it is heading towards.

The consideration of the Estado de las Autonomías as a process is a response of the permanent revision of the model in both senses the delimitation of its borders (in systemic terms) and the relations among its elements (Ramón, Baños and Tamayo, 1995: 9). The importance of the negotiation among governments —current in every federal system— seems to be even more relevant in the Spanish case because it modifies substantially the territorial allocation of power system hardly without consequences in its formal design. Because of this fact, some scholars as Juan A. Ramos and Manuel Tamayo talk about ‘volatility’ as the main characteristic of the IGR system of the Autonomous State.
According to their opinion the IGR system in Spain “is constructed on the basis of the whole set of agreements reached by the different political-administrative actors and it is characterised by its instability” (Bañón, Ramos e Tamayo, 1995: 10). It seems difficult from this point of view to think about a definitive ‘closure’ of the model and its IGR system. In fact, it doesn’t exist a substantive agreement about the suitability of the autonomous system ‘closure’. Some people perceive the volatility and the existence of ‘grey areas’ as an opportunity to adapt the changing reality of the IGR without the need of constitutional modifications that would slow down the process. Others defend the need to head for a more federalist model, as the German one, to avoid the actual uncertainties. This possibility is strongly controversial among those autonomous communities –the most clearly differentiated— which mistrust a federal model like the German because of the uniformity and homogeneity that it would involve (Subirats, 1998: 178). It can be said, in conclusion, that the autonomous model is consolidated but not ‘closed’ in the respect of the relations among actors.

As we shall see in the next section, the creation of the Consortium of Santiago de Compostela empirically represents the step forward a ‘zero sum’ game to another in which every part perceive the negotiation as a ‘positive sum’ game. Irrespectively of other circumstances bearing on the generalisation of this experience to other councils, there is no doubt about the importance of the conflicts that framed the negotiation in the IGR system at the time in which took place the policy-making process analysed in this paper. Because of that fact I include a description of the phases of the Autonomous Communities State construction process and of the most relevant changes happened in the IGR Spanish system:

1. The first phase of the IGR in the Autonomous Communities State starts in 1977, when Adolfo Suárez, the first democratic President of Spain, negotiated with the Catalonian and Basque governments in exile the establishment of the pre-autonomous regime. This phase ends in 1987, when the autonomous communities called as ‘of slow way’ were thought to reach (as it is constitutionally established) the responsibilities comparison with respect to the other seven with the highest level of responsibilities. During this period the negotiation among actors shape the primary components of
the State and its IGR system. It is a highly conflictive period in which exist conducts based on the conception of the relations among the levels of government as a ‘zero sum’ game. As in the case of ‘dual federalism’, the conflict takes place in the allocation of exclusive responsibilities among the parts. The extraordinary prominence of the Constitutional Court as an arbitrator in the conflicts among central and autonomous governments shows the high level of conflict.

2. The second stage of the IGR embrace from 1987 to the central-autonomous agreements of 1992. This period is characterised by the homogeneity in the scope of autonomous communities’ competence or responsibilities. During that time the main concern was the everyday running of the system. Despite there continued to be a certain level of conflict, it didn’t affect the fundamental elements of the political-administrative system anymore. The conflict resolution came in most of the cases from the understanding the relations among the different levels of government as a ‘positive sum’ game. This fact can be clearly seen in a lower prominence of the Constitutional Court in the conflict among territorial actors.

3. The third stage (since 1993 until now) is called by the scholars already mentioned and some others as qualitative step towards the State federalisation. This phase is characterised by the parliamentary weak situation of the Socialist Party –supported by the Catalonian and Basque nationalists parties, CiU (Convergencia i Unió) and PNV (Partido Nacionalista Vasco) respectively—and the development of the autonomous communities expectations (which already have exactly speaking ‘autonomous’ political elite). These facts take to reconsideration in political terms about substantial changes in the system institutional design. To this ambition respond the discussion about the Senate reform in order to give it the role of territorial representation chamber, the autonomous communities’ direct presence in Europe and the reform of the autonomous communities financing system for attaining a joint responsibility in tax collection.
During these three phases there were established two main forms of intergovernmental policy-making. In the most significant politics that require a great consensus or in the cases that need a solid parliamentary majority it occur negotiations among the main national political parties. The process consist of, as it is said by Agranoff and Ramos (1998: 92 and 93), the following steps: first they are stated the basic contents of the agreement. Secondly, they let them know to the public opinion. Finally, they are voted in Parliament. This was the proceeding for the passing of the ‘autonomous agreements’ in 1981 and 1992, the decisions about the financing model for the autonomous system and the massive increases in the autonomous communities’ responsibilities.

The other form of intergovernmental policy-making is based on the bilateral negotiation process with the presidents of the autonomous government, fundamentally with those of the most differentiated communities and stronger feeling of self-membership. This was the guideline followed by Adolfo Suárez at the beginning of the transition when negotiating with the Catalonian nationalist leaders the pre-autonomic map and the territorial allocation of power in the Constitution. As the previously mentioned scholars said, the bilateral form was reinforced as a result of the negotiations for the government formation that took place after the legislative elections in 1996. During this meetings the nationalists parties CiU, PNV and CC (Coalición Canaria) arrived separately to agreements with PP (Partido Popular) in return of their support in Parliament. CiU focused the negotiation in the increase of its participation percentage in the tax collection, the redesigning of the central administration services settled in the autonomous communities and its control over new responsibilities.

It can be inferred from both negotiation proceedings –consensus among the main national parties and the bilateral negotiation with the autonomous communities’ presidents— the evolution towards new areas of intergovernmental policy-making. As Subirats highlights, we have to talk about a change in the place of the decisions and in the kind of power. “Greater institutional complexity, more actors playing in one, various or all decisional levels at the same time, and a profound revision of the traditional forms of operating, are all consequences of this radical transformation of the decisional process in Europe and Spain” (1999: 87 and following).
It is difficult to analyse the political process that focus this paper without understanding the fact that the *Consortium of Santiago de Compostela* was developed as a policy-making area. This affirmation has evident consequences for the governmental actors that took part in the urban transformation of this city. The institutional complexity of the political arena introduced changes in the decision-making place and in the kind of power practiced.

In the following lines we will see the importance of the evolution of the conflicts framing the intergovernmental negotiation in Spain over the creation of the *Consortium of Santiago de Compostela*.

**The *Consortium of Santiago de Compostela*: a case study.**

Santiago de Compostela is a city in the autonomous community of Galicia (on the north west of Spain) that has experienced a great transformation in its territory during the last twenty years. This change took place with a complete renewal of the urban policies in both, their conception and their management instruments. Because it is a Heritage Sight City—as was appointed by UNESCO in 1985—Santiago has to withstand extraordinary public spending for urban development and cultural management policy. Moreover, central and autonomous governments have especial concerns on those matters also due to the factor of being a Heritage Sight City.

The fast urban transformation experienced by this council had the main driving force in local government’s action and the political environment conditioned by the central-autonomous relations. This paper tries to analyse the main dimensions that could explain the factors for success in the institutionalisation of an IGR system in Santiago de Compostela. The study of the strategies displayed by each actor in the creation process of the *Consortium* will allow us to explain why was it possible to achieve a positive result and, with this base, drawing general lessons to improve the effectiveness in policy-making.
The main part of the analysis is focussed in the urban planning policy. Despite the historical tradition of the city demands also a cultural policy differentiated from other councils, it was during the urban planning policy-making that the local government decided to display relational skills to achieve the public expense to implement ‘its’ project. The period analysed starts in 1989—with the Plan Xeral de Ordenación Urbana (General Plan of Urban Organisation) approval by the local government—and ends in 1999, with the celebration of the last jubilee year of the millennium. Stripping this year of any religious connotation, 1999 constitutes the culmination of a strategic project that will have especial relevance in the understanding of the reality that I want to analyse. The importance of this decade was highlighted by the major himself, Xerardo Estévez:\footnote{Xerardo Estévez was the mayor of Santiago de Compostela from 1983 to 1998, excepting a break of a year and a half in which a vote of censure (1985) moved him away from the post of mayor. The 20th of December of 1998 he renounced to his post and was replaced by the socialist spokesman in the municipal council, Xosé Sánchez Bugallo. This last is the actual mayor of Santiago, since the socialist party achieved a ‘minority’ victory in Santiago in the local elections of June 1999. In this paper I will refer only to Estévez when talking about the mayor because the new mayor kept, until the end of the period analysed, the urban policy objectives established during Estévez’s rule.}

“1999 and 2000 are two dates that have to be the consolidation of a project born ten years ago, and will have a crucial importance in both our city and all Galicia”\footnote{“Lo mejor está aún por llegar” (“The best is yet to arrive”), El Correo Gallego, 25/7/1996.}.

\textit{The actors of the intergovernmental policy}

For the analysis of the negotiation that led to the urban and cultural policy-making studied in this paper, it is assumed that each governmental actor defends self-interests. Their ability to defend their own interest will depend on the opportunities given by the intergovernmental relations that fill up the Estado de las Autonomías. I wish to propose three types of roles. The first would be the one called by Beer (1978, mentioned in Blom-Hansen, 1999) ‘topocrats’ (from the Greek \textit{topos}, which means place or locality, and \textit{kratos}, that means authority). Its main interest is to attract public investment towards its territory and to be able to reap this fact as its own success, so as to reinforce its autonomy with respect to other levels of government. In federal, and increasingly in unitary States too, local governments tend to associate for defending their interests in autonomous and central level. In Spain municipalities succeeded in gaining posts in the public agenda demanding more autonomy through de Spanish
Federation of Municipalities and Provinces with the so-called ‘mayors revolution’. This municipal council demanding led to the signature of the so-called ‘local pact’ by this organisation (all Spanish local governments are members of it) and the central government. This pact was the first time the central government officially admitted the need to achieve the complete effectiveness of the constitutional principle of autonomy in both political and economic ways. I also consider autonomous government as ‘topocrat’ because of its interest on preserving its autonomy with respect to central government and, by the time, of minimising local autonomy by playing a ‘centre role’ towards the municipal councils in its territory. Even in the cases that autonomous government doesn’t play that role, we realise that the other actors anticipate its strategy assuming that it is a ‘topocrat’. Because of this reason, I decided to classify the autonomous government as a ‘topocrat’ in some moments of the negotiation.

The second type of role is the one called by Bruno Dente et al. (1998: 206-207) ‘policy promoter’. This role also called by Blom-Hansen (1999) ‘expenditure advocate’, is the leading one during the policy formulation. It raises the problem demanding public attention towards it, activates possible causes responsible for that situation and in most cases proposes a solution. The main interest of the actor playing this role is new public programme formulations, the approval of new regulations and so on. In the case analysed local government played the role of ‘policy promoter’, since it formulated the new intergovernmental policy and designed the instrument for its implementation: the Consortium.

Finally, the third type of role is the one called by Blom-Hansen (1999), taken by the budgeting literature, ‘expenditure guardian’. When an actor plays this role it shows an interest for macroeconomic control and for expenditure and public activity restraint. In our case this concern is not only economic but also is related to competence conflict and for reaping the success of the expenditure (and of the policy, therefore). Said in other words, the three levels of government dispute for the prominence in the policy-making in the Estado de las Autonomías context. As we know this is a mean to obtain resources and autonomy, a concern shared by autonomous and local governments. Moreover, central government shows interest to find its place in the new system. Since the establishment of the autonomous communities system, central government saw its
responsibilities in service provision really diminished. Its closeness to citizenship through welfare policies it is not possible anymore, since they are mostly formulated and implemented by the autonomous communities and local governments. Adopting the role of ‘expenditure guardian’ central government tries to find its place in the new Spanish political system. Its strategy is to look after local interests contributing with the most part of the policy expenditure (65%). In this part is also counted the EU’s investment. Central government is also the mediator between local and autonomous governments and Europe.

The autonomous government plays also the role of ‘expenditure guardian’ in this competition for reaping the success from the intergovernmental policy outcomes. Its economic contribution for the policy (35%) indicates somehow its strategy in the negotiation. The autonomous government ‘dual’ role is caused by its special situation in the Estado de las Autonomías. On one hand, it is in ‘eternal’ competition with the ‘centre’ for more prominence in the political system (it is a ‘topocrat’). On the other hand, it plays the role of ‘centre’ (in the unitary States way) with respect to local government in the Autonomous Community territory. The ‘expenditure guardian’ role shows in this case the interest on controlling local government activity.

The urban policy seen as strategic planning for the rest of local policies

During de sixties and eighties Santiago suffered and spectacular demographic and urban growth that radically changed the morphology of the city. The urban acts at this conditions were done exclusively by state agents and public administrations. The urban layout of the city should be controlled by the Plan General de Ordenación Urbana (General Plan of Urban Organisation) approved by local government in 1974, but this document quickly turns obsolete due to the lack of sensibility to the complex social, economical and physical situation of the city. In addition to this, a few months later the approval of this local act, central government approved the general law of land that radically changed the concept of urban planning. Moreover, 1985 the parliament of Galicia approved the “Lei do Solo de Galicia” (Land Act of Galicia) that confirm the obsolescence of the General Plan of Urban Organisation of 1974, by changing one of the important criteria of land distribution.
During the sixties, as well as a huge demographic growth, it happened another transcendental fact affecting the urban development of Santiago: the spectacular growth of the demand of rent apartments. The growth of the demand of the students resulted on a speculation process without precedents. On one hand, this fact turned the new urban expansion area into an unpleasant place to live for people from Santiago. On the other hand, this speculative process made home prices prohibitively expensive for families.

In 1982 the parliament of Galicia decided that Santiago should be the capital of the Autonomous Community of Galicia. This process became in the necessity of finding where to place new institutions of the autonomous community of Galicia. This parliamentary decision accelerated the transformation of Santiago into a services city. The contracting process of many civil servants made them potential citizens of Santiago or itinerant population. Ever more, with this decision Santiago became the capital of all Galician people so it had to full fill its obligation of receiving people that travel to the capital for administrative reasons and also had to be prepared to social expressions of conflict (demonstrations).

In 1989 the autonomous parliament approved other transcendental decision to the city, with the approval of law 11/1989 20 July 1989, that change the University system of Galicia (LOSUGA). With this law the Santiago University segregated and two new universities born, University of Vigo and University of A Coruña. The offer diversification of universitary studies radically changed the housing market in Santiago. It has to be pointed that the number of student grew at a rate of 2000 per year (that it means about 400 flats per year).

With this social situation Santiago local government decided to apply to a private company a new general urban planning and an special planning to protect and restore the heritage sight city. In 1989 the contract wining company –Ofinina de Planeamento S.A.- starts the project, in 15 December of 1989 the municipal council finally approved the General Plan of Urban Organisation). The main points of the new document can be summarised as follows:
• Slowing down the growth of housing prices in the city and the surroundings, as well as promoting new offer of housing to those sectors that were out of market (low and medium rents)
• Developing a strategy to protect and restore the heritage sight city in the framework of a global recuperation of the whole city.

From this document we can summarise two main facts that changed the way of governance in Santiago. The first one is the new concept of strategic planning. The second one consists on the importance of technicians in the development of local politics. The technicians anticipated the decision of segregating the University of Galicia that was already been discussed in various media. They also calculated the growth in population for the next decade. They designed an ambitious map that includes a prevision of public infrastructures, the restoration of the heritage sights as a part of the whole urban planning, and the construction of new housing. All other urban policies, as well as cultural organisation, traffic, social services, etc. are integrated in a document – the General Plan of Urban Organisation— that for the first time includes this elements of strategic planning.

The policy analysis, frequently more concerned about explaining the phases of each policy, undervalued somehow the importance of the ideas and the interactions among actors in policies. This criticism, which highlight Gomà and Subirats (1998: 25) caused the development of Sabatier’s idea of ‘advocacy coalition’ or ‘promoter coalition’. With this concept it is pretended to explain that group of professionals and technicians that share the same criteria and the same values for solving dilemmas and conflicts raised in a policy process.

In the case of Santiago, this group of technicians where charged with the responsibility of drawing up the General Plan of Urban Organisation. They shared with the Mayor the whole project that was finally designed in the document (local act) approved by the municipal council in 1989. The technicians and the Mayor considered that

Santiago wasn’t prepared for receiving so many students because building activity had to increase at an impossible rate. This joint view (technicians plus the party in local
government, directed by the Mayor) caused the Mayor’s decision of supporting the University segregation. This decision of strongly contested by a huge part of the citizenship, which saw in the University segregation a loss of a basic pillar of the city economy.

The decision to create an intergovernmental Consortium to manage urban planning policy

The decision to create an intergovernmental Consortium to manage such an ambitious “project” that has just been approved by the local government was also an idea shared by the group of technicians that supported and helped the Mayor. It is important to point out the leading role that the Mayor played in the process described in this article. The technicians and socialist officers interviewed coincide to affirm the Mayor’s capacity to be advised and to coordinate groups of politicians and technicians to elaborate the project for this city. This capacity was the main reason that gave him the role of director of the project in the sense of Bruno Dente’s classification (1998: 206-208) and was the base of a leadership that led to a ‘minimal consensus’ about the new urban project.

Back to the decision to create an intergovernmental Consortium, by that time the law 7/1985 for regulating the basis for Local Regime, was just starting. This law establishes a general regime of voluntary cooperation of the local administration with the Autonomous Government and with the central government through inter-administrative consortiums and through punctual agreements. Basically the consortium is an organisation in which various administrations share the managing of a certain service considered of common interest. According to this, we are dealing with an instrument created for the cooperation among different administrations, but the law does not specify the ‘real’ form in which this cooperation takes place. That lack of ‘normative prevision’ helped to ‘model’ the Consortium ‘formula’ to adapt it to the special needs that Santiago presented. The technicians decided that the ‘instrument’ should be intergovernmental, in addition to inter-administrative. It should be like this because the negotiation was to be carried out with the executives of the other two levels
of government. The primary goal was to attract public investment to the city that made possible the implementation of a policy decided by the local government.

The first step was to elaborate a strategic planning —The Compostela 93-99 Project—. This plan described the great facilities and the events to be implemented during the six years between the two Jubilee years (1993-1999). The public intervention proposed in this plan is composed by three basic ‘pillars’: cultural activities, turistic promoting and urbanistic intervention in the city. In other words, this document constitutes de facto the implementation design of the General Plan of Urban Organization of 1989. The next step was, as we know, the ‘exploitation’ of the opportunities offered by intergovernmental context at the national level and the creation of the instrument to implement the plan, i.e. the consortium.

Opportunities offered by the IGR context in the “estado das autonomías” for the “constitution” of the Consortium.

Santiago’s Local government relations with the other two levels of government used to be conducted through the habitual Bilateral Negotiation mechanisms set by the Estado das Autonomías. Through this method they were agreed important investments for the city immediately before the approval of the General Plan of Urban Organisation. The construction of the ring motorway and an Auditorium for the city between 1987 and 1989 is a good example of local policies financed with State funds (thanks to bilateral negotiation). That same strategy was followed when dealing with the autonomous government. In 1989 Galicia Autonomous Government constructed 1.800 flats in the city that acted as a life-save for the housing market. Even though, this decision would have been much more productive for the city if it would have been taken step-by-step, constructing around 150 flats per year. In this way speculating moves by certain owners renting houses to students would be easier to control. Evidently this second option was much more expensive and less favourable politically.

In 1990 the way of intergovernmental policy-making changed dramatically in Santiago. In order to get central and autonomous government’s funds for the city projects, the local government in Santiago hypothesized about the possibility to create
an intergovernmental consortium for holding a **trilateral negotiation between the different levels of the government**. However, the negotiation for the creation of this organization was held bilaterally with the central government. In the new *Estado de las Autonomías* the central administration acts in many conflicts as a mediator between local and autonomous governments. That is what happened in this occasion.

With Spain joining the European Union (effective from January first 1986) the local government assisted to an increasing pro-Europeist feeling, that grew markedly with the Europe Award and the Honour Flag from the European Council appointed to the city in 1985, with the city named Humanity Patrimony by the UNESCO (1985) and with the ‘Santiago Path’ declared as First Cultural Itinerary by the European Council in 1987. In 1990 the Barcelona 1992 Olympic games organization process started. In that year (1992) the Universal Exposition in Sevilla was to take place, it was also the fifth anniversary of Christopher Columbus’ arrival to America and Madrid was named Europe’s cultural Capital. Therefore central government investments during that time were mainly focused to the triangle formed by Madrid-Barcelona-Sevilla. This fact was pointed out by Santiago local government during the negotiation with the central government. They presented the project *Compostela 93-99* in Moncloa’s Palace (the central Government headquarters) during the first months of 1991 as a project to balance central administration investments throughout all the national territory: Northwest part was clearly not taken in account during the beginning of the nineties. In addition, this represented an opportunity to use indirectly the publicity and international projection generated by the Olympic Games and the Universal Exposition.

Felipe González, President of the Central Government (From the socialist party, also Santiago’s Mayor party) was very interested in the Project *Compostela 93-99* since it was a very big project sponsored by a relatively small city. Moreover, ‘Santiago’s Path’ was important since it recreates the foundational myth of the Union and gives the opportunity to explain European history from a non-clerical approach, as some kind of cultural constitution. In addition, the project 93-99 proposed to balance all the Northern part of Spain, including the Basque Country, which was very important. Since it was a non a central initiative, it did not have to face any resistance. Moreover it was interpreted as a cohesive initiative.
At the autonomous level a new president (Manuel Fraga, from the popular party which was the opposition in the national parliament) had just taken possession. The local government was fearful of the autonomous government reaction towards the project. Because of this they tried until the end that the central government approved the decision about the Consortium without the autonomous government knowledge. The Local government even drew up the act (to be approved by the central government). They decided to reactivate an antique institution – the Royal Patronate- that was in charge to organize the Holy Year in 1965 as a commemoration of the 25th anniversary of the end of the war. They decided to involve the Royal Crown to reach the uppermost level in institutional relations to avoid a possible blockage of the consortium during election process. The local government wrote the act that modified and actualised the “Real Patronato” taking into account the new circumstance of the Estado de las Autonomías and using the new legal frame: a consortium of municipal ownership. The act constituting the new Royal Patronate was approved by the central government on June first 1991. That same day the new president of Galicia Autonomous government was informed of the approval. It was understood as an achievement for the whole Autonomous Community and he agreed with every single aspect of the whole text, but it is to be pointed out that he did not have the chance to modify any part of it.

The Consortium was to be the catalyst of the central and autonomous government investments in Santiago, but the bilateral negotiation between the local government and the two administrations previously mentioned was not to be extinguished. In fact some of the investments foreseen in the project Compostela 93-99 were carried out in this manner. However, most of them were managed through the Consortium.

*The management of intergovernmental policy through the Consortium of Santiago de Compostela*

The Consortium of Santiago de Compostela focus its activity fundamentally into eight types of interventions:
1) Building of city facilities in Santiago that were previously agreed between the local government and the Ministry for Public Works, and that after the creation of the Consortium in 1992 were assigned to this organisation; 2) Rehabilitation and preservation of monuments; 3) Actions over the heritage sights by subsiding local government policies; 4) Rehabilitation of private buildings, also in the heritage sights area; 5) Building of facilities to host University and Culture Consellería (dependant upon autonomous government) quarters; 6) Building public works planned after the bilateral agreements with central and autonomous government; 7) Financing the Royal Philharmonic Orchestra of Galicia and co-financing along with the autonomous government the School of Advanced Musical Studies, dependant upon the autonomous government; 8) Programs to promote cultural activities, linked to the great events to be held by the city, (Jubilee, European Capitality for Culture…)

The organs to drive the Consortium are the Administration Council, the President (the Mayor of Santiago), the Executive Commission and the Manager. The first of them is the “round table” around which the three governments negotiate. The decision-making process requires the consensus of the three sides of the negotiation (according to the Consortium articles of association). This clause far from making the decision difficult acted as a catalyst of joint decisions. In fact, this was hard to predict, since the negotiators belonged to different parties, with different ideas in many aspects of urban planning. It also contributed to create an image of unity and to discharge responsibilities. Even though there were some frictions during the negotiations these were most of the times not noticed by the public.

The Manager’s Office is the only organ of the organisation that is specifically regulated by the Consortium articles of association. It is an individual organ with the responsibility of executing the agreements by the Administration Council. It is also responsible for the Human Resources Department and of every service (building contracting, budgeting for the different projects, planning and programming activities for the next years, controlling the money side). In the first times the Manager’s office was closely related to Santiago local government. This fact is explained because of the Consortium novelty as well as the lack of previous reference of this model of cooperation. At the beginning the Consortium articles of association (approved in April
1992) only contemplated the Manager’s Office as an organ in charge of assuring the regular management of the matters to be treated by the organisation. Later, in May 1998, it was accomplished a reform of the Consortium articles of association in order to widen the responsibilities of the Manager. This modification attended to the central administration wish of separation the Consortium and the local government, in the money side specially. This change reinforced the idea that the municipal title of the Consortium consists on the co-ordination of the three governments actions in a local territory, instead of consisting in an organ for attracting public investments for policies previously formulated by local government.

*The Consortium of Santiago de Compostela funding system*

Despite the silent of the Consortium articles of association about the funding system, it was agreed that central administration would be the major financial backer contributing with the 60% of the total budget. The autonomous administration gives the 35% and local administration the remaining 5%. In addition to this, the Consortium has the ability to get into debt in situation of high expense intensity, such as the construction of huge public works.

The Consortium relation with Europe is mediated by the central administration. This last manages the European subsides trough the generic project *Compostela 93-99*, inserted in the Local Development Program. The project 93-99 was approved in Brussels in 1997, with freedom for electing the year for starting the expense (that was established in 1993). This program contains only a part of the total investments made by the Consortium. The total investment from 1992 to 1999 goes up to 33.628 million pesetas. This is highly significant in comparison to the total investment made by Santiago local government during the same period: 18.538 million pesetas. This fact strongly explains why Santiago de Compostela was able to develop urban policies not only more common in cities bigger than it but also the ones that it requires because of its differential characteristics (urban heritage sights, capital of Galicia, Jubilee quarter, mainly).
Conclusions

The creation of the Consortium illustrates the evolution from the policy-making process to the institutionalisation of the central-autonomous-local negotiation in a municipal environment. It consists, in short, the process by which policies determine politics and create institutions. I wish to affirm that, in this case, this process has modified the ways of local governance.

The initial goal of the ‘policy promoter’ (local government) of to limit the uncertainty about the public investment attraction towards its ambitious urban renewal project. At the beginning, local government looked for the central government complicity for the intergovernmental Consortium creation. Despite this fear with respect to autonomous government reaction, this one showed strong interest in local government idea. It assumed all of the policy goals and interpreted the initiative as an opportunity for all Galician people. In the first phase of the process, the three levels of government interpreted the local initiative as a ‘positive sum’ game. In the second phase, however, it
was change the understanding about local government role. Because of this change, it was decided to clearly separate the Consortium from the local government of Santiago. The three part—specially the central government—understood that the Consortium is an implementation instrument and not so a funding instrument for local policies. As a consequence of this last, this model doesn’t finish the bilateral negotiation way for funding other type of policies in Santiago. Not all the policy arenas are subject to formulation and management through the Consortium. This model institutionalises a stable and formalised (it has its own organic structure) co-operation. Only long-term policies, considered of common interest by the three governments are subject to negotiation trough this organisation. This fact partially explains the non-proliferation of this model in Spanish context. Despite its high institutional capacity, the Consortium of Santiago de Compostela is the only organisation of this kind existing in Spain. Other municipality councils that have heritage sights in their urban area, such as Toledo, Granada and Salamanca showed interest in creating an organisation like the Consortium of Santiago. In fact, it has been visited by technicians from Florence and Rome, with the main goal of exporting this experience to their country.

In Santiago converged a lot of factors that made it possible the institutionalisation of the IGR in that municipality. The initiative was a local policy that included strategic planning criteria. That is to say that the urban planning policy organises the rest of local policies in the municipality. In addition to that solid local project, the city presents differential characteristics such as Heritage Sights, being the capital of Galicia and the host city of the Jubilee Years.

Another explanatory factor of the exceptionality of this experience lays in the rigidity of the IGR formal mechanisms in Spain. The permanent co-operation for the policy-making in shared responsibility areas is developed through joint commissions (more punctual than the Consortium). The rest of intergovernmental policies are formulated through bilateral negotiations that finish with the signature of an agreement between two governments or administrations. This proceeding favours the ‘exceptional’ nature of the initiatives like the one analysed in this paper. The creation of the Consortium of the Santiago de Compostela took place in a moment in which the IGR in Spain were focused in the negotiation for the reform of the autonomous communities financing system. Many scholars call this period the ‘qualitative step towards the system
federalisation’. This fact strongly favoured the three government’s tendency for the negotiation about the intergovernmental policies funding in Santiago.

The conclusion brings us back to the thread of the argument: the reflection about the need of autonomy for efficacy in the policy-making. This paper analyses an intergovernmental organisation that, beyond its efficacy in local policy-making, offers the opportunity to think about local autonomy introducing an alternative model for local governance.

References


