

A pathway for local development. The clusters of creative industries in small cities and rural areas of Spain

*Ana Isabel Escalona-Orcao, Luis Antonio Sáez-Pérez,
Belén Sánchez-Valverde García, Severino Escolano-Utrilla,
Blanca Loscertales-Palomar, Luisa María Frutos-Mejías**

Key words: *creative industries, heritage, local development*

1. Introduction. Development difficulties in rural areas of Spain and opportunities linked to the development of creative activities

This paper presents some provisional results of the interdisciplinary research project “The clusters of creative activities in Spanish semi-urban and rural areas: factors and impacts on territorial development”¹.

The starting hypothesis is that these activities can offer considerable development opportunities due to their potential for exploiting local heritage and other resources, and give these areas competitive advantages. This hypothesis is backed by recent research leading the European Union to consider that «creative industries are in a strategic position to promote smart, sustainable and inclusive growth in all EU regions and cities [...] thus to foster the potential of creativity for local, regional, national development and the spill-over effects on the wider economy» (European Union, 2012 p. 3). Rural areas and small cities in Spain present very complex development challenges. The small city of Teruel, introduced later on this paper as a case study, is fully representative of the most sparsely populated areas of Europe (Dubois, Roto, 2013): it is the least-populated provincial capital in Spain (35,841 inhabitants in 2012); the actual 141,104 inhabitants of the province are just 44% of the population in 1900; the average density in the province is 9.4 inh/km², although it is as low as 3 inh/km² in the area around the capital.

The paper aims to explore whether creative activities can drive local development. In section 2 we summarise the theoretical issues and establish a suitable typology for the analysis of creative clusters in small cities and rural areas. The cluster concept is emphasised, as it presupposes relationships within and across activities and the generation of positive externalities

* Zaragoza, Universidad de Zaragoza, Spain.

¹ The research has the financial support of the Spanish Ministerio de Economía y Competitividad, under the R&D +I National Plan for 2013-2015.

benefiting the rural economy. We carry out a mapping exercise to make creative industries in Spanish small towns and rural areas noticed and recognised, with results presented in section 3. The social and economic impact of creative clusters is analysed in section 4, including a case study on the activities implemented in the city of Teruel since 1997 around the festival of *Las Bodas de Isabel de Segura*. The conclusion summarises the relevant issues and makes suggestions for further research.

2. *The concept of creative cluster for application in small towns and rural areas*

According to United Nations (2010, p. 7) creative activities are those that generate «tangible products and intangible intellectual or artistic services with creative content, economic value and market objectives». The precise identification of these activities for operational purposes is always controversial. Our selection takes into account recent research (Bakhshi, Freeman, Higgs, 2013) and adds some improvements as including information on crafts activities from the Standard Occupational Classification (SOC) or considering the management of cultural spaces as a creative activity to capture the presence and economic influence of such spaces in small localities (Tab. I).

For any creative activity we assume that the potential impact on local and rural development increases if it forms part of clusters, i.e., ‘geographic concentrations of interconnected companies, specialized suppliers, firms in related industries and associated institutions’ (Porter, 1998 p. 78). We make converge the cluster and the creativity approach into the concept of *creative clusters* to hypothesize that they generate knowledge and growth (Bathelt *et al.*, 2004), inducing a positive local development, improvements of the social capital and the reaffirmation of the local identity (Florida, Mellander, Stolarick, 2012; Jaeger, Mykletun, 2013; McGranahan, Wojan, 2007).

The methodology used to test this hypothesis consists of two stages. The first aims to identify and map possible clusters of creative activities in the Spanish small towns and rural areas (Capone, 2008; Rossello, Wright, 2010). Two criteria have been established for this purpose. The specialisation criterion, which aims to select only localities where the concentrations of creative activities are relevant for the respective economies; and the diversity criterion, which captures the potential of the concentration for generating territorial externalities. As an indicator of specialization we have selected the horizontal location quotient (HC). Although specialization exists when HC values are positive, we felt it appropriate that HC requires a >1 value. The indicator of diversity selected is the “Theil Index”, a statistic used to measure inequality or lack of diversity. This index takes the value 0 when the diversification is maximum (because all activities are relatively equally important), with 1 being the value taken in the opposite situation. We have chosen a <0.35 value as a threshold to identify locations where the diversification of their creative activities is capable enough as to generate territorial externalities.

Tab. I – Identification of creative activities for operative purposes in this research.

| Type of creative activity | Creative sector | Activity (according to NACE-03/Encuesta de ocupación CON-94) | Activity (according to NACE-2009/Encuesta de ocupación CON-11) |
|---------------------------|---|---|---|
| HERITAGE | Crafts | 773. <i>Ceramistas, vidrieros y asimilados</i> 774. <i>Artesanos de la madera, textiles, del cuero y materiales similares</i> 791. <i>Trabajadores de la madera y asimilados</i> 793. <i>Trabajadores de la industria textil, la confección y asimilados</i> | 321. Manufactures of jewellery, bijouterie and related articles. 761. <i>Mecánicos de precisión en metales, ceramistas, vidrieros y artesanos</i> |
| | Management of cultural spaces | 925 Library, archives, museums and other cultural activities | 910. Libraries, archives, museums and other cultural activities |
| ARTS | Music, visual and performing arts | 923. Other entertainment activities | 900. Creative, arts and entertainment activities 742. Photographic activities |
| MEDIA | Publication and printed media | 221. Publishing. | 581. Publishing of books, periodicals and other publishing activities 182. Reproduction of record media 591. Motion picture, video and television programmer activities |
| | Audiovisual, film, television, radio and other broadcasting | 223. Reproduction 921. Motion picture and video activities 922. Radio and television activities | 592. Sound recording and music publishing activities 601. Radio broadcasting 602. Television programming and broadcasting activities |
| FUNCTIONAL CREATIONS | Design | Inexistent in the NACE-03 | 741. Specialized design activities |
| | Architectural services | 742. Architectural and engineering activities and related technical consultancy | 711. Architectural and engineering activities related technical consultancy 731. Advertising |
| | Advertising | 744. Advertising | 732. Market research and public opinion polling 702. Management consultancy activities |

Source: Author's elaboration.

We have applied both criteria to employment data in creative activities and occupations of the 7,399 municipalities that make up the study area². In a second stage we have chosen one of the localities meeting both the required criteria and have undertaken a case study aimed to verify the compliance of that potential cluster regarding internal relationships –between firms, actors and institutions– and its impact on local development. The following sections summarise some findings of both analysis.

² The municipalities selected are those excluded from the official 'urban areas' having more the 75,000 inhabitants (Ministerio de Fomento, 2011) which represent 91.23% of the total municipalities of Spain and are scattered by 91.2 % of the national surface area. The source of data is the Population Census for 2001 and 2011, although in this paper we present only results for 2001.

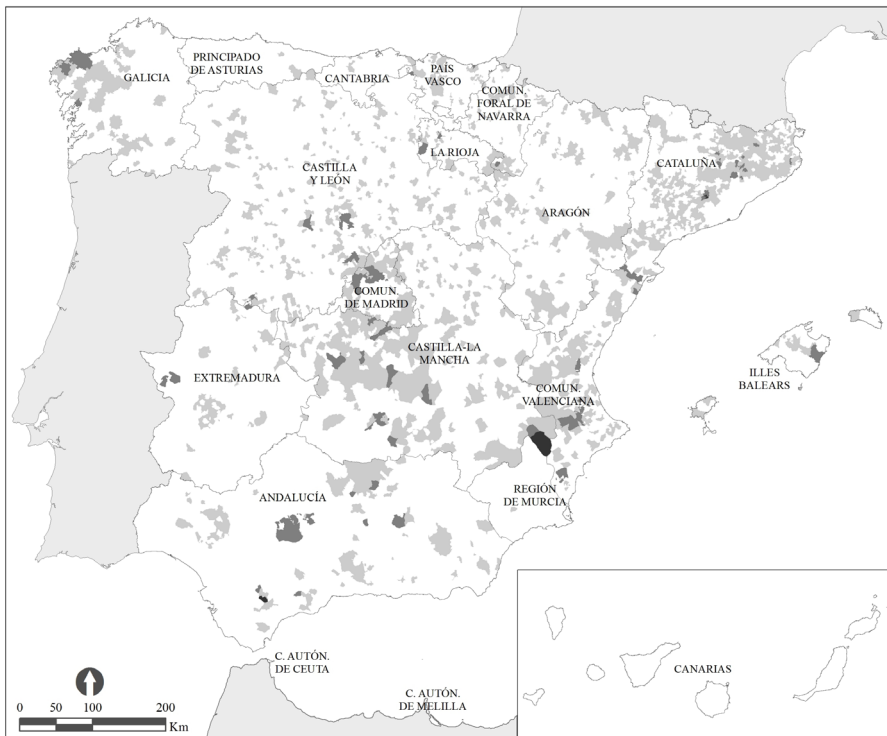
3. Location, specialization and diversity of the creative activities

The Tab. II synthesizes the respective importance of creative activities and their main categories in the study area.

Tab. II – Importance of creative activities in small towns and rural areas (people employed in creative activities and occupations in 2001). (1) People in creative activities out of all employed (%); (2) People in the category out of all employed in creative activities (%).

| | Creative activities | | | | | | | | | |
|------------|---------------------|-------|----------|-------|--------|-------|---------------|-------|----------------------|-------|
| | Total | | Heritage | | Arts | | Communication | | Functional Creations | |
| | Total | % (1) | Total | % (2) | Total | % (2) | Total | % (2) | Total | % (2) |
| Study area | 172,636 | 3.2 | 90,133 | 50.2 | 8,203 | 4.8 | 17,456 | 10.1 | 56,844 | 32.9 |
| Spain | 758,355 | 4.6 | 209,020 | 27.6 | 40,254 | 5.3 | 128,263 | 16.9 | 380,818 | 50.2 |

Source: Author's elaboration with 2001 population census data.



HC >1

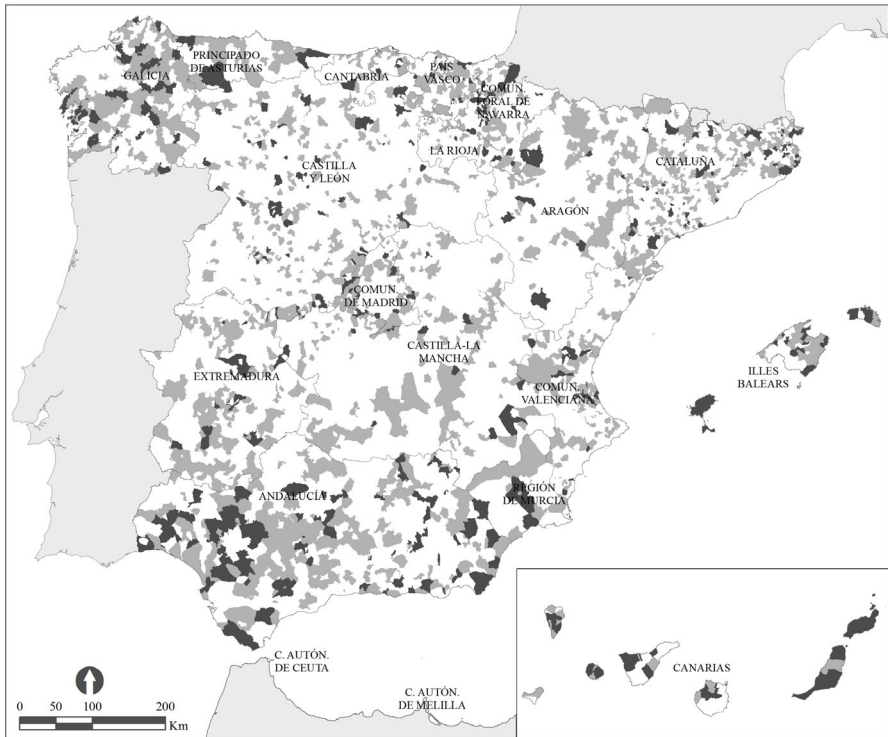
1 - 100

101 - 1000

1001 - 3388

Fig. 1 – Municipalities in the study area specialising in creative activities (because HC > 1).

Source: Author's elaboration.



Theil index < 0,35

- 0,00 - 0,15
- 0,16 - 0,35

Fig. 2 – Municipalities in the study area with diversification within their creative activities (because of Theil index <0,35).

Source: Author's elaboration.

The spatial distribution of these activities as a whole shows significant concentrations of creative activities, albeit isolated, in the less-populated areas in the northern half. According to our theoretical assumptions, the potential of these activities to drive territorial development depends on whether they constitute creative clusters. 1,527 municipalities meet the specialization criterion (Fig. 1).

Although the most intense specialisations appear in some municipalities on the periphery and in the southern half, there is a notable profusion of specialised municipalities in the northern and inland half of the country, suggesting that creative activities are relatively important in some local, although small, economies. “Heritage” activities dominate and for this reason small municipalities are less represented in the map in Fig. 2, corresponding to the 1,885 municipalities meeting the diversity criterion. Most of them correspond to municipalities on the periphery and in the southern half of the country, where the proportion of activities relating to heritage is lower overall.

The results establish a potential presence of creative clusters in Spanish small towns and rural areas significantly higher than that found in previous research (Boix, Lazzeretti, 2012; Méndez *et al.*, 2012).

4. Case study. Las Bodas de Isabel de Segura as the epicentre of a possible cluster of creative activities in Teruel

To verify whether a potential creative cluster is a real cluster requires changing the scale and conducting more detailed analysis. The city selected for the case study is Teruel, which met in 2001 the two clustering criteria³ while activities related to heritage and functional creations represent the 40,9 and 38,4 per cent respectively of all the creative employment. Data for 2011 indicates that the employment in these activities have increased 16% since 2001.

We have selected for this case study the creative activities linked to the celebration of *Las Bodas de Isabel de Segura*⁴. When this celebration started in 1997 the participation was still limited but in subsequent editions it has increased becoming an sociological phenomenon. In order to verify if the initiative has prompted the formation of a cluster of creative activities, we have conducted semi-structured interviews to a selection of key actors on the following issues: Interrelations between the components of the possible cluster; effects of proximity on the transfer of knowledge; impact on the local economy, on the social capital and in the reaffirmation of local identity. The information gathered (Tab. III) indicates, firstly, that there are many different types of actors, companies, institutions and organisations currently involved in the celebration.

Concerning the general management of the festivity, the answers indicate some positive aspects because one organisation interacts with all the participants and coordinates its management; there are mechanisms to detect and avoid actions which could dilute the character of the initiative and an identifying brand has been created for publicising the initiative. However the initiative lacks of diversified sources of funding and effective collaboration between the public and private sectors; the cooperation networks among participants (companies, institutions, non-economic actors and others) are weak and the critical mass (number of participants and quality of the activities and services offered) is low.

³ Teruel HC value is 39,22, higher than the average for the study area; the Theil index value is 0,14.

⁴ Isabel de Segura and Diego de Marcilla, the *Amantes de Teruel*, were the protagonists around 1217 of an orally transmitted story, dramatised through the recreation of the medieval setting within the historic *mudéjar* – mixture of Christian and Muslim artistic styles – city centre.

Tab. III - Types of bodies taking part in *Las Bodas de Isabel de Segura* and their function.

| Function | Type of body | Function | Type of body |
|-------------------------------------|---|-------------------------------------|--|
| Organisation/ management | Foundation | Production (continued) | Historic foods |
| | Sponsors | | <i>Catering</i> |
| | | | Re-enactment groups |
| | | | Medieval Market association |
| Creation | Researchers | Marketing/ Commerciali sation | Competition organisers |
| | | | Commerce related to the festival |
| | | | Hotels, bars and restaurants /transport /services |
| | Scriptwriters | | Local government |
| Training | Course organisers | Publicity | Printed matter and media |
| | Casting call organisers | | Event organisers |
| Production | Artisans | Publicity | Tourist agencies |
| | Workshops (costumes, musical instruments, etc) | | Printed matter and media |
| | Theatre groups | Consumption | Local population |
| | Sound and lighting companies | | Visitors |

Source: Author's elaboration based on conducted interviews.

The interrelationships generating positive externalities appear in a tacit form between all the activities taking part in *Las Bodas de Isabel Segura*. Nevertheless, only in some cases do the tacit relationships lead to quantifiable relationships. Those of the hotel and catering sector are notable, as recognised by the general manager of the provinces leading hotel group:

There was total occupancy in the hotels in the city of Teruel and even up to 35 km around it. On the dates of the festival the hotels were hanging out No Vacancies signs, with high season prices. Also, the type of visitor coming to the city has more spending power than for the “Vaquillas” (traditional fiestas in July) [...] Restaurants were making about eight times a day more than they would on a typical weekend...

The Secretary General of the Chamber of Commerce and the tourism manager in Teruel City Council, also mentioned other sectors, such as the creation of medieval costumes and accessories:

Initially [...] several workshop classes opened making costumes, leather work etc. These workshops created several companies [...] A parallel industry has sprung up: making costumes and all the related items not just costumes.

The sectors that experience the most positive consequences are those linked to *in situ* consumption by tourists and to consumption by residents on traditional costumes and leisure activities. However the linkages with

qualified input providers of more sophisticated creative services, such as advertising, computer programming or design, are low because the festival is concentrated in a few days and the local market is very small. Thus the positive externalities generated are not very strong. The festival is in the initial stages and several obstacles must still be overcome, as this is a very small town with a poorly developed entrepreneurial mindset and a limited capacity to absorb a greater number of visitors.

5. *The social and economic impact of creative clusters in the small cities and rural areas of Spain. Preliminary results.*

Although we cannot yet consider *Las Bodas de Isabel de Segura* as the epicenter of cluster of creative activities, the festival has improved the social and personal links, those which reinforce trust, local identity, and commitment to the territory. According to the secretary of the Chamber of Commerce:

Las Bodas have helped recover a true sense of pride about “Los Amantes”[...] it’s something to be proud of, everyone talks about “Los Amantes” and we defend them to the hilt and we all believe it really happened.

Around 20% of the population is responsible for an official task of some sort (as actors in theatre groups, in skilled logistical work such as providing props, co-ordinating events, stage setting, representing traditional occupations, and medieval sports). As we were told by the spokesperson for the Federation of Groups:

We feel like the Festival is something of ours, everyone feels that way and they take part altruistically. You tell the music groups, “we want to do this,” they do it for free, and everyone puts the best of themselves into this Festival [...] Although there are 6,000 people in the Federation, many more put on costumes.

Our field work permit us to state that thanks to the celebration the endowment of social capital has improved significantly, increasing self-esteem and confidence among its people. At this stage of the research it is not possible to extend this findings to the rest of potential clusters identified in the small cities and rural areas of Spain. Nevertheless we affirm that the creative clusters can have a positive impact on the demographic dynamic because a relationship appears when comparing the creative activities existing in the municipalities of the study area in 2001 and the 2001-2011 demographic dynamic (Tab. IV)⁵. We understand this to be a relationship of interest, given the sustained demographic regression affecting many of the municipalities studied.

⁵ The results obtained rule out, in principle, any relationship between the demographic variation in the municipalities studied in the 2001-2011 period and their demographic size in 2001.

Tab. IV - Statistical summary of the contrasts in population dynamics between the municipalities that meet or do not the clustering criteria (HC_yes>1; Theil_yes<0,35).

| Clustering criteria | Mean | Standard deviation | Number of municipalities | p-value of the comparison |
|---------------------|------|--------------------|--------------------------|---------------------------|
| HC < 1 | 0.1 | 33.4 | 5,872 | 0,000 |
| HC > 1 | 15.0 | 37.4 | 1,527 | |
| Theil > 0,35 | -1.1 | 34.0 | 5,514 | 0,000 |
| Theil < 0,35 | 15.7 | 34.2 | 1,885 | |
| HC and Theil_not | 1.3 | 33.5 | 6,885 | 0,000 |
| HC and Theil_yes | 28.6 | 41.6 | 514 | |

Source: Author's elaboration on 2001-2011 population census data.

The average population growth in the 1,527 municipalities specialising in creative activities (HC>1) is 15.0, notably higher than that of non-specialised municipalities, which on average show population losses. The standard deviation is certainly high, but the contrast p-value of the comparison of averages confirms, in all cases, that this difference is significant. The 1,885 most diversified municipalities (C. Theil<0.35) grow significantly more than the others, with an average of 15.7. Again, the standard deviation is very high, although the contrast p-value confirms that the difference observed is significant. In any case the highest average growth corresponds to the municipalities that meet the two criteria simultaneously. This result reinforces the initial hypothesis of this study on the potential of creative activities as drivers of local development.

6. Conclusion

The persistent territorial imbalances in Spain and in Europe justify the search for new opportunities for growth in the least advanced areas. The creative activities are an appropriate option, due to the expectations they create, and because they give these areas a competitive advantage. Cultural heritage, for example, has acquired significant value as an economic resource and drives the launch of innovative strategies that make use of local talent and adapt to the specificities of the territory. The results of the mapping exercise confirm that creative clusters are present in small cities and rural areas of Spain.

We have also explored the possible impact of these activities on the territory, with analysis expressing a positive relationship with demographic growth, encouraging expectations regarding the function that creative activities may have in territorial improvements and the appropriateness of introducing *ad hoc* local policies. There are certainly much more analysis to be conducted at more detailed scales. As an example the paper has introduced a case study on the celebration in Teruel of *Las Bodas de Isabel de Segura*. Although the results obtained to date seem to indicate that we cannot yet call this a cluster of creative activities, the fundamental

relationships of a creative cluster are already in place because we have found a series of commercial, organizational and functional links between the many participating bodies which stimulate economic activity. In addition, the emotional links between local people and their city have grown and this has reinforced the social capital.

We hope to have provided a useful contribution about the interest of the creative activities for the local and rural development; the adequacy of the approach and of the analytical procedures. It is an initial step from which to critically rethink about the prevailing analytical perspectives and approaches in the literature and in the policies of regional development on creative activities.

References

- BAKHSI H., FREEMAN A., HIGGS P., *A dynamic mapping of the UK's creative industries*, London, National Endowment for Science, Technology and the Arts, 2013.
- BATHELT H., MALMBERG A., MASKELL P., "Clusters and knowledge: local buzz, global pipelines and the process of knowledge creation", in *Progress in Human Geography*, 28(1), 2004, pp. 31-56.
- BOIX R., LAZZERETTI L., "Las industrias creativas en España: una panorámica", in *Investigaciones Regionales*, 22, 2012, pp.181-206.
- CAPONE F., "Mapping creative cultural system in Italy", in COOKE P.N., LAZZERETTI L., *Creative cities, Cultural Clusters and Local Economic Development*, Edward Elgar Publishing, 2008, pp. 338-365.
- DUBOIS A., ROTO J., "Making the best of Europe's sparsely populated areas. On making geographic specificity a driver for territorial development in Europe", in *Nordregio Working Paper*, 15, 2012.
- EUROPEAN UNION, *How can cultural and creative industries contribute to economic transformation through smart specialization*, European Union Open Method of Coordination Expert Group on Cultural and Creative Industries, 2012.
- FLORIDA R., MELLANDER C., STOLARICK K., "Inside the black box of regional development-human capital, the creative class and tolerance", in *Journal of Economic Geography*, 8, 2012, pp.615-649.
- JAEGER K., MYKLETUN R., "Festivals, identities and belonging", in *Event Management*, 17, 2013, pp. 213-226.
- MÉNDEZ R. ET AL., "Economía creativa y desarrollo urbano en España: una aproximación a sus lógicas espaciales", in *Eure*, 38(113), 2012, pp. 5-32.
- MINISTERIO DE FOMENTO, *Atlas digital de áreas urbanas*, <http://atlas.vivienda.es/> (accessed 29 November 2013).
- MCGRANAHAN D., WOJAN T., "The creative class. A key to rural growth", in *Amber Waves*, 5(2), 2007, pp.16-21.
- PORTER M.E., "Clusters and the new economics of competition", in *Harvard Business Review*, 76, 2007, pp.77-90.

ROSSELLO P., WRIGHT S. (eds.), *Mapping the creative industries: A toolkit*, London, British Council, 2010.

UNITED NATIONS, *Creative economy. Report 2010. Creative economy: A feasible development option*, New York, 2010.

Un percorso per lo sviluppo locale. I cluster di industrie creative nelle piccole città e nelle zone rurali della Spagna

Molte zone rurali europee sono ancora alle prese con notevoli problematiche di sviluppo. L'Unione Europea, per il periodo 2014-2020, propone la rilevazione delle attività locali prendendo in considerazione "valori non di mercato" ed esternalità positive. Le industrie creative sono interessanti attività da considerare, perché aggiungono valore all'identità e al patrimonio culturale locale, dando alle aree rurali dei vantaggi competitivi. Questi problemi sono discussi in questo articolo, focalizzato sulle industrie creative che operano nelle piccole città e nelle zone rurali spagnole, sottolineandone luci ed ombre. In particolare, il contributo propone un quadro teorico e metodologico per l'analisi delle industrie creative nelle aree rurali, sulla base del concetto di cluster; quindi passa ad esaminare i cluster creativi individuati nei territori considerati; infine analizza l'impatto sociale ed economico dei cluster creativi individuati sulla piccola città di Teruel.

Une voie pour le développement local. Les clusters des industries créatives dans les petites villes et les zones rurales de l'Espagne

De nombreuses zones rurales en Europe sont encore aux prises avec d'importants problèmes de développement. L'Union européenne, pour la période 2014-2020, recommande la détection des activités locales, en tenant compte des «valeurs non marchandes» et des externalités positives. Les industries créatives sont intéressantes activités à considérer, parce qu'elles ajoutent de la valeur au patrimoine culturel et à l'identité locale, donnant des avantages concurrentiels aux zones rurales. Ces questions sont abordées dans cet article, en se concentrant sur les industries créatives qui opèrent dans les petites villes et les zones rurales en Espagne, en soulignant les avantages et les obstacles. En particulier, le document propose un cadre théorique et méthodologique pour l'analyse des industries créatives dans les zones rurales, sur la base du concept de cluster; puis il passe à l'examen des clusters créatifs identifiés dans les territoires concernés; enfin, il analyse l'impact social et économique de clusters créatifs identifiés sur la petite ville de Teruel.