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**Promoting creativity and knowledge in the Barcelona Metropolitan Region. How to enhance the city's competitiveness**

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**Promoting creativity and knowledge in the Barcelona Metropolitan Region**

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# **Promoting creativity and knowledge in the Barcelona Metropolitan Region**

## **How to enhance the city's competitiveness**

### **ACRE report 10.2**

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Accommodating Creative Knowledge – Competitiveness of European Metropolitan  
Regions within the Enlarged Union

Amsterdam 2010

AISSR, University of Amsterdam



## ACRE

ACRE is an acronym of the international research project ‘Accommodating Creative Knowledge – Competitiveness of European Metropolitan Regions within the Enlarged Union’.

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## EXECUTIVE SUMMARY

This report constitutes the final report of the ACRE project in relation to the creative and knowledge economy in the Barcelona Metropolitan Region (BMR). Previous reports dealt with the three target groups of the project: workers in creative knowledge industries; managers of creative knowledge companies, and; transnational migrants involved in these same industries. The location factors, both 'soft' and 'hard', that influence the three target groups in their decisions to locate and/or remain in the BMR have been analysed. Certain ideas of Richard Florida in relation to the characteristics of the 'creative class', transnational migrants and global talent have been considered and at times challenged throughout the various reports on the BMR.

This report focuses its energy specifically on the exploration and assessment of policies, programmes and strategies for the development of the 'new economy' in the BMR, as well as how these impact upon the city-region's capacities in terms of the attraction and retention of talent and the location of creative knowledge companies in the region.

The methodology of this research (Chapter one) has been based on qualitative analysis. More specifically, the two principal methods used were the analysis of relevant literature and the realisation of qualitative semi-structured interviews. In terms of the analysis of literature, three types of documents were studied: relevant literature to frame the object of study from a theoretical perspective; technical documents, and; policy documents. Some relevant quantitative data from public statistics sources are also included.

The fieldwork includes 15 interviews with qualified informants connected to the implementation, reception and development of policies for the creative and knowledge-intensive sectors. The actors interviewed may be divided into three groups: actors who directly receive these policies and depend on them for their development; policy makers, and; partnerships between organisations. Furthermore, the data obtained through these two techniques is confronted with the results reached in earlier phases of the ACRE project.

In Chapter two the theoretical background of the ACRE project is discussed. This consists of the refinement of the ACRE theoretical framework, a revisiting of Florida's (2001) thesis, the evaluation of 'hard' and 'soft' factors and the characteristics of the 'creative class', and the issues of governance approaches and methodology.

The evolution of the urban economy and current policies in the BMR (Chapter three) provides a detailed overview and analysis of relevant shifts in the BMR's economy in recent decades, especially since the return of democracy in 1977 and the success of the Olympic Games in 1992. This chapter informs the reader of these changes and the current characteristics of the urban economy. Here we also find an account of current policies and strategies in the BMR for the boosting of the creative and knowledge-intensive sectors. The 22@ innovation district is taken as a case-in-point and discussed in more detail as an exemplar strategy to promote the

creative knowledge economy. This chapter also takes a look at the effects of the current economic crisis on the creative and knowledge industries in the BMR.

The report also explores the institutional structure and governance arrangements in the BMR (Chapter four). In this section the three levels of government at work in the BMR (national, provincial, municipal) are described and the advantages and disadvantages of the present governance arrangements as well as the level of cooperation between the different levels of government are assessed. Here we see which actors play the leadership role in terms of the development and implementation of policies for the creative and knowledge-intensive sectors in the BMR. The importance of the role of local authorities (City Councils) is emphasised here. The significance of strategic planning in the BMR is also stressed as one of the crucial aspects of the 'Barcelona model' of governance and urban transformation. Furthermore, debates on contested issues such as citizen participation and the role of tourism in the BMR are assessed.

The critical evaluation of strategies and policies is dealt with in Chapter 5. This chapter analyses the implementation of development policies and strategies of the new economy in the BMR. Here we have a critical assessment of the advantages and disadvantages of the current policies and strategies in relation to the creative and knowledge-intensive sectors in the BMR. The issues dealt with in this section include the necessity or not of public leadership in these economic sectors, the coordination of policies between the different levels of government, governance and territorial equilibrium, the influence of the Barcelona model, the attraction of talent or the main obstacles for the development of development policies in the creative and knowledge-intensive sectors in the BMR. In this chapter the results of the interviews conducted are also assessed. Moreover, the coordination of policy objectives as well as horizontal and vertical cross-over is explored.

Finally, several conclusions in terms of the effectiveness of policies and strategies and governance arrangements in the BMR are arrived at. It is clear that in the BMR, policy matters. We see in the BMR a decided effort to foster the urban economy on the basis of creativity and knowledge benefiting from the existing industrial fabric and tradition. Certain issues in relation to governance arrangements are critically assessed, for example, the lack of a metropolitan government. It is seen that both 'soft' and 'hard' location factors play a role and emphasis on only one of these factors can be detrimental to the city-region's capacity to attract and retain creative and knowledge talent as well as companies. Culture is seen to play a crucial part in the strategy of development of the city of Barcelona. The establishment of creative and knowledge sectors as main goals of specialisation during the 1980s is currently providing positive outcomes not only in terms of employment but also in terms of the global image of the city-region. However, it is clear that accurate joint participation on the part of all actors is needed in the BMR.

# 1 INTRODUCTION

This report describes the existing policies and strategies to foster the creative knowledge economy in the Barcelona Metropolitan Region (BMR). Since 1995, knowledge has been at the centre of the strategy for the economic development of the city and later, by extension, in the strategy of the rest of the region. Creativity and creative industries are also becoming a relevant part of the strategy of the city in recent years with increasing attention being paid to cultural production and artistic development. The clear strategy on knowledge and innovation takes place in a complex governance framework in which national, regional and sub-national levels are relevant arenas of governance. In this regard, governmental institutions at different levels play a role in economic development in a direct or indirect way. The national government is one of the main actors in the development of R+D policies and fosters the efforts of municipalities and regions in this direction. Besides, the regional government of Catalonia, the “Generalitat”, has competences in culture and is strongly involved in the development of part of the creative industries. Finally, municipalities play a key role in policies for the economic development of the territory. These policies have basically two strands: a vision focused on fostering the competitiveness of the territory and its economic success and a second one based on fostering social cohesion.

Nevertheless, the analysis of policies and strategies must take into consideration the complex governance framework of the region. The BMR is a complex conurbation with 164 municipalities in 3240 km<sup>2</sup> with different economic sub-centres with different specialisations. This background, together with the lack of a metropolitan authority coordinating the City Councils, has hindered the possibilities for a common and coherent strategy for the development of the creative knowledge economy. The BMR concentrates 5.5 million inhabitants –more than 70 per cent of the population of Catalonia and approximately 12 per cent of the population of Spain– and is formed by seven *comarques* (counties): Barcelonès, Vallès Occidental, Vallès Oriental, Garraf, Baix Penedès, Maresme, and Baix Llobregat. As has been said, the BMR does not have a common metropolitan authority but there are different tiers of government, sometimes overlapping. Apart from the local and autonomous governments there are public agencies working at county level and province level<sup>1</sup>. In addition, the central government also plays a role: the Ministry of Culture and the Ministry of Science and Technology together with the Ministry of Economy are also involved in promoting creativity and knowledge in their own spheres of responsibility. Thus, national programmes, policies and mechanisms also affect the functioning of certain policies in the

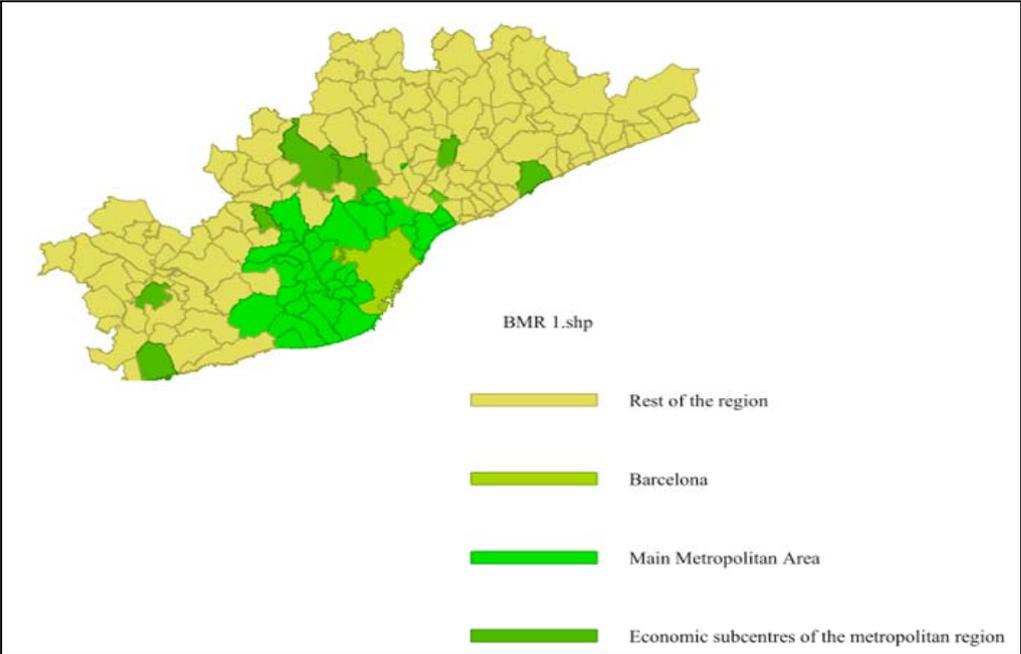
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<sup>1</sup> Provinces are the official territorial division in Spain. From a constitutional point of view, Autonomous Communities are a group of provinces that decide to form a regional government for historical reasons or for common interest. Catalonia is formed by four provinces. The BMR is part of the province of Barcelona and occupies 85 per cent of the provincial territory. The provincial administration is the *diputació* and has the objective of matching the central government with municipalities. For that, the diputaciones depend politically on the city councils and economically on the central government.

Barcelona Metropolitan Region. The need for coherent and consistent strategies will emerge as a key question throughout this report.

In order to simplify, we can depict the economic situation of the region with two main trends: the situation of the city of Barcelona and other traditional economic sub-centres, and the situation of the rest of the region. Whereas Barcelona has consolidated the shift towards the tertiary sector, the rest of the region remains strongly industrial. The counties of Vallès Occidental and Baix Llobregat concentrate most of the industrial activity of the BMR both in terms of employment and GDP contribution. Nevertheless, the main cities of these counties, L'Hospitalet, Terrassa and Sabadell are also strongly service-oriented. These cities are also the largest cities in the region after Barcelona, which shows a correlation between population and the degree of tertiarisation. In fact, these cities followed the pattern of delocalisation of industrial factories to smaller municipalities started by Barcelona in the 1980s. Thus, during the 1990s the companies of these cities started to settle in small municipalities of Vallès Occidental, Baix Llobregat and to a lesser extent Vallès Oriental. Figure 1.1 shows the Barcelona metropolitan region with Barcelona at its core and a main metropolitan area surrounding the city. Apart from this inner ring, we can find different economic subcentres surrounding Barcelona. From left to right, they are Vilnova i la Geltrú, Vilafranca del Penedès, Martorell, Terrassa, Sabadell, Granollers and Mataró.

Figure 1.1 - Barcelona and its Metropolitan Region (BMR)



On the other hand, the tertiarisation of the economy in Barcelona has been accompanied by the increasing role of tourism. The success of the Olympic Games in 1992 meant increasing flows of tourism to the city and the growth of hotel and catering companies, as well as the growth of added-value services industries such as advertising, design or publishing. During the 1990s, public authorities fostered economic development through a cultural approach. In this period culture became a central element of the urban renewal of the city and museums and equipments were created or expanded in order to attract tourism interested in culture and to promote culture among citizens. In this regard it is worth mentioning the policies for the revalorisation of great artists who developed their works in the city, such as the architects Antoni Gaudí and Ildefons Cerdà or the painters Pablo R. Picasso, and Joan Miró.

In parallel to this strategy the City Council planned the next step in the urban renewal of the city after the great success of the Olympic urban transformation. This second stage was based on creating the conditions for the growth and consolidation of the knowledge economy in the city through a major urban transformation of the industrial district of Barcelona, in the east side of the city. This long-term strategy started in 1999 and is now in a new stage after the main urban developments have been finished. Although the main economic sub-centres have followed the pattern of Barcelona with the creation of new cultural facilities based on its industrial heritage, tourism has not played a significant role in this transformation. There, the tertiarisation of the economy is mainly grounded in services to companies. In the same direction, most of the municipalities are developing strategies to foster the creative knowledge economy through the creation of scientific and technologic parks, installations for the development of creative industries (mainly media and music industries) and collaboration between universities and other institutions. Nevertheless, the city of Barcelona is also playing a leadership role in developing a pattern of partnership between actors at the local level.

Barcelona has historically been an international leader in developing strategic plans, first for the city and later on for the Barcelona Metropolitan Region (Pareja-Eastaway et al, 2007). As we will see elsewhere in this report, general strategic plans have decidedly contributed to the success of the region in achieving certain economic and social goals but they also have created a certain “way of doing” in the design of policies developing strategic plans in specific areas such as culture or tourism.

The objective of this study is to identify and analyse the policies and strategies of the BMR linked to the development of the creative and knowledge-intensive sectors and to understand the role played by said policies in the overall development of the metropolitan region. It will take into consideration not only Barcelona but also the main economic sub-centres of the metropolitan region such as L’Hospitalet, Terrassa, Sabadell, Sant Cugat, or Mataró. To do that, the approach we use does not focus only on direct policies aimed at fostering the role of specific sectors. We also analyse general policies for innovation and the attraction of talent that have an indirect effect on these sectors.



## 2 THEORETICAL BACKGROUND AND METHODOLOGY<sup>1</sup>

The conceptual and theoretical framework underlying the ACRE programme has been presented in length in the WP1 (Musterd et al., 2007). It is based on a critical review of literature on the role of creativity and knowledge in present and future economic development and the conditions for a successful development as a ‘creative knowledge region’. This review of literature, which has also pointed at gaps in knowledge, has framed the analysis of each case study in the following WPs, and has been refined over the course of the work.

A number of key questions have been raised in relation with this conceptual and analytical framework. They are addressed throughout this report and will in particular guide the analysis of policies and strategies, which includes the analysis of policy documents and interviews with stakeholders.

Key questions to be taken into consideration in the analysis of policies and strategies include the following ones:

- What is the role of creativity, innovation and knowledge in the metropolitan economic development strategies and visions in each case study?
- To what extent do local and regional governments in the case study regions want to build on existing regional strengths, and to what extent do they look for new strengths with regard to economic specialisations?
- What are the different types of policy approach adopted in different cities (e.g. promoting cultural quarters/infrastructures in the physical sense; or promoting creative industries in their industrial sector sense)?
- What is the role of ‘soft’ location factors in metropolitan economic development strategies when compared to the more traditional, ‘hard’ location factors?
- Do the metropolitan economic development strategies specifically address the conditions for attracting an international skilled labour force?
- Which regional geographic and administrative scale is the most relevant for regional competitiveness when aiming for ‘creative knowledge regions’? Should there be a focus on core city development or on the metropolitan regional level?
- To what extent can we speak of an integrated regional strategy, and on what geographic and administrative scale level?
- To what extent are the economic development strategies and visions embedded in broader urban development strategies and visions? Are economic development policies connected to regional spatial development policies, housing market policies and/or policies to attract and cater for the desired ‘talent pool’?

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<sup>1</sup> This section has been written by the ACRE Toulouse team (Hélène Martin-Brelot, Elisabeth Peyroux, Denis Eckert, University of Toulouse), with help from the Leipzig team (Bastian Lange, Leibniz Institute of Regional Geography). The section is common to all ACRE reports within Work Package 10.

- How and to what extent do existing policies and strategies take into consideration issues of social cohesion and social integration?

The answers to these questions are informed by the refinement of the ACRE theoretical framework.

## 2.1 Refinement of ACRE theoretical framework

The WP1 has acknowledged that many authors have come to the conclusion that ‘creativity plays an outstanding role in urban and regional development’ and recognised ‘*the increasing coming together and co-mingling of technological innovation, cultural creativity and governance as the driving force of urban development in the 21st century*’ (Musterd et al., 2007: 6). In relation to urban competitiveness theories, at least two important interrelated ideas – mostly supported by R. Florida – have been explored. The first one suggests that policies should concentrate on their attractiveness towards individuals rather than towards companies. As a consequence, cities should strive to improve urban atmosphere – e.g. increase openness, tolerance – and pay much less attention to hard classical location factors.

The ACRE analytical framework has been refined over the course of the work. In light of the ACRE empirical results, we are now able to revisit Florida’s thesis on the mobility of people composing the ‘creative class’ and on the drivers that lie behind their decision to live in a city (2.1.1). Statements about the difference between hard and soft factors, creative and knowledge workers and above all the relatively trivial expectations of the respondents are used as first elements to fulfil the debate about urban competitiveness and policies (2.1.2).

### 2.1.1 *Revisiting Florida’s thesis on the mobility of the creative class and the role of ‘soft factors’*

One objective of the ACRE programme was to test R. Florida’s hypothesis on the mobility of highly skilled creative knowledge workers. According to the author of the ‘*Rise of the creative class*’ (2001), these people would be increasingly attracted by places combining high levels of technology, talent and tolerance. In other words, the classical ‘hard’ location factors would lose importance compared to the increasingly prized ‘soft’ location factors. The latter relate to the global atmosphere of the city such as the openness, the cultural and ethnic diversity.

Each of the three surveys conducted from 2007 to 2009 among the target groups of employees, managers and transnational migrants aimed at answering the following questions:

- What are the main drivers behind their decision to locate in the city where they currently live?
- What is the relative weight of hard and soft location factors in their decision-making process?

It appeared quickly that reasons related to what we called the **'personal trajectory'** and reasons linked to classical factors such as **employment** or studies opportunities were highly significant to explain the surveyed people's choice to settle at a particular place. Soft factors seemed to weakly influence their decision.

By compiling the results of the first quantitative survey conducted among employees in the 13 participant cities, we indeed found out that 55 per cent of the respondents were born in the city or metropolitan region where they currently live. The place where higher education has been achieved seems to play an even more important role in their location choice, as 63.6 per cent of the sampled employees obtained their highest degree locally, ie. in the city or metropolitan region where they now reside.

Taking into account this 'personal trajectory factor' – measured by the places of birth and studies of the surveyed – allowed us to give more insight to the issue of the attractiveness of a city. We could indeed differentiate the people who already had an anterior link with the city and those who had none. Considered as 'creative migrants', the latter only represent 25 per cent of the sample. For them as for the rest of the sample, **the job-related hard factors, play the most dominant role in the selection of a place of residence.**

**Soft factors** only play a very marginal role to attract creative knowledge workers to a city, as only nine per cent of the people coming from outside the region cite this type of reason in a first position. They seem however important to retain them on the long term. Indeed soft factors tend to have more importance if respondents are living in the city for more than one year. As an opposite the role of hard factors is continuously decreasing with the time spent in the city. This result implies that hard factors work more as a reason for mobility (why coming), whereas soft factors are more the reason to stay (why not leaving the city).

Qualitative surveys among managers and employers in creative and knowledge industries confirmed the major role of hard factors, especially the availability of a skilled labour pool, which is often correlated to the presence of higher education institutions in the region. Access to clients and supporting services is also crucial and depends on the size of the city as well as on an efficient transport system. Entrepreneurs also insisted on the quality of the working environment and their professional networks for succeeding in their business.

The presence of universities and higher education institutions constitutes the major attraction factor for transnational migrants. Employment opportunities come up as an important reason to settle in the city. The drivers behind the decision to stay also relate to personal links (friends, family). We could also notice the relative importance of a strong image of the city as centre of creativity (Milan, Barcelona...) or centre of technology (Toulouse, Helsinki...).

These first outcomes thus do not confirm R. Florida's hypothesis of a highly mobile 'creative class'. On the contrary, the highly skilled creative and knowledge workers surveyed within the ACRE programme tend to have a rather sedentary way of life. And, whenever they move, their mobility is rather driven by classical hard factor, most of the time related to employment. Our results rather confirm those of Storper and Scott (2009: 161): *'most migrants – unless they enjoy a private income or are able to capitalize on some purely personal talent that can be practiced anywhere – are unlikely to be able to significant numbers from one location to another unless relevant employment opportunities are actually or potentially available.'*

### 2.1.2 *Some elements for the debate on urban competitiveness*

According to our results, the size of the city, the quantity and quality of transport infrastructures, and above all the studies and job opportunities act as a significant driver behind the decision to settle in a certain region. The respondents are also heavily tied to their native and family environment or to the place where they have studied and built their social networks. On the other hand, soft factors are clearly not influential to directly attract creative and knowledge individuals – employees, entrepreneurs and transnational migrants – in a city. However this does not mean that they have no importance at all for the surveyed, especially to retain them on the long term. Several observations related to the ‘quality of life’ can be drawn from the empirical results and put into relation with current debates on urban competitiveness.

- **Evaluating hard and soft factors...**

First attempts of comparison between the 13 cities show a strong heterogeneity of the results, which can be explained by the differences of local conditions. In general, dissatisfactions are clearly expressed on what refers to material aspects of the city such as dwelling, transports, cleanliness of the streets etc. This can be put into relation with the crucial issue of the development pathway of each city, which is one of the dimensions to be taken into account for a typology. Conditions for success seem different in cities with a strong or a discontinued path. We could indeed notice a lower satisfaction with facilities and urban infrastructures in general among people living in ex-socialist cities of Sofia, Riga, Budapest and Poznan. But the situation also differs according to the level of infrastructure and the position of the city as a national or regional capital. The size of the city also has to be thoroughly considered in the way that it might offer more potential personal relations. Along this line, the presence of strong universities well integrated into the city’s life appears to play a major role as pre-condition to the formation of further social networks. Let’s also mention that a positive evaluation on one or several aspects of the city’s environment does not necessary mean that the surveyed are not worried about the evolution of the city. In Munich for instance, the transport system and a large number of urban facilities and services are judged very efficient but the surveyed tend to be pessimistic on the city’s future in general.

Soft factors seem to be much more difficult to evaluate than hard factors. Here it is important to distinguish between different types of soft factors. On the one hand there are conditions which policies cannot do anything, which relates to the natural assets of the city such as its location in a favourable natural environment or the sunny climate it enjoys or not. On the other hand, there are factors like openness and tolerance that can be more or less easily promoted or improved on the long term by the mean of political decision.

- **No specific expectations of the ‘creative class’?**

The fact that the surveyed’s concerns do not differ much than those of the rest of the population is one important statement that we can draw from the empirical results. This contradicts again R. Florida’s on the idea of specific needs of a specific ‘creative class’. For instance, worries about the availability of jobs and affordable housing are pregnant in most of the surveyed cities. Concerns about the efficiency of the urban transport system and the

related issues of traffic congestion and air pollution, but also safety issues are important for a large part of the respondents. Moreover the above underlined role of soft factors as *retention* factors tend to confirm that policies should not only focus on the attractiveness of the city for a ‘creative class’ coming from outside but should be oriented towards inhabitants who already live and work in the city.

This leads to consider the complex issue of urban policies and the integration of various, often contradictory objectives such as the need to increase competitiveness, tackle social exclusion and preserve environmental resources.

The risks associated to policies focusing on economic excellence relate to the growth of social and spatial disparities within urban areas. This is one of the critics made to Florida’s theory (Malanga, 2004; Peck, 2005; Scott, 2006). The elitism associated with the concept of ‘creative class’ also tend to live down the debate about social polarisation associated with economic restructuring. For instance, Thanki and Jefferys (2007) describe the informalised labour market of the media industries in London and show how the need for personal contacts to find work and the precariousness of the workforce have reinforced the dominance of the industry by a white middle-class elite.

- **The issue of scale**

The ‘competitiveness-cohesion’ binary, which is at the heart of the current debates about policies, has been scrutinised in a recent book in relation with a European research project running between 2004 and 2007 (COST<sup>2</sup> Action A26). The authors insist on the rescaling process that has gone hand in hand with globalisation – characterised by open markets, removal of barriers for trade, investments and migration of labour. Cities have become ‘key territory for current capitalism’ and ‘place competition has become a key driver of spatial and urban policy’. At the same time, cities and regions are forced to redefine their objectives, their means, their institutions and their positions as socio-political units (Ache et al., 2008: 7).

The new meanings of the local and regional systems have been pointed out in a context of globalisation and it has been concluded that this should not be regarded as separated from global processes (Musterd and al., 2007). The analysis highlights the need to take into account the city, the city-region and the wider regional scale, both in geographic and in political-administrative terms, as well as the need to consider ‘*smaller areas (sometimes neighbourhoods with specific characteristics) which either do or do not fit the requirements of residents and firms and thus demonstrate dynamic economic transformation or fail to do so*’ (Ibid: 30).

The new importance of cities and regions in the global economy and the re-scaling process it entails let the neighbourhood appear as a new object of attention. One of our results relates to the idea that if soft factors do not influence people’s choice to settle in a particular city, they might determine why they choose a certain district within an urban area (Martin-Brelot et al., 2010). This idea could at last be put into relation with the differences we found between creative and knowledge workers. The first ones seem to be more demanding in terms of cultural offer and social environment and the second ones more sensitive to hard factors. This

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<sup>2</sup> COST is an intergovernmental framework for European Co-operation in the field of Scientific and Technical Research.

has probably implications for policy makers who wish to favour a certain type of industries or individuals. Particularly in terms of scale, interventions on neighbourhoods might be more adapted to the needs of creative people, whereas strategies at the metropolitan and / or regional level might better suit a strategy targeting the development of knowledge intensive activities.

On the basis of the outcomes of this analysis and the surveys that have been carried out in the previous Work Packages, as well as on the basis of the synthesis reports which have been written, current policies and strategies are confronted with actual dynamics in the regions involved. Attention is paid in particular to the institutional dimension and the role of organisations (governments, trade associations, large companies, universities, citizen movements etc.) and the mode of governance in a comparative perspective.

## **2.2 Governance approaches and methodology**

The purpose of this sub-section is not to review in details the different governance approaches and methods but to highlight key issues regarding comparative studies and identify a common ground for a comparative analysis of case studies.

The nature and scope of this research phase should be taken into consideration: it primarily involves a policy documents analysis, a study of governance arrangements in the field of economic development as well as interviews of stakeholders. The research mainly relies on existing knowledge and expertise of the topic under consideration and on previous research conducted by the researchers on every case study.

### *2.2.1 The diversity of governance concepts and theoretical approaches*

Over the past decades a number of theories and approaches have been developed within what has been referred to as a shift of paradigm from government to governance. Prominent urban governance approaches include the American 'growth-machine' and 'urban regime' theories (and the related notion of 'urban growth coalitions') (Stone, 1993; Stone, 1989; Elkin, 1987; Stoker, 1995). Those approaches rely on the notion of 'policy networks' which is based on the (contentious) assumption that political processes are not controlled by state actors alone and that governing increasingly depends on the interaction of public and private actors (Davies, 2002). Policy network analysis has been described as '*attempts to explain policy development by examining networks of actors concerned with a given policy problem, across the public and private sectors and throughout different levels of governance*' (Mikkelsen, 2006: 17-18). Whilst all analyses use the network as unit of analysis several approaches have been developed (Ibid.). The term 'policy network' can also be understood as '*as a generic label that embraces different forms of relations between state actors and private actors*' (Kriesi et al., 2006: 341).

### 2.2.2 *Governance in creative and knowledge industries*

Despite their very different production conditions and marketing structures, the cultural and creative industries display characteristic features that are reflected in specific forms of governance. Micro-companies and/or project-based structures with a large portion of freelancers dominate. Some rare sub-areas are heavily dependent on state funds (theatres, even film industry). As a whole, the cultural economy is a high-risk area with extreme fluctuations in market success. Besides, creative industries lack organisational basis and industry associations that could serve as negotiation partners. In these particular conditions, traditional ‘top-down’ governance approaches seem hardly adequate. Establishing leadership in structurally unstable situations requires a more flexible, less hierarchical approach. Attention should be paid to intermediaries such as ‘culturepreneurs’ (Lange, 2007) or ‘creativity brokers’ (Bilton and Leary, 2002) that can mediate between agencies and creative industries.

The knowledge industries are far more institutionalised and rely on growth coalitions that often associate public agencies, big businesses and industry associations. Furthermore, long established policies and structures are critical (Hall, 2004). These sectors are less flexible, characterised by a strong inertia. Emerging spin-off companies and spillover effects are far from exceptional. The importance of educational assets in a given city for the progressive development of knowledge-intensive industries makes them more dependent on the support of public structures; top-down governance approaches are much more frequent (and might be more relevant) in that area than in that of the creative and cultural industries.

### 2.2.3 *The difficulty of conducting comparative studies*

The comparative study of policies and strategies raises a number of theoretical and methodological issues that have been summarised as follow within the context of a study of two German and two U.S. cities<sup>3</sup>: ‘*an over-dominance of deductive approaches, the lack of explicit methodological guidelines and the less than rigorous application of what has become a multitude of overlapping theoretical concepts*’ (Gissendanner, 2003: 3).

Whereas it is acknowledged that deductive studies make a valuable contribution to theory building, it is also pointed out that the use of different concepts for qualitative descriptions inhibits case comparisons. In addition prominent urban governance approaches such as the ‘growth-machine’ and ‘urban regime’ theories in particular are said to provide few explicit methodological guidelines and the authors that applied them do not usually specify the methodology they use, which also makes the comparison difficult<sup>4</sup>. Finally, the concepts used by the researchers may differ from the one originally defined in the source texts (Ibid.).

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<sup>3</sup> This study aimed at analysing the different ways in which cities responded to de-industrialisation and at exploring why some would respond in a relatively more strategic fashion.

<sup>4</sup> In addition to the fact that these theories are based on the U.S experience and context and do not necessarily fit the European ones.

According to some scholars the dominant urban governance approaches present some shortcomings as well. The urban regime theory has been criticised in a number of aspects: its focus on political management and arrangements of internal governance coalitions and its failure to move beyond 'middle-level abstractions'; its tendency to overlook the role of higher level governments; a rigid and static conceptualisation of the division of labour between state and the market and the subsequent underestimation of the potential role played by the local state and community-based organisations in capital accumulation; as well as a narrow vision of the private sector that does not take into consideration small businesses as increasingly vital actors in the post-industrial era (Imbroscio, 1998; Gissendanner, 2003). Other criticisms of the urban regime theory underline the fact that it does not take into consideration the discursive dimension of partnerships and the power relationships (this is particularly relevant in urban regeneration policies, see Atkinson, 1999). The 'growth machine' approach has been criticised for its emphasis on the business communities and land use decision-making. Scholars also argue that the efficacy of local political structures and formal politics is not adequately considered and that the connections between the local state and the national state are neglected (Fox Gotham, 2000). Both approaches have been criticised for their underestimation of local political conflicts.

The relevance of approaches in term of 'policy networks' in the context of European cities has also been critically explored (see Davies for an analysis of the inadequacy of the term 'governing by networks' to describe the politics of urban regeneration in the UK). The debates revolve around the role and influence of public actors, in particular the national state, in sub-national affairs. The relative prevalence and power of 'autonomous governing networks' in different political systems is also put into question (Davies, 2002).

Following these shortcomings some authors have called for a more inductive approach that requires qualitative methods 'that better uncover structural details of governance networks in ways that are less dependent on particular general concepts or on a logic of data selection that is independent from particular cases. Case study data must also be presented in ways that ease comparison' (Gissendanner, 2003: 6).

We propose to adopt such an inductive approach in order to describe and analyse simple structural aspects of networks through a set of common questions.

#### *2.2.4 Defining a common ground for comparative work*

Again, we have chosen to present a set of common questions to be answered in every case study rather than a single theoretical approach (see Appendix: Elements to address the types of interactions between stakeholders). A broad definition of 'policy network' is proposed (see the same appendix). This set of common questions builds on various analyses of networks that have been developed to analyse European policies (Kriesi et al., 2006; Peterson and Bomberg, 1999; Peterson, 2003; Rhodes, 1990, 1997).

The aim of this analysis is to identify and describe networks structures and functioning, including:

- The stakeholders involved in the definition and implementation of economic development policy, including identifying who is the most influential.
- The nature of their interactions.
- How and to what extent the structure and functioning of coalitions and networks ‘may explain policy choice, democraticness, strategicness, openness to new policy ideas, effectiveness, and so on’ (Gissendanner, 2003: 15).

### 2.2.5 Methodological approach in the Barcelona Metropolitan Region

The methodological strategy of this research primarily consists of two techniques: field work through interviews with key agents, and bibliographical exploration. Furthermore, the data obtained through these two techniques are confronted with the results reached in earlier phases of the ACRE project.

The bibliographical analysis is based on the study of three types of documents: relevant literature, to frame the object of study from a theoretical perspective; analysis of technical documents, and; analysis of policy documents, in order to focus on the specific policies, projects and programmes in the BMR. Some quantitative data dealt with specifically for this study are also included from public statistics sources.

**Table 2.1 - Interviews**

Companies, universities and representatives	Hangar. Visual Arts Production centre.	Director (P.S)
	Trànsit projectes, cultural management firm	Responsible for innovation, transference and development (J.P)
	Barcelona Chamber of Commerce, Economic Studies Department	Director (J.R.R)
	Chamber of Commerce, Culture and Heritage	Director (X.C)
	University of Barcelona	Vice-rector of Scientific Policy (T.A)
Local governments	Cultural Administration, Barcelona City Council.	Responsible for international relations (J.P)
	Barcelona Institute of Culture	Responsible for the Programme (M.M)
	Barcelona Activa. Programme “Do it in Barcelona”	Delegate (J.M)
	Barcelona City Council Delegation of Culture	
	Terrassa City Council, Economic Promotion	Responsible (M.P)
	Sant Cugat City Council, Economic Promotion, B-30 Consortium	Deputy (J.J)
Regional government	Cultural Industries Institute (ICIC)	Director (A.LI)
	Generalitat de Catalunya	
	Department of Culture, Communication and Media	Director (LI. N)
Partnerships of institutions and local actors	Strategic Plan of Barcelona	Associate coordinator (J.C)
	BioCat. Consorci de la Bioregió.	President (M.B)

Source: Own elaboration

The fieldwork includes 15 interviews with qualified informants (see Table 2.1). All of the interviews were recorded and afterwards literally transcribed in order to continue the process of compilation of information, content analysis and comparative analysis of the qualitative information extracted. The interviews were of an open structure but there was a series of key themes which were dealt with in each session. These were: the role of creative and knowledge-intensive sectors in the strategic lines of the region; policies and programmes for the consolidation and promotion of the creative and knowledge-intensive sectors; coordination between different levels of government and coordination on policies for the attraction and retention of talent, and; advantages and obstacles found in the BMR in relation to the consolidation of the sectors of the new economy.

We may divide the types of actors interviewed into three groups: firstly, actors who directly receive these policies and who depend on them for their development, for example, cultural management firms; secondly, policy-makers, those who design strategies and implement the policies both at the local and the regional level; and, lastly; partnerships between organisations: that is, private and public institutions that partially study, advise and react to, said policies.

These are the interviews realised in the present study. However, in the first phase of the ACRE project (Pareja-Eastaway et al, 2007), a series of interviews were carried out with members of Local Partnerships in the BMR. The majority of these LOPs carried important weight in the design of political strategies in the BMR, in their implementation and management.

Apart from some of the institutions interviewed, in the present study interviews also took place with: the Innovation Unit of Barcelona Activa Local Development Agency, 22@ Innovation district, Research Unit on Economic Activities, Employment and Promotion, and CIDEM Centre of Research and Entrepreneurial Training in Foreign Economic Promotion. This material extracted from the first and earlier fieldwork has also served to compliment the results of the present study.

## **3      EVOLUTION OF THE URBAN ECONOMY AND CURRENT POLICIES IN THE BMR**

### **3.1    Characteristics of the urban economy**

In this section we will analyse the general characteristics of the urban economy of the BMR and the economic strategies and policies at work there. Following a previous report (Pareja et. al., 2007), we will concentrate on creative and knowledge activities, their evolution and their role in the economy of the region. We also bring up to date the state of these activities. Furthermore, we will analyse the existing policies in the BMR, the strategic visions and proposals and the ways to achieve the main targets in the region.

The 1990s was a period of profound changes in the economic pattern of the BMR. Likewise, the social transformation that had been initiated in the previous decade continued and intensified. After the Olympic Games, urban restructuring of the city proceeded, and references to the “Barcelona Model” began to emerge.

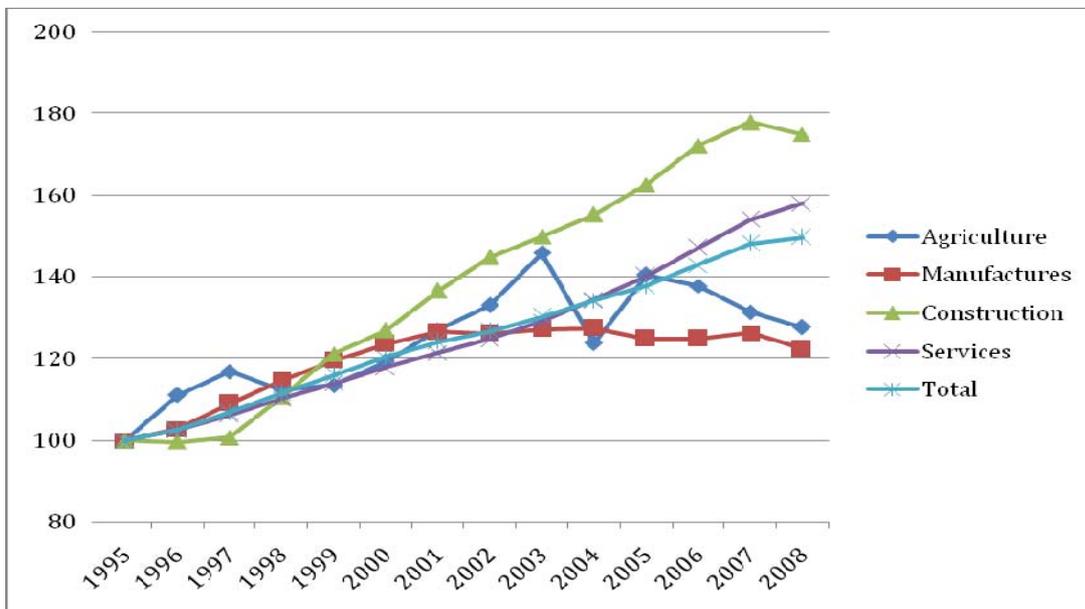
The 1992 Olympic Games created various opportunities for Barcelona: the full opening-up of the city to the exterior, important urban regeneration and the reorientation of the economy of the city and the region. The changes already glimpsed in previous decades suggested the need for a new model of urban economic development based on the emergent scientific and technological revolution. This new model should generate new forms of production that must be accompanied by urban transformations (Trullén, 2001). The objective, thus, is the substitution of the development model based on the traditional manufacturing industry for a model in which creativity and knowledge are closely involved with urban development (Barceló y Oliva, 2002). From this perspective, the Metropolitan Strategic Plan, created in 1988, began to work on the design of an economic development strategy for the city, with the prospect of the year 2000 and an emphasis on growth and economic transformation of the BMR during the 1990s. In the first Strategic Plan of Barcelona, passed in 1990, the City Council began to mark out the lines of the master proposal: the participation of all social agents in the regional economy and social transformation and knowledge as factors for economic growth in the region (Pareja-Eastaway et. al, 2007). But the development prospect has broadened its horizons and has drawn a lot of attention to the BMR. The first Metropolitan Strategic Plan, passed in 2003, also centres attention on aspects such as innovation as a means to improve productivity, as well as on sustainability, from the environmental perspective, and on the role of culture as an element which contributes to the strengthening of social cohesion.

The crisis in 1993 had a strong impact on the manufacturing industry, such that between 1993 and 1995 there was a large growth in unemployment in Spain and the BMR. The subsequent economic expansion generated a period of economic growth that lasted until 2007, in which the BMR and the Spanish economy experienced significant employment creation, in both

cases with average growth rates of more than 3 per cent. In figure 3.1 we see economic growth by sector in the BMR, in which the growth of the construction and service sectors is highlighted as greater than said average and moderate growth is seen in other sectors, especially manufacturing ones that experienced stagnation from 2001. This was, to a large extent, provoked by export difficulties owed to the introduction of the Euro.

In correspondence with this economic growth, employment in the province of Barcelona increased 56.5 per cent between 1995 and 2008, creating more than 900,000 jobs, which suggests an average yearly rate of around 3 per cent, similar to that of economic growth. More than 70 per cent of said jobs have been generated in activities corresponding to the services sector in general, whose employment increased almost 60 per cent, and in construction, whose employment doubled. Employment in the manufacturing industry, on the other hand, only grew 25 per cent. In 2008 a sharp drop was produced in the construction sector, thus only the services sector has continued to maintain economic growth with stable rates during the entire period, continuing the development initiated in previous periods.

**Figure 3.1 - Evolution of sectorial GDP in the BMR (1995 = 100)**



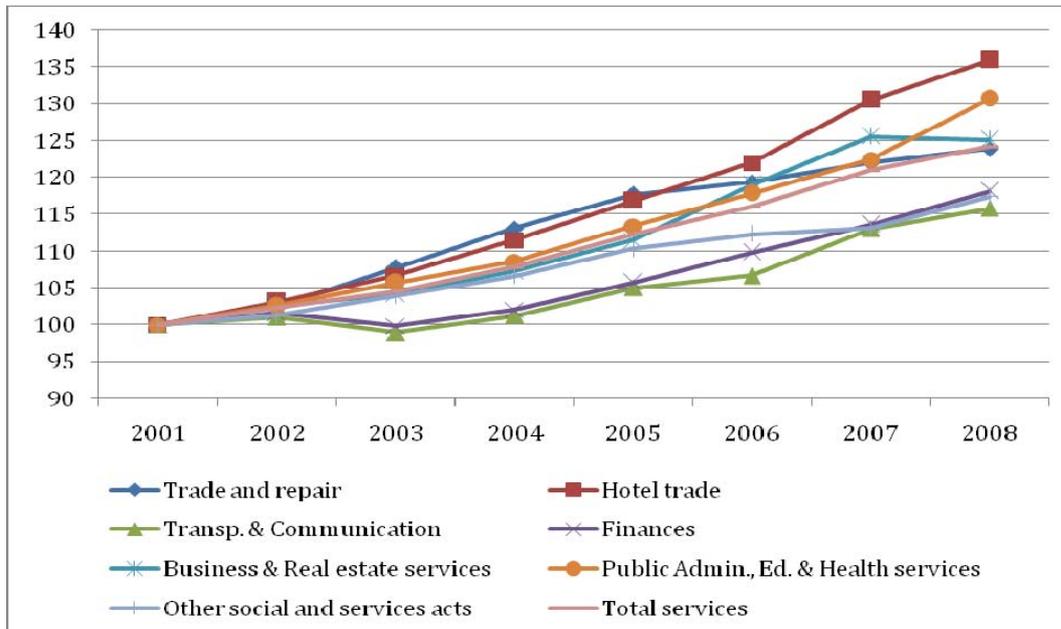
Source: *Anuari Economic Comarcal*

As much as within the provincial boundaries as within those of the BMR, the high economic growth and the growth in employment in the aforementioned period were accompanied by a low level of growth in productivity. This is explained by the predominance of the growth of the construction sector and of part of the services activities, in general having low productivity and lower qualified employment.

Figure 3.2 shows the evolution of the GDP of the services sectors within the BMR from 2001 until 2008. In said figure we see notable growth in some knowledge-intensive activities with high creative content. So, the growth of the hotels sector responds to the high growth of tourism in Barcelona, but during recent decades it has also acquired significant relevance in relation to the restaurant industry, an activity of obvious creative content in which Catalonia, and the BMR, have become a worldwide point of reference. The activities of “Public

Administration Services, education and health”, which includes “R&D and higher education”, and “Business and real estate services”, which includes “Law and other business services”, experienced growth above the average in services between 2001 and 2008, although in the first case the real estate crisis determined the fall of this grouping of activities in the last year. Finances, as with transport and communication, which include the ICT sector, experienced less growth than the average, with a drop in its activities between 2002 and 2003, as a consequence of the crisis in the technological sector from 2001.

**Figure 3.2 - Evolution of GDP of several service sectors in the BMR (2001= 100)**



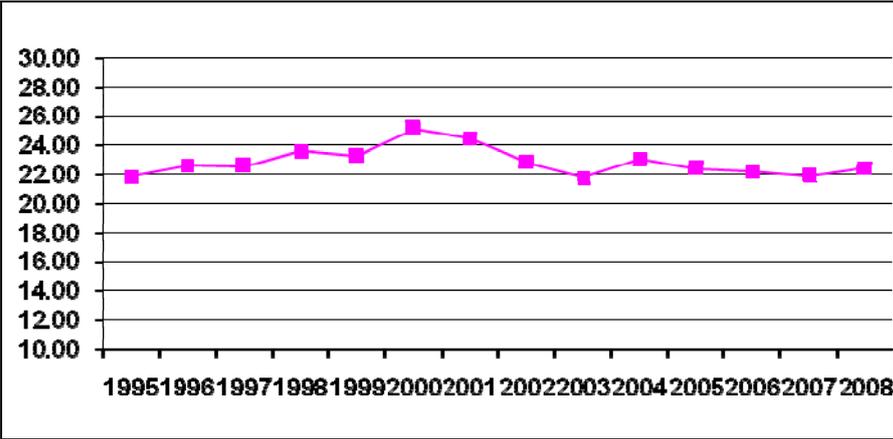
Source: *Anuari Economic Comarcal*

The current economic crisis has caused a sharp drop in employment, especially in the construction and manufacturing sectors. It has also caused a sharp drop in investment and consumption, in these and in other activities. The financial difficulties caused by the crisis have spread to all sectors and more companies have reduced their activities or have gone bankrupt. The credit crunch particularly affects companies that are financed by venture capital, like many innovative companies in the sectors analysed. Moreover, the drop in demand has affected all sectors, especially activities such as advertising and other consumer goods sectors. But perhaps the activities that could be more affected by the crisis are the cultural and creative activities. Indeed, the extent of government deficit will impose restrictions on their expenditure, which will affect social needs first. Therefore, it could lead to significant reductions in spending on cultural and creative activities in which governments have an important role. In other words, government priorities in the near future should be on social necessities, such as unemployment, and if it is possible, the increase of productivity, meaning an emphasis on knowledge.

3.1.1 Creative and knowledge activities in the Barcelona Metropolitan Region

The magnitude and diversity of the economy of the region can reduce the importance of the activities we have considered to be creative or knowledge activities. Thus, Figure 3.3, which shows the evolution of the relative weight of the employment in said sectors above overall employment, shows a slight growth equivalent to 0.5 percentage points in the period 1995-2008.

**Figure 3.3 - Employment in the creative and knowledge-intensive sectors above overall employment in the province of Barcelona (in %)**



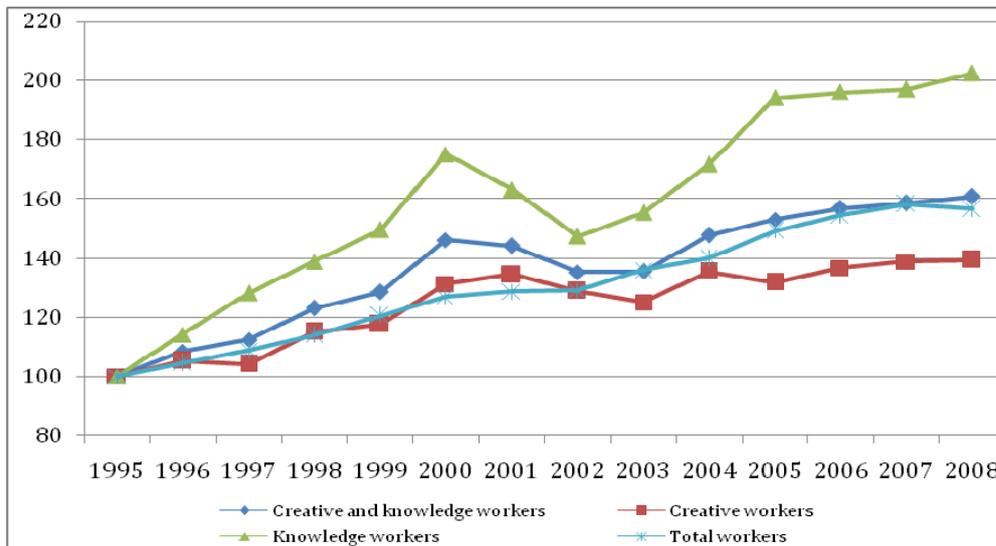
Source: INE

As we can see in the following graphs, using data on employment trends as a measure of economic activity implies more fluctuations in the data series than if a different data series, for instance, sectoral added-value, was used. This is more pronounced in cases such as the Spanish economy, in which a high percentage of temporary unemployment has been an important adjustment mechanism of sectoral employment and economic activity. Therefore, a significant portion of fluctuations in economic activity in some sectors is explained by this cause.

Nevertheless, the data showing the employment that has been generated in each one of said activities leave no doubt as to the importance of creative and knowledge activities in the BMR. Indeed, the growth of the creative and knowledge sectors in the province of Barcelona, measured by job creation, has been higher than the average growth of the combined economic activities in the province, as can be seen in Figure 3.4. The knowledge-intensive sectors doubled their employment from 1995 to 2008 in Barcelona, exceeding the 246,000 jobs in 2008, after experiencing a notable recession as a consequence of the technological sector or dotcom companies' crisis between 2001 and 2003. Employment in creative activities has grown some 40 per cent during the same period, below the average growth of the combined economic activity. As we will see below, part of the low growth of these activities is related to the fall in manufacturing activity in one of these sectors, that of "Designer Fashion", which is defined as a mixed sector, combining design and clothing, which has experienced a significant fall in this latter manufacturing activity.

The economic crisis in the technological sectors in 2001 and 2002 caused a sharp downturn in knowledge-related activities, particularly in ICT and Finance, as we can see in figures 3.4 and 3.5. Moreover, that crisis also affected the creative industries, for two reasons. Firstly, by the general decline in activity, and secondly because of the economic and technological relationship between technological fields and some creative industries, especially “Computer games, software and electronic publishing”, “Publishing” and “Advertising”.

**Figure 3.4 - Evolution of total employment and employment in creative and knowledge sectors in the province of Barcelona (1995 = 100)**



Source: INE

In short, during the period 1995-2008 all creative and knowledge activities in the BMR have experienced higher growth than the overall economy of the region. This is particularly relevant because this has been a period of uninterrupted economic growth with a clear role for fast-growing sectors like construction.

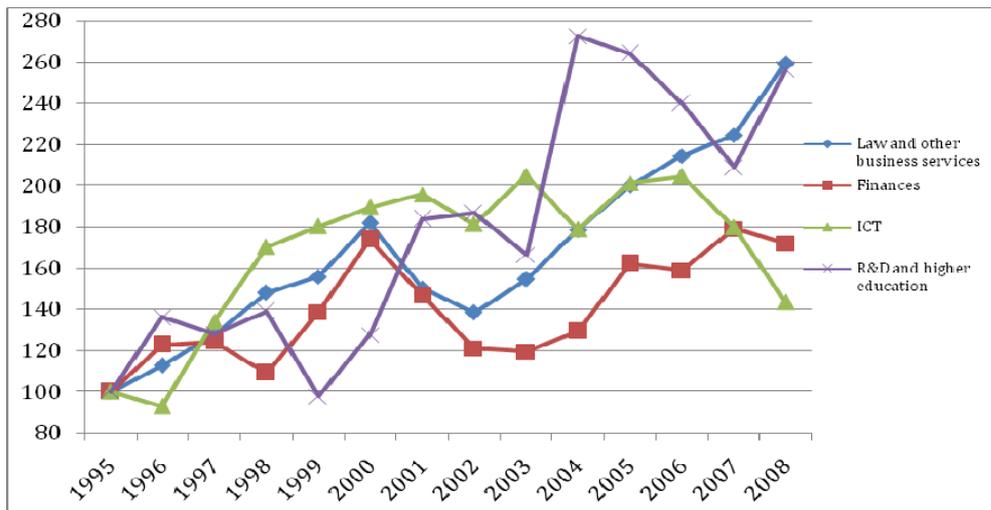
### 3.1.2 Knowledge-intensive activities.

Converted into a strategic objective since the end of the 1980s, knowledge-intensive activities experienced an important development during the period of 1995 to 2008 in the province of Barcelona, even with notable fluctuations, as can be seen in figure 3.5. The Figure shows the evolution of employment in knowledge sectors with significant fluctuations and a generalised increase. The fluctuations can be explained, apart from statistical discrepancies, by the types of employment contracts that exist in Spain, which determined that over thirty per cent of workers were on temporary contracts, which causes fluctuations in employment. In all of the sectors, except in ICT, employment growth has been higher than the average growth in the economy as a whole; only the ICT sector seems to have entered a crisis since 2006, although the fall in employment in said sector seems to respond more to its own dynamics than to the effects of the economic crisis.

The financial crisis that started in the USA in 2007 is going to have an immediate effect on the finance sector in the BMR, particularly in the case of savings banks, which are in a process of concentration and restructuration of their activities, which will mean a fall in their activity. Also, there may be a certain risk in terms of “R&D and higher education” activity, which employs more than 32,000 people, because of the repercussions that the fiscal adjustment may have on the public financing of R&D activity.

However, the sector which continues to grow in a sustained way is that of “Law and other business services” which in 2008 employed more than 100,000 people and continues to maintain positive growth expectations in Barcelona and its region. The magnitude of the development of this sector must be valued in relation to the importance of its direct implication on the enrichment of the business and industrial fabric, particularly in high added-value activities. If in general the BMR comprises 85 per cent of the economic activity of the province and the region of Barcelonés comprises 50 per cent of the BMR, we must bear in mind that in the case of the knowledge-intensive sectors, above all “R&D and higher education” and “Law and other business services”, the concentration of its activity amply exceeds said percentage above the total of the BMR and the province. The city of Barcelona concentrates the most added-value activities in the service sectors, as we will see in due course with regard to the 22@ district.

**Figure 3.5 - Evolution of total employment and employment in the knowledge sectors in the province of Barcelona (1995 =100)**



Source: INE

### 3.1.3 *Creative sectors*

Creative industries in the Barcelona Metropolitan Region are based mainly on the cultural sector which has growing importance especially in the city of Barcelona. As we will see later, one of the main difficulties when analysing the cultural sector is to assess the degree to which culture contributes to the economic development of the metropolitan territory. The cultural industry sector itself poses a problem in terms of definition, measurements and indicators. There are other important creative industries based on ICT or media industries.

With the creative sectors, the “Arts/Antiques” and “Designer Fashion” sectors are those that employ most people in Barcelona, containing, between both, around 47 per cent of employment in the creative sectors; but they are the most dynamic activities among these sectors (Figure 3.6). In particular, the “Designer fashion” sector has experienced a significant drop in its activity during the last fifteen years. However, this drop is not attributable to the creative activity of the sector, but to its manufacturing activity which has continued the tendency to outsource, locating activities in other countries. The Arts/Antiques sector in general is comprised of a high number of businesses that as a whole present a great deal of heterogeneity, which makes its combined cataloguing and analysis difficult. In general, it has followed an evolution in some ways similar to that of commercial activities.

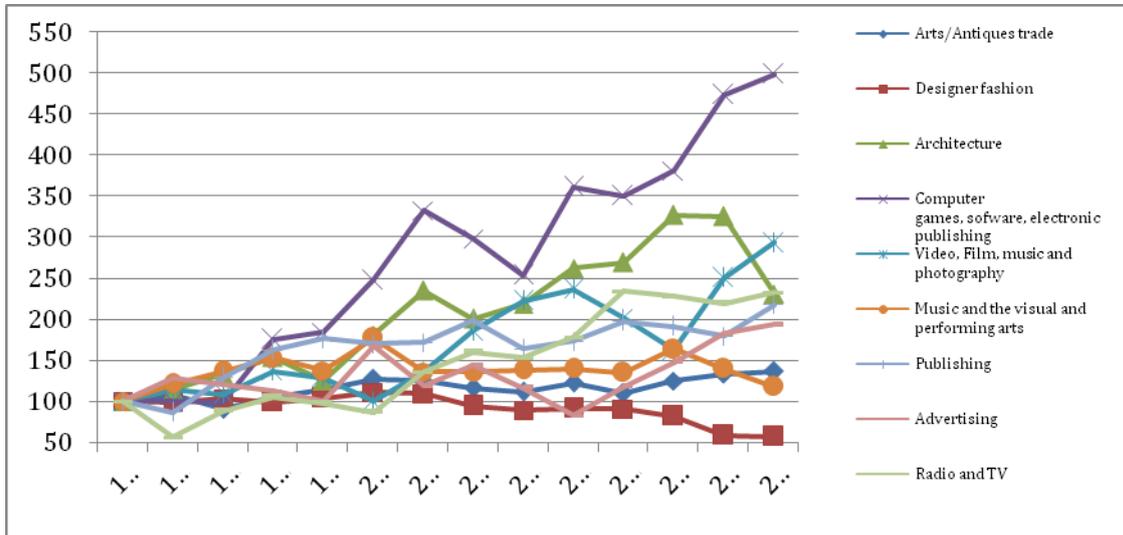
The case of sectors such as “Computer games, software and electronic publishing” is remarkable as they have quintupled their activity. We are dealing here with one of the activities with the greatest expectations of future development in Barcelona, together with “Video film, music and photography” or “Publishing”, activities which have experienced the highest growth in employment and that unite characteristics that have their roots in the industrial tradition of the BMR. Indeed, new technologies have come closer to the companies of these sectors in the way in which they participate with a common element of the solid tradition of the BMR, as is the case with design and plastics activities. Thus, big publishing companies, like Grupo Godó, Grupo Planeta, Grupo Editor RBA, or Grupo Zeta, also participate in the realisation of digital products through their multimedia activities. The relation of some activities in the publicity sector with those of the “Video, film, music and photography” sector is evident and it has found a creative environment in the BMR. Some of these activities have been promoted by the development of the audiovisual communication media in the region, which in recent years has experienced a notable growth in radio and TV stations in the local and regional area.

This combination of activities is also related to another traditional sector with considerable growth in the BMR. In some aspects there exists a certain ‘clustering’ between this last sector and the previous ones, in that “Advertising” companies are important in terms of demand, in some cases such as radio and TV almost exclusively, of companies from the rest of the aforementioned sectors. The economic recession, which is causing a reduction in the activity of the “Advertising” sector, will also cause a drop in the activity of some of these other sectors.

In architecture Barcelona is one of the international points of reference, with prestigious professionals who have contributed to the generation of an innovative environment. Nevertheless, its growth during the period 1995-2008 has been influenced to a large extent by

the general real estate boom in the country and in the BMR, in a way in which the crisis has caused a drastic drop in employment.

**Figure 3.6 - Evolution of total employment and creative sectors employment in the province of Barcelona**

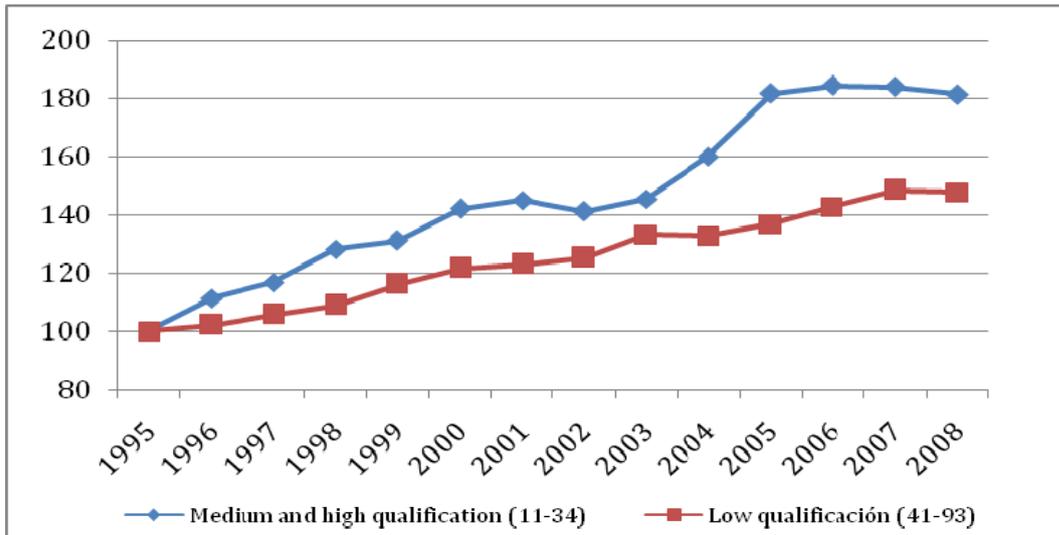


Source: INE

As noted earlier, the BMR has a diversified economy with an industrial structure through strengthening the existence of dynamic sectors. Moreover, many of these sectors have been able to evolve using the opportunities offered by new technologies. The result, in many cases, has been the emergence of the phenomenon of clustering among firms that came from traditional activities, such as the publishing sector. The existence of clusters allows for the enhancement of the economic activity of the sectors and companies that participate in them and also constitutes an effective instrument for the development of a common strategy as well as sectoral policies.

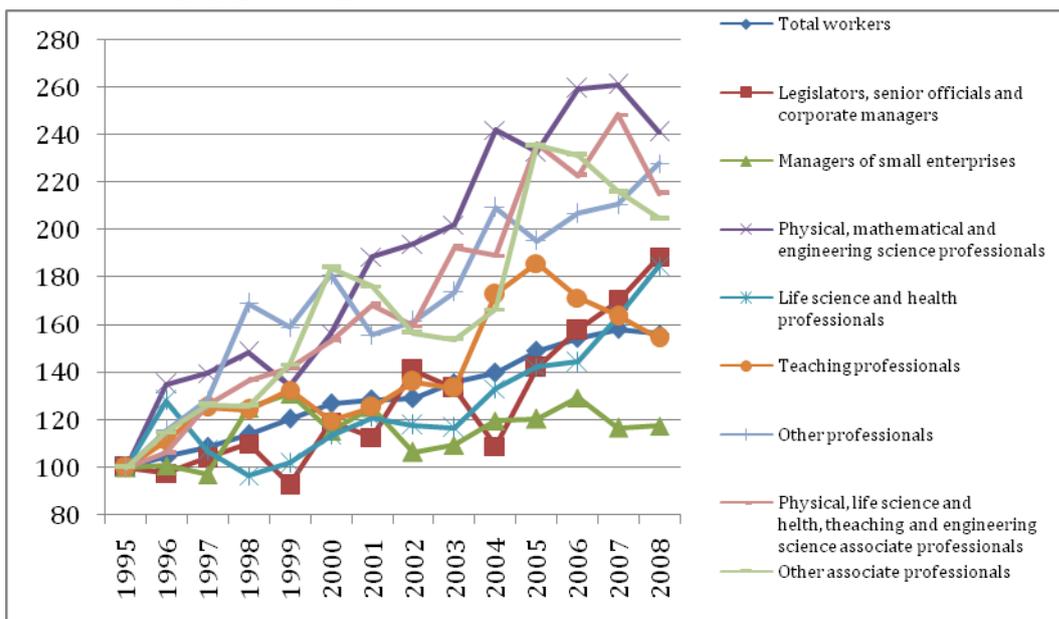
### 3.1.4 Employment by type of occupation.

Figure 3.7 shows the evolution of employment by type of occupation in the province of Barcelona. The number of medium and highly qualified employees has grown more than 80 per cent from 1995 until 2008, while the number of low-qualified employees has grown less than 50 per cent. These data acquire more relevance if we bear in mind the high number of jobs created in Barcelona during the considered period, as we have seen previously, and shows a clear tendency in the BMR towards highly qualified, knowledge-intensive and added-value activities and jobs.

**Figure 3.7 - Evolution of employment by level of qualification in the province of Barcelona**

Source: IDESCAT

Among the medium and high-level qualification occupations (Figure 3.8), the growth of engineering jobs and related activities, biomedical sciences and professional activities in general are highlighted, as in highly qualified jobs in the public administration which experienced growth above the average level. Said evolution contrasts with the moderate growth in the number of managers of small businesses. Despite the effects of the economic crisis on small businesses, this is a sign of the orientation of economic activity towards new services and knowledge-intensive activities and a greater number of independent professionals, to the detriment of small traditional manufacturing companies that have been harmed by the macroeconomic environment.

**Figure 3.8 - Evolution of employment by type of occupation in the province of Barcelona: medium and highly qualified persons**

Source: IDESCAT

Many of the highly-skilled workers have been trained in one or more of the seven universities that exist in the BMR, which are also a factor in attracting talent through postgraduate programmes and research masters. Most of the universities in the region are involved in activities related to clusters driven by the regional government and local governments. Universities and other research institutions have also had an active role in the development of long-term strategic plans in the region.

## **3.2 Analysis of economic strategies and policies**

### *3.2.1 Formulated strategies/visions for the future and ways to achieve the ambitions*

Knowledge and innovation are main elements of the policy agenda of the regional and local authorities in the Barcelona Metropolitan Region since the 1990s. As we have seen in previous sections, the Spanish economy suffered a large shift with the entrance to the European Community that was followed by a crisis in 1993 that deeply impacted the manufacturing industry. Although in 1995 a new period of economic growth started, both the city of Barcelona and Catalonia as a region started a long term strategy for the modernisation of their industrial structure towards the knowledge economy. Thus, although the 22@ project started in 2000, the idea to transform the former industrial district of the city into a knowledge-based industries district appeared as soon as 1995. Moreover, most of the projects under consolidation now were planned during the second half of the 1990s.

These efforts of planning for the future of the region took place in the context of the 1993 crisis and after the success of the Games. The celebration of the games changed the scopes and objectives of Barcelona and since then one of the main objectives of the city was to become a co-capital of Spain together with Madrid, and a relevant city in the European network of cities.

Since 1992, Barcelona started to attract tourism and investments from abroad, which certainly contributed to the economic growth in the period 1995-2008 and to the tertiarisation of the economic structure of the city. Nevertheless, regional and local authorities considered that a long term strategy was necessary to ensure a central role for the region in the 'new economy'. Given that the region lacks a single metropolitan government, a wide array of policies and programmes were launched in different municipalities and at the regional level to promote the entrance to the new economy. As we shall see in detail in the following chapters, the main tool to consolidate long-term strategies in the metropolitan region has been the strategic planning approach, which was introduced in 1990 and which has been widespread since then.

At the local level, in Barcelona direct projects like the 22@district started to develop in parallel to a new approach to cultural policies with a new focus: culture is not only a citizenship right that fosters social cohesion but a way to promote citizens' ability to innovate and to adapt to the knowledge economy (Rodríguez Morató, 2008: 53). For that reason, after the Olympic Games culture and cultural policies began to play a role in different fields such as urban regeneration, tourism or creative industries. Thus, the city of Barcelona starts a wide, long-term strategy based on the adaptation of the city to the knowledge economy and the

promotion of knowledge industries. It is important to point out that until the end of the 1980s Barcelona was still an industrial city vulnerable to the industrial crisis and that in a short period, between 1986 and 1992, transformed its main economic patterns.

Although the city of Barcelona's transformation towards services was rapid, the heavily industrialised municipalities of the metropolitan region found it more difficult to adapt to the knowledge economy. The increasing trends in globalisation, starting in the 1970s and deepening with Spain's entrance to the EU in 1986, had a deep effect on one of the main industrial sectors, the textile industry, which could not afford the competitiveness of the emerging countries. Besides, the automobile industries were deeply affected by the industrial crisis of 1993. Most of the expelled workforce was absorbed by the service sector without added-value. The strategies at local level were focused on diminishing the effects of the industrial crisis. Only in the late 1990s the main municipalities of the region like Sabadell, Terrassa or Mataró started to develop similar cultural policies to Barcelona. In this regard these cities have recovered their industrial heritage creating industrial museums and promoting local cultural institutions. In this sense there has been a spill-over effect from the policies of the main city to the rest of the cities of the metropolitan region.

Apart from the strong involvement of all government levels in the celebration of the Olympic Games, the collaboration between local authorities in the metropolitan region and the regional government was scarce during the 1990s. Since the arrival of democracy in 1979 and until 2003 the regional government was controlled by the nationalist party *Convergència i Unió*, which defended a 'national' approach balancing the role of Barcelona with the rest of Catalonia. Barcelona City Council, on the contrary, wanted more protagonism for the city and for the metropolitan region. This explains a certain lack of efforts in coordination between the two tiers of government and the relative autonomy of initiatives. Since 2003 there has been a more integrated approach with a national plan for innovation and research and the promotion of cultural industries at regional level.

This long-term strategy for innovation was complemented by the creation of new transport infrastructures such as the high speed train connecting Barcelona with Madrid and Paris or the new airport terminal. The plans for the construction of these new infrastructures involved all the government levels but were promoted by the national government which started the construction of some of them as early as the second half of the 1990s.

It is important to point out that all these developments for knowledge and innovation took place in a national context of economic growth based on low productivity patterns of production and the strong role of the construction sector. With the burst of the speculative bubble in 2008 Spain has entered into a severe economic crisis that will pose constraints on the development of the creative and knowledge industries. Nevertheless it seems that Barcelona, and to a lesser extent the whole metropolitan region, is better positioned to foster the crisis thanks to long term strategies adopted in the 1990s. Most of the infrastructures and projects, such as the 22@ project or the creation of scientific parks, are in a final stage or have already started to generate economic growth, and the modernisation of transport infrastructures is producing an impact as well.

Nevertheless, all these policies and approaches have to adapt to the context of the economic crisis, in which unemployment and public deficit are the main problems that governments have to face. Thus, the crisis, and its unexpected impact in terms of employment destruction, is modifying part of the aims and objectives focused on competitiveness and promotion of the creative and knowledge economy. Instead, social issues and social cohesion is appearing in the media and policy agenda and is transforming the aims of strategic plans. In the near future 'an increase of productivity patterns' will be a priority in policies and plans. Although different governments play a key role in this shift to face the crisis, the involvement of social and private actors through strategic planning allows for different approaches to economic rebirth. In the next chapter we analyse the relation between actors and the way that strategic planning is developed.

### 3.2.2 Existing policies

This section aims at explaining the main policies and programmes<sup>1</sup> implemented at the BMR. They are separated according to the institutional body responsible. The aims and objectives are diverse as they target from cultural industries to small and medium enterprises working in the knowledge sectors. First, policies designed at the European level (other metropolitan regions in Europe can benefit as well). Secondly, policies addressed from the Spanish central government followed by those configured in the regional government. Finally, special attention will be paid to local initiatives and also to joint efforts from associations of local bodies of a diverse entity (*Consortiums*).

**Table 3.1 - Existing creative/knowledge promotion policies, programmes and entities at work in the BMR<sup>2</sup> (Key: P = Programme; SP = Strategic plan; I = Institution; C = Consortium)**

Institutional Level: European Union					
Context	Policy	Type	Aims & objectives	Means	Resources
<b>Competitiveness and Innovation Framework Programme (CIP) - €3.6 Billion</b>	Entrepreneurship and Innovation Programme (EIP) - €2.17 Billion (2007-2013)	P	To support innovation and SMEs in the EU.	EU Financial Instruments; Enterprise Europe Network; Initiatives to foster entrepreneurship and innovation; Support for policy-making	Access to finance for SMEs; Network of business and innovation services centres; benchmarking initiatives and exchange of best practice.
	Information Communication Technologies Policy Support Programme (ICT-PSP) - €107.479 million (2009)	P	To stimulate innovation and competitiveness through the wider uptake and best use of ICT by citizens, governments and businesses, particularly Small and Medium-sized Enterprises (SMEs).	Pilot projects: STORK; PEPPOL; eGovMoNet; PEP-NET; ECRN; Egos; creating wider market opportunities and better services for SMEs.	Will open a wide range of new business opportunities in particular for innovative SMEs.

<sup>1</sup> It is not an exhaustive list but the main instruments (in terms of funding) are considered.

<sup>2</sup> When available, the time frame of budgets (whether for a specific year, or across a period of several years) is specified.

Mainly, the policies for the development of the new economy implemented in the BMR from the Central Government are granted directly from the ministries (Table 3.2). The Ministry of Science and Innovation has a relevant role in subsidising policies of this nature. Mostly, this refers to programmes of economic support for research and development. However, in relation to capital, the Ministry of Economy provides greater investment in the dissemination of policies linked to the development of high value-added sectors, above all in programmes for innovation in the business ambit. There are also strategic plans prescribed from the central level, although the strategic lines are not directed solely towards the BMR but to the country as a whole. In this sense, they emphasise the National Plan of Scientific Research, Development and Technological Innovation and the National Science and Technology Strategy.

**Table 3.2 - Existing creative/knowledge promotion policies, programmes and entities at work in the BMR (Key: P = Programme; SP = Strategic plan; I = Institution; C = Consortium)**

<b>Institutional Level: National – Central Government of Spain</b>					
Context	Policy	Type	Aims & objectives	Means	Resources
<b>Ministry of Science and Innovation - €5,381.75 Million (2009)</b>	Interempresas Programme - €46.5 million	P	To improve competitiveness between small and medium enterprises and micro-enterprises and their experience in technological cooperation.	Direct support of business R+D, Support to sectoral innovation in manufacturing, support to innovative start-ups, and support to risk capital.	Grants, loans, risk capital, support services.
	CENIT Programme - €172 million (2008)	P	To stimulate R&D and Innovation collaboration amongst companies, universities, public research bodies and centres, scientific and technological parks and technological centres.	Public-private research activities, Fund for Funds Programme, Torres Quevedo Programme	Private venture capital, incentives.
	NEOTEC Initiative I & II - €25.7 Million (2008)	P	To promote and encourage the growth of technology-based companies	Financial support during initial phases and life cycle of technology-based companies	Loans and credit programmes
	CDTI Bank - €10 Million (2009)		To improve business competitiveness	Financial support for the entry of innovative physical capital to improve business competitiveness	Loans and credit programmes
	DDI Innoempresa - €500 million	P	To improve the innovative capacities of SMEs	Financial support programme for SMEs	Loans and credit programmes
	CONSOLIDER Programme - €66,800,000 (2006-2009)	P	To reach critical mass and research excellence.	CONSOLIDER projects, CIBER projects, 13 Programme	Financing, promotion, incentives.
	Ramon y Cajal Programme - €4,407,000 (2007-2008)	P	To increase the demand of researchers in the Spanish R+D system.	Subventions for contracting or the incorporation of researchers in R+D related activities.	Fiscal incentives; long-term contracts for university researchers.
	Programme to Encourage Technical Research (PROFIT) – €507,500,000 (2007-2008)	P	To foster R&D and Innovation mainly in enterprises.	Horizontal measures in support of financing, R+D cooperation, direct support of business R+D, support to innovative start-ups.	Support, financial aids, grants, loans.

Table 3.2 continued

<b>Inter-ministerial Commission of Science and Technology</b>	National Plan of Scientific Research, Development and Technological Innovation 2008-2011 - €5,5 Million	SP	To improve business competitiveness promoting the creation of knowledge and R+D+i	R+D+i projects, strengthening of institutions, infrastructure, internationalisation of the system	Financing of research projects, reduction of bureaucratic complications
	National Science and Technology Strategy 2007	SP	To promote R+D+i making it a factor in the improvement of business competitiveness	Infrastructure, public-private cooperation, creation of new technology-based companies, favourable legislation for the development of science and technology	Financial resources for researchers, promotion of science and technology parks, prizes and awards for achievements in the area.
<b>Ministry of Economy and Treasury</b>	ICO Entrepreneurs - €100 million	P	To create new companies and new professional activities	Financial support for new companies and activities	Loans and credit programmes
	ICO SME - €10,000 million	P	To promote SMEs	Financial support for specific actions and complementary needs of SMEs	Investment financing and credit programmes
	Plan Avança - €5,000 million	P	To promote the application of ICTs in business processes	Financial support for businesses to incorporate ICTs	Loans and credit programmes
<b>Ministry of Industry, Tourism and Trade - €6,885 Million</b>	CEIPAR Programme - €15,000,000	P	The creation of innovative technology-based companies located in scientific and technological parks.	Support to technical innovation in manufacturing, support to innovation in services, support to technology transfer between firms, support to innovative start-ups.	Support for innovative technology-based companies; innovation poles, networks and incubators.
	National Innovation Company (ENISA): - €100 Million (2010)	I	To reinforce the financial structure of innovative SMEs.	Participative loan, investment in capital risk entities, support for technology-based companies and SMEs	Financing and loans
<b>Ministry of Culture - €867.2 Million (2010)</b>	Sectoral Support - €12.4 Million	P	To strengthen innovative cultural industries, to guarantee access to culture and, to encourage creation, institutional collaboration and international cooperation.	Support to cultural sectors: music, dance, books, fine arts, historic heritage, etc.	Financial support for specific cultural sectors.
	Financial aid, grants, subsidies, incentives, etc. - €10.4 Million	P	To encourage the creation and consolidation of innovative companies.	Promotion of and financial support for creation of cultural companies and training in the cultural industries.	Grants, subsidies, incentives, promotion.

In the implementation of economic development policies from the regional level, the departments of the government are not the only ones that directly apply the programmes (Table 3.3). There are also figures such as public companies or other public entities present in the consolidation and management of these programmes. There are even special Councils created to promote specific economic sectors that should reinforce new economic development models. For example, the CONCA (National Council of Culture and the Arts), which promotes and organises policies for the development of the cultural sectors. The departments of the regional government that have a more direct involvement in the consolidation of the sectors that concern us are those of Economy, Employment, and Innovation and Universities, all of which directly manage programmes and act on development in research and the consolidation of companies. The Department of Culture acts mainly through intermediary public entities such as those mentioned. A clear example in this case would be the Catalan Institute of Cultural Industries (ICIC) which is in charge of policies supporting cultural companies.

**Table 3.3 - Existing creative/knowledge promotion policies, programmes and entities at work in the BMR (Key: P = Programme; SP = Strategic plan; I = Institution; C = Consortium)**

Institutional Level: Regional – Regional Government of Catalonia					
Context	Policy	Type	Aims & objectives	Means	Resources
ACCIÓ – Support Agency for Catalan Business Competitiveness - €32 Million (2009)	InterACCIÓ 2009 - €300,000.00	P	To stimulate innovation and internationalisation	Space for interviews, meetings, workshops, debates, forums and the provision of expert advice	Expert advice, networking
	L'Anella	P	To provide strategic knowledge and boost business competitiveness in Catalonia	Web portal for business knowledge and platform for networking	Audiovisual informative capsules, studies, reports, virtual knowledge community, networking
	XIP Programme - €208,000 (2009)	P	To create knowledge and financial resources for innovative businesses in their initial phase	Creation and coordination of networks so private investors can contribute financing, knowledge and contacts to new businesses	Networking, contacts, knowledge, private investors
	NEBT Loans Programme - €1,000,000	P	To participate in the financing of the creation of new technology-based companies and to facilitate the development of technology-based business projects	Boosting entrepreneurial culture and the production of technology transfer through the supply of loans for technology-based companies	Loans
	Innoempresa - €500 Million (2007-2013)	P	To boost innovation in the Catalan business sector	Innovation projects that promote new products, processes or methods of organisation or marketing and commercialisation, technology-boosting projects, R+D+i projects	Financial support for SMEs in the industry, construction, tourism and service sectors. Intermediary organisations for the realisation of support activities for the SMEs in these sectors

Table 3.3 continued

<b>Department of Innovation, Universities and Enterprise (DIUE) - €30 Million (2009)</b>	Management Agency of University and Research Incentives (AGAUR) - €600,000.00 (2009/2010)	I	To execute the policies of the Commissioner for Universities and Research of the DIUE with special attention on grants and incentives.	The execution of grant programmes, loans, subsidies and other activities to promote university study, scientific and technical research and technological innovation. Provision of technical and professional support for entities in the scientific and technological field	70 personnel, financial support, 3,710 experts to evaluate Catalan research, professional and technical resources
	Artesanía Catalunya - €1.37 Million (2007)	P	To finance and promote the authenticity of artisanal activity in Catalonia	Promotion and incentives directed towards artisanal companies and associations, schools of art and trades, and public and private institutions related to artisanal activity	Financial support, incentives, education.
	Office of Business Management (OGE)	I	To concentrate in a single point all the procedures that affect an industrial activity, resolve the procedures quickly, and to be a reference and entry point for businesses when dealing with administrative procedures	'Catalogue of Procedures', advice and guidance	Information, advice, speedy resolution of administrative procedures
<b>Catalan Institute of Cultural Industries (ICIC) - €64,580,743.17 (2008)</b>	Financial tools; Subsidies - €48,115,886.10 (2007-2008)	P	To encourage production, distribution and promotion in specific cultural sectors.	Culture Credit; Refundable contributions; loans; Subsidies directed at specific sectors, eg. Audiovisual; books; music; the performing arts, etc.	Financial aid for companies in the cultural industries sector; subsidies.
	Council of Culture and the Arts (CONCA) - €13.5 Million (2009)	I	To promote the creation, production and exhibition of the performing arts, visual arts, audiovisual, music and editing	Subsidies and non-refundable incentives in these sectors	Financial support, subsidies, non-refundable incentives
<b>Inter-departmental Council for Research and Technological Innovation (CIRIT)</b>	Catalan Research and Innovation Plan 2005-2008 - €60 Million	SP	To position Catalonia as one of the leading countries of Europe in research and innovation	Implementation of an integral public policy, involving public and private agents working in conjunction, fostering the development of a society based on knowledge and entrepreneurship	Support funding for research groups, grants, employment opportunities, risk capital funds, private investor network
<b>Department of Economy and Finance</b>	Avalis de Catalunya	P	To facilitate long-term financing for good business investment projects	Improving the financing conditions of SMEs, negotiating with Financial Entities, Public Administrations, and Business Associations.	Financial and technical support, Avalis Emprén
<b>Department of Employment</b>	Xarxa Inicia	P	To promote the creation and consolidation of new companies	Inicia Loan, financial agreements to facilitate the creation and consolidation of new companies	Loans, credit programmes
<b>Regional Government of Catalonia and Barcelona City Council</b>	BIOCAT	C	To convert the biotechnological and biomedical sector into an economic motor and to improve the quality of life of the population	Cluster, strategic training, attraction of talent, promote the innovative and competitive capacity of companies, increase international visibility and projection of the bio-cluster, connect people to the bio-community	Cluster, advice, financial aid, access to networks

In the case of the BMR, we must highlight the importance of the local governments as promoters of projects linked to the new economy. The level of consolidation of the new economic development sectors will depend to a large extent on the strategy, political willingness and resources of the municipalities. In the case of the city of Barcelona, there is a bet on culture and innovation as axes of urban development. This translates into the creation of different organisms created by the City Council for the consolidation, implementation and management of these policies (Table 3.4). For example, in the field of creation we must emphasise the role of the Institute of Culture of Barcelona (ICUB), created for the management of the cultural services and to facilitate the emergence of the cultural sector as a key axis of development in the city. The ICUB produced the Strategic Plan of Culture and the majority of public programmes for the promotion of the creative sectors such as the “Factories for creation” or “la Capella”, a space dedicated to the exposition of emerging art, depend on this institution.

On the other hand, the city’s bet on the knowledge sector translates into the consolidation of the urban innovation district, 22@. This district emerged from a cluster where knowledge-intensive activities are strategically concentrated. But the 22@ is not just a part of the city but also a public entity which depends on the City Council and from which different programmes for urban and economic innovation in the city are managed. These are programmes linked to the business world, the attraction of talent or the promotion of innovation.

As will be explained in due course, in the BMR, and by extension in Catalonia, there is a long and successful trajectory in the implementation of strategic plans. Strategic planning works mainly at a local, municipal and supra-municipal level, but the government also uses this instrument at the regional level. In relation to the sectors dealt with in this study, it is important to mention the Catalan Research and Innovation Plan for the complete coordination and implementation of research and innovation policies in Catalonia. At the local level, the Strategic Metropolitan Plan of Barcelona and, in the case of the central city, Barcelona, the Strategic Plan of Culture and the Strategic Plan of Tourism, are worth highlighting. Furthermore, it must be mentioned that the large majority of municipalities of the metropolitan area count on their own strategic plans, which sometimes involve consortiums between various municipalities or between public and private entities (see Tables 3.4/3.5 and section 4.2).

**Table 3.4 - Existing creative/knowledge promotion policies, programmes and entities at work in the BMR (Key: P = Programme; SP = Strategic plan; I = Institution; C = Consortium)**

Institution Level: Municipal – Barcelona City Council					
Context	Policy	Type	Aims & objectives	Means	Resources
<b>Barcelona Activa – Barcelona's Local Development Agency - €26.5 Million (2007)</b>	Creamedia	P	To promote the creation and growth of companies in the creative industries sector	Training sessions and personalised advice	Training and advice
	InnoActiva	P	To support companies that develop R+D+I activities. To improve the access of Barcelonese companies to public aids directed to R+D+I activities	Specialised support and advice for SMEs, supporting cooperation between universities and business, promoting access to financing	Advice, processing of aids and subsidies and support for justification before the diverse administrations and public institutions
	Do it in Barcelona	P	To attract entrepreneurial, creative and research talent from all over the world and to help with their successful establishment in the city	Website acts as an entry point for talented individuals, offering advice, information, job offers and digital tools. Resources also available on arrival	Personalised itineraries, Glories Entrepreneurship Centre, Guides, Incubation spaces, Researcher's guide, Online job search engine
<b>ICUB - €117 Million (2009)</b>	Factories for Creation - €23.4 Million	P	To promote the transformation of Barcelona into one of the great cultural capitals of Europe	Provision of spaces for creators in old unused industrial spaces in different parts of the city	Space for creativity
	Strategic Plan of Culture of Barcelona: New Accents 2006	SP	To promote and encourage proximity, quality and excellence in the city's cultural production, and a more connected cultural ecosystem	Series of programmes: Barcelona Laboratory; Culture, Education and Proximity; Barcelona Reading City; Barcelona Science; Programme for Intercultural Dialogue...	Promotion, funding and support for those in the cultural sectors.
<b>22@Barcelona: Innovation District - €180 Million</b>	22@Staying in Company	P	To promote a strategic environment for the attraction and development of talent	Various programmes to attract and connect with international students: 22@MASTER; 22@BECAT; 22@FP; MIT-SPAIN; 22@MBA	Provides innovative companies of the district with the opportunity to incorporate the best national and international students in training
	22@Innovation	P	To promote innovation in the district	Specific programmes to generate sophisticated demand	Allows SMEs access to new clients and markets demand
	22@Network – Association of Companies and Institutions	P	To participate actively in the process of development and consolidation of the 22@ district	Development of activities and services for the associated companies and institutions	Advice, meeting points, workshops, networking.
	22@Capital	P	To become a point of reference for the financing of innovative business projects	Promotion of a network of alliances between different private financing sources, allowing for the connection of business projects with high growth potential	Network of private investors and risk capital
<b>Barcelona City Council, Mediapro Group, University of Pompeu Fabra and 22@Barcelona</b>	Barcelona Media Park - €80 Million	C	To create a privileged space for the development of the media sector	Barcelona Media Innovation Centre, Communication Sector Interpretation Centre, technical and office space, incubation services, education	Space, proximity, technical equipment, Business Incubator

**Table 3.5 - Existing creative/knowledge promotion policies, programmes and entities at work in the BMR (Key: P = Programme; SP = Strategic plan; I = Institution; C = Consortium)**

<b>Institutional Level: Local - Consortiums</b>					
Context	Policy	Type	Aims & objectives	Means	Resources
<b>Terrassa City Council and the Regional Government of Catalonia</b>	Catalan Audio Visual Park - €70 Million (approx.)	C	To boost the competitive capacity of the Audiovisual industry	Centralisation of the industry; provision of services, equipment and infrastructure for those in the sector	Space, services, equipment, infrastructure, training
<b>Sabadell City Council and the Regional Government of Catalonia</b>	The City of Music - €3,348,376	C	To consolidate the city as a national and international reference point for musical creation and production	Theatre space, associations, music schools, phonographic library archive	Space, proximity, Technical Advisory Committee
<b>City Council of Santa Perpétua de Mogoda and the Incasól Consortium</b>	PDU Gallecs - €36,233,000	C	To configure the implantation of new economic activities in knowledge and R+D	360,000m <sup>2</sup> of space, creation of an estimated 3,300 new jobs	Space, infrastructure and job possibility.
<b>City Council of Sant Cugat de Vallés; ESADE; La Caixa, Caixa de Catalunya; Caixa de Manresa; Caixa de Sabadell and the Business Association of Sant Cugat</b>	ESADE Creapolis - €9,500,000	C	To stimulate and promote business creativity and innovation	Creation of an ecosystem of businesses from different sectors practicing "Open Innovation".	Proximity, meeting rooms, spaces, jobs, education.
<b>City Council of Cerdanyola del Vallés; Catalá del Sól of the Regional Government of Catalonia and the Urban Consortium of the Directional Centre of Cerdanyola del Vallés</b>	Cerdanyola Directional Centre Science Park - €1,500 million	C	To improve the innovation capacity and international image of Catalonia	Scientific equipment, concentration of institutions and companies, infrastructure, public services, housing	Space, jobs, proximity, housing.
<b>City Councils of Cerdanyola del Vallés, Rúbí and Sant Cugat del Vallés.</b>	Catalan Innovation Triangle (CIT), B-30 Consortium - €73,479 (2008), €74,640 (2009)	C	To improve the conditions of local companies, encourage economic growth, and improve the quality of life.	Joint actions in telecommunications infrastructures, education/training, business financing and support for entrepreneurs	Science and Technology parks, financial support, training.

**Table 3.6 - Existing creative/knowledge promotion policies, programmes and entities at work in the BMR (Key: P = Programme; SP = Strategic plan; I = Institution; C = Consortium)**

<b>Institutional Level: Other/Independent</b>					
Context	Policy	Type	Aims & objectives	Means	Resources
<b>Vantoureis S.L. Company; investment from Tesila, Provasa and Solbages</b>	Sabadell Business Park - €250 million	C	To create a zone of economic, industrial and tertiary activities	Urban transformation of a 115 hectare surface for industrial uses, offices, businesses and infrastructure	359,000m <sup>2</sup> for industrial and tertiary activities, approximately 350 companies to locate, estimated 9,000 new jobs
<b>Barcelona Chamber of Commerce; participating with various entities</b>	Barcelona Chamber of Commerce	C	To offer services to companies and entrepreneurs and to improve their competitiveness	Internationalisation of companies, promotion of innovation and ICT use, training, advice.	Information and advice, financing services.
<b>Catalan Network of Science and Technology Parks (XPCAT); 22@Barcelona</b>	Femtalent: Promotion of Equality	P	To make the companies of the Network of Science and Technology Parks (XPCAT) and society as a whole aware of the role, the talent and the contribution of women in science and technology	A space for meeting, information, exchange of ideas, good practices and proposals between key agents, men and women, interested in the promotion of equality in the parks of the XPCAT	Information, meeting space, ideas bank, coaching, fem.innovació course

***The case of the 22@ in the city of Barcelona: a top-down approach to the creative and knowledge economy:***

During the first years of the century Barcelona has tried to consolidate its position in knowledge-intensive activities, through the development of different projects in the fields of biomedicine, energy, ICTs, media and design, through the development and promotion of clusters in the 22@ urban district located in the city itself.

22@ was born in 2001 through the initiative of the City Council of Barcelona with a triple objective: urban innovation, economic innovation and social innovation. The economic development has been realised through the creation of clusters which have brought together activities based on two fundamental axes: the historic inheritance of economic and cultural development of Barcelona and possibilities for future growth. The clusters have been conceived from the participation of businesses, universities, research institutes or centres and reference spaces. The reference spaces have been created with the objective of promoting the interrelation between businesses and institutions established in the district, that is, with the objective of promoting networking.

The participation of the public administration consists of urban development and the provision of space for business activity, but also in the combination of activities which are essential for the invigoration of the clusters such as the actions aimed at attracting talent, through relations with national and foreign companies and entities, and the promotion of networking within the clusters and the district as whole through supporting the 22@ network. The latter is an association which brings together 66 members, among which companies such as Indra, T-Systems, Futurlink, Microsoft, Infomanía, Gaes, Ecotecnia, Informática, El Corte Inglés, and Yahoo are emphasised. As well as institutions such as the Universitat Oberta de

Catalunya (UOC), the Universitat Pompeu Fabra (UPF), the IL3 postgraduate centre of the University of Barcelona (UB) or Barcelona Activa (Barcelona City Council). Table 3.7 shows the structure of the clusters in the district.

**Table 3.7 - Structure of the clusters in the 22@ district**

	<b>Media</b>	<b>Energy</b>	<b>ICT</b>	<b>Tec Med</b>	<b>Design</b>
Companies	Mediapro, Barcelona TV, Lavinia, Cromosoma, Publishing group RBA	Endesa, Ecotècnia	T-Systems, Indra, Telefónica I+D, Casio, Orange, Yahoo Europe	Sanofi-Aventis, Novartis, Banc de Sang i Teixits	Estudio Mariscal, Morera Design, ADD+Arquitectura, Ruiz+Company, Torres&Torres, CDN
Institutions	Consell Audiovisual of Catalonia (CAC)	ITER, Institut of Research on Energy of Catalonia (IREC), Chamber of Commerce	DURSI, CMT, FBD, Localret	IBEC, DURSI	Barcelona Centre de Disseny Fundació Palo Alto
Universities	UPF, UB, UOC	UB, UPC	UB, UPC, La Salle	UB, UPF, UPC	UPF, UOC, BAU-Escola Superior de Disseny
Specific spaces	Barcelona Media Park, Imagina (MediaPro), Media TIC 22@ Interface Building	Campus services	Media TIC 22@ Interface Building, 22@ Living Lab	Parc Empresarial BIO	Palo Alto
Technological centres	Innovation centre Barcelona Media	CR Energy, CT Energy	Technological Centre TIC	IBEC	Technological Centre Leitat
Incubators	Incubator PBM	Incubator b_TEC	Edifici mediaTIC	Post Incubator Bio	-
Housing	Zamora-Almogàvers	Residence b_TEC	Zamora - Almogàvers	Zamora-Almogàvers	Pellaires
Divulagation	Fàbrica dels Media	Campus services	The House of the TIC	Parc Empresarial	

*Source: 22@*

Tables 3.8 and 3.9 summarise the results reached in the 22@ district during its eight years in operation. Presently there are 1441 companies installed in the district, 44.6 per cent of which are newly created, and many of which were born from Barcelona Activa's business incubator. The latter is an entity of the City Council of Barcelona. The number of jobs created exceeds 42,000, almost a third of the anticipated objective, 130,000. More than 73 per cent of those jobs develop in what are called @ activities, that is to say, knowledge-intensive; 90 per cent of these jobs are carried out in the four clusters of the district.

**Table 3.8 - Companies and employment in 22@**

Cluster	Main @ activity			@ Activities	
	Nº companies	Percentage	Nº workers	Business volume (Mill €)	Percentage
Design	385	26,7	4000	400	33
ICT	260	18,1	15000	2000	31
Media	203	14,1	4200	500	19
Energy	55	3,8	3500	500	6
Tec Med	52	3,6	1800	200	4
Other @	31	2,2	2800	200	-
Rest	486	33,7	11000	1500	7
Total	1441	102,2	42300	5300	100

Source: 22@

The jobs created are mostly of high-level qualification. In agreement with the data of 22@, the percentage of university graduates among workers in the district exceeds 50 per cent and is more than 56 per cent in the case of companies that realise @ activities. The ICT, Media and Energy clusters are those which register a greater number of university graduates among their workers (Table 3.9).

**Table 3.9 - Percentage of university graduates in each cluster according to its main activity**

Percentage of graduates	Main activity					
	ICT	Media	Tec Med	Energy	Design	Other
0	6,9	14,8	18,2	5	23,3	10
<25	5,9	13,6	0	10	9,3	20
25-50	10,9	4,9	36,4	10	9,3	10
50-75	11,9	13,6	4,5	15	15,3	20
>75	50,5	39,5	18,2	45	32	20
Ns/Nc	13,9	13,6	22,7	15	10,7	20

Source: 22@

In addition to 22@, there are also many projects, policies and programmes which include the territory of the metropolitan region in knowledge-intensive and creative activities (See Tables 3.4 to 3.9). Among the knowledge-intensive activities, the Barcelona Economic Triangle is worth highlighting. This project developed from cooperation between the Regional Government of Catalonia and the respective City Councils. It is constituted by three areas: the already mentioned 22@, the Llobregat area, and the Vallés area. The Llobregat area, situated in Viladecans, to the south of Barcelona, is dedicated to activities in the aero spatial sector and in mobility in general and it is equipped with diverse services facilities for the companies installed there, such as the wind tunnel and the aerodynamic tests laboratory. The Vallés area is constituted by diverse subareas in each one of which a certain type of activity predominates. The construction of a synchrotron in Parc Alba, which will begin operating in 2011, is highlighted, as well as other biomedical research centres (Health Park) and business parks (ESADE Creapolis). The coordination between the diverse types of projects is one of the aspects that will be developed, with the aim of promoting synergies and avoiding duplicities as much as possible.

The city of Barcelona constitutes a nucleus of development of creative and knowledge-intensive activities which require high levels of qualification and which incorporate higher added-value. Some of these activities are extending towards the rest of the BMR, overcoming the geographical barriers. In this respect, the model developed in the 22@ district is becoming a reference for other regional projects, which reveals Barcelona's leadership role beyond its municipal limits.



## 4 INSTITUTIONAL STRUCTURE AND GOVERNANCE ARRANGEMENTS IN THE BARCELONA METROPOLITAN REGION

### 4.1 Introduction

One of the main features of the institutional structure of the BMR is the relevant role of local authorities in the development of policies for economic growth and the lack of a coherent coordination mechanism of the different local authorities. Despite that, Barcelona leads the process of economic development and pushes for a major coordination of efforts between municipalities. Another major feature of the governance system of the BMR is the strong role of public authorities that create infrastructures and services to attract private investors to the region. This governance system must be understood as part of a broader system and institutional framework formed by the whole state. For that reason, in order to understand the governance structure of the Barcelona Metropolitan Region we will briefly analyse the national governance structure, taking into consideration the role of different tiers of government as well as the kind of welfare system of the state. The first element shows the structure of multi-level governance in Spain whereas the second one allows us to understand the role of different institutional actors in the decision-making processes. After this short analysis we will analyse the governance arrangements in the BMR, featured mainly by a multiplicity of actors and the leading role of the city of Barcelona. In this analysis we will take into consideration the role of the different public, private and societal actors in the development of policies for economic growth, and, more specifically, policies to foster the creative knowledge economy.

#### 4.1.1 *The governance system in Spain and in the BMR*

Since its creation in the nineteenth century, the modern Spanish State has been based on three main levels of government: the national government, the province and the municipalities. This model was based on the French system of *departements* and represented a strong role for the national government in decision-making and the development of policies. Provinces and municipalities depended on the national government and played the role of zones for the implementation of the national policies. This model prevailed throughout the nineteenth century and most of the twentieth, until the return of the democracy in Spain in 1977. In the new system provinces were able to confederate between them to create autonomous regions with a regional government with an elected body. Although the system was created initially to accommodate the historic communities of the country in the statehood (that is, to give autonomy to Galicia, the Basque Country and Catalonia), all of the territory became organised into autonomous communities. As a result of the increasing regionalisation process that took place during the 1980s and the 1990s, Spain's governance structure is based on a decentralised model of decision-making with 17 regions or *Comunidades Autonomas* with

different competences. The so-called historic Autonomous Communities (Catalonia, the Basque Country, Galicia and Andalucia) have a special status and are able to obtain more competences from the national government whereas there are two different ways for the rest of the autonomous communities. Thus, the transfer of competences is negotiated region by region. The result of this model is the increasing leadership of the regional level without institutional mechanisms or institutions for the coordination between national and regional governments<sup>1</sup>. For that reason Spain has a low level of integration between tiers of government (Garcia et. al., 2009), which determines the model of economic development. The role and the influence of the national level in the development of economic development policies is twofold. On the one hand it has an influence over competences through legislation. On the other hand, the central government plays a key role in the funding of a wide range of projects for economic development at local, metropolitan and regional level. In addition to that, until 2010 the national government has had exclusive competences on transport communications and infrastructures, both for its creation and management. Table 4.1 summarises the main tiers of government in Spain and its functions in terms of economic development.

**Table 4.1 - Levels of government in Spain**

Level	Form of election	Functions /influence	Name
National	General elections	Funding of projects at regional and local level, Creation and management of infrastructures and public transport	Gobierno de España
Regional (Autonomous Communities)	Regional elections and formation of a regional government	Development of economic development policies; Funding of projects	Generalitats, Consells, Juntas, Lehendekaritzas, ...
Provincial	Non-elected body formed by the city councils of the provincial municipalities	Advice and funding for city councils through different programmes	Diputaciones provinciales
Local	Local elections and formation of local governments	Economic development policies; Policies for social cohesion	Ayuntamientos

*Source: Own elaboration*

From 1974 and until 1987 the BMR had a metropolitan government, the metropolitan corporation, which embraced the then 162 municipalities in a coordinated government. Nevertheless, with the restoration of the Generalitat in the 1980s the metropolitan government –controlled by the socialist party– was seen as a counter power to the regional government –controlled by the Catalan nationalist conservative party CiU– and consequently, the Generalitat abolished it, with only some institutions for the coordination of waste, water,

<sup>1</sup> The Spanish senate, the territorial chamber forming the legislative power together with the congress, is based on provinces and not on autonomous communities, which hinders its efficacy. Moreover, the chamber has almost no power in the processes of legislation.

transport and environmental issues remaining. Since then the Metropolitan region lacks a coordination of mechanisms. Since the second half of the 1990s Barcelona City Council is pushing for the creation of a new metropolitan government. Although since 2003 the regional government is ruled by a coalition of left parties lead by the socialist party, this new metropolitan government has not been created yet.

In Catalonia this structure is overlapped with the Catalan structure of government, which is the organisation through counties or shires, *comarques*<sup>2</sup>. Thus, between the provincial and the local level there is an extra level of government with its own non-elected body and with similar attributes to the provinces. As has been said in the introduction of this report the Barcelona Metropolitan Region is formed by seven counties and is part of the province of Barcelona. As a result, in terms of government the Barcelona metropolitan region has different bodies, operating at different territorial levels:

- **Generalitat de Catalunya (regional government):** with its own budget, has exclusive competences in many fields and shared competences with the central government in others. As the ‘national government’ of Catalonia, the generalitat plays a key role as a funding body and as a leader in the development of consensus-building around economic development.
- **Diputació de Barcelona:** depends on funding from the national government and has no competences in policy-making. The Diputació has more than 60 programmes to support municipalities in different fields such as welfare, trade, tourism, economic development, education or environment amongst others (Diputació de Barcelona, 2009)
- **7 County councils or *Consells Comarcals*:** they have a weak role in the definition and implementation of policies. The regional government funds them and their function is to give advice and funds to the municipalities and the coordination of the policies in their county.
- **164 City Councils:** they play a major role in the definition and implementation of different policies, including economic development. The high number of municipalities hides the real structure of the region with a small number of cities led by Barcelona that are relevant economic centres, a second group of cities that concentrate population but are not very relevant in economic terms and a third group of municipalities formed by villages and small towns.

On the other hand, the configuration of the welfare state during the transition to democracy tried to ensure stability and gave relevance to social dialogue and the active participation of trade unions and entrepreneurs in the decision-making processes at national level, especially in those issues related with work and employment (Andreotti et. al., 2001: 56). The close link between economic development and employment creation has given the entrepreneurs associations and the trade unions a relevant role in economic development policies in the BMR. Moreover, the influence of the EU in promoting coordination at the local level has reinforced this trend (Rosetti, 2002). For that reason, the social agents play a role in the decision-making processes both at regional and metropolitan levels, and to a lesser extent, at local level.

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<sup>2</sup> In 2010 the new law on *veguerías* will reorganise the territorial structure of Catalonia. Inspired on the pre-borbonic model of Catalonia’s territorial division, the creation of the 7 ‘*veguerías*’ will mean the substitution of most of the functions of the province simplifying, governance in the territory. The BMR as a whole will form a single *vegueria*.

Moreover, the EU must be considered as another relevant tier of government where decisions take place. As several authors have stated, the EU has had a strong influence at the local level not only giving funding for the development of policies for economic development through the European Social Fund but also enabling a certain governance model in which consensus in the territory amongst different actors is key (Geddes and Bennington, 2001; Borghi and Van Berkel, 2007; Regent, 2002).

## **4.2 The Barcelona model of governance and its transformations**

### *4.2.1 The evolution of the Barcelona governance model*

Following a general trend in Western countries, in the BMR economic development policies take place mainly at local level. City Councils play a major role in the development of these policies, especially those that concentrate most of the economic activity and population. In these cities – Barcelona, Terrassa, Sabadell, L'Hospitalet and Sant Cugat del Vallès amongst others– there are strong economic promotion departments that at the same time try to engage economic and societal actors in the decision-making and implementation of policies through 'strategic planning', or the elaboration of shared mid-term strategies between the different actors of the city. As we shall see, strategic planning, started in the 1980s, allowed for outstanding hegemonic consensus about the future and the model of city in which both civil society and private actors were involved. This model allowed for the transformation of the whole city and its economy but came to a certain end in the first years of the twenty-first century.

As has been stated in chapter three, the development of this model that took place in the 1990s in Barcelona has been exported to the other municipalities since then. The early 1990s meant a turning point for Barcelona in terms of governance in which public-private partnership started to spread. During the 1980s Barcelona's governance system was based on a strong participation of citizens in the decision-making processes through the involvement of civic and neighbourhood associations. This collaboration 'between participative and representative democracy' (García 2008: 98) allowed for a major urban renewal of the city and the preparation of the Olympic Games in 1992. For many authors (Blackeley, 2005; Degen and Garcia, 2008, Calavita and Ferrer, 2004), this governance approach is behind the success of the Games and explains the emergence of a 'Barcelona Model' of governance. In this model there is not only a 'hegemonic consensus' between citizens and private actors at local level about the future of the city but also good coordination between the different levels of government, with collaboration between the local, the regional and the national levels. Thus, the 'Barcelona Model' allowed for a virtuous circle able to provide economic growth and social cohesion. As Rodríguez Morató (2008) has pointed out, the development of culture understood in a wide sense –schools, museums, civic centres– plays a central role in this model, guiding the physical regeneration of the city since then. The model allowed for a culture of collaboration between public and private actors under the leadership of the City Council.

#### 4.2.2 Strategic planning as a tool for governance

Nevertheless, this model has seen deep transformations in the last decade, and the hegemonic consensus has been eroded for different reasons. In the first place, since the second half of the 1990s private actors have tended to increase their leadership role in the development and planning of the city, hindering the involvement of the citizens. As Blackeley (2005) points out, the celebration of the Olympic Games meant the increasing leadership role of the real estate sector, and most of the time its interests were confronted with citizens interests. Secondly, the citizenship itself is under transformation with increasing fragmentation of interests and values, which hinders the capacity of cohesion and collective organisation of citizens, with a weakening of associations. Parallel to these processes, in 1995 a reorganisation of the city council towards managerialism and efficiency takes place. This reform is oriented towards a more efficient service delivery through new management and reinforces the role of the private sector in the delivery of services. At the same time the City Council tries to institutionalise civic engagement through different mechanisms such as the Municipal Action Plan (*Pla d'Acció Municipal*), a survey about the strategy for the city in the next years sent to the citizens, or the creation of participation mechanisms in the different districts of the city. Nevertheless, participation of citizens is open in certain policy issues, such as social policy, but not in economic development policies.

In the late 1980s the City Council of Barcelona adopted an approach based on “strategic planning”. The idea was to involve all the relevant economic and social actors of the city in the decision of the key elements of the city’s future. To do that, the City Council created a consortium that includes, as board members, the chamber of commerce, representatives of the main trade unions and entrepreneurs associations, the trade fair association, representatives of the port authority, and the University of Barcelona (see table 4.2 for a complete list of actors). The plan is developed by a private non-profit organisation, the ‘Strategic Metropolitan Plan’. From the very beginning, the agreed strategy for the future was the consolidation of the service economy through the tourism industry and the creation of new motors for growth based not only on tertiarisation but also on added-value activities (interview with Jordi Martí).

**Table 4.2 - Institutions participating in the Barcelona Strategic Plan of 1990**

<b>Institution</b>	<b>Kind of actor</b>
Ajuntament de Barcelona	Barcelona City Council (The mayor is the president of the consortium)
Comissió Obrera Nacional de Catalunya (CONC-CCOO)	Trade Union
Unió General dels Treballadors	Trade Union
Universitat de Barcelona	University
Foment del Treball Nacional	Entrepreneurs’ association
Cercle d’economia	Entrepreneurs’ association
Fira de Barcelona	Public company managing the events site of Barcelona
Cambra de comerç i indústria de Barcelona	Chamber of commerce
Autoritat portuària	Port authority managing the harbour of Barcelona

*Source: Own elaboration*

Since 1999 strategic planning has been based on a metropolitan perspective integrating different City Councils apart from Barcelona. This approach tries to foster the coordination of actions between municipalities of the region and to frame a common strategy for the future. The metropolitan strategic plan started in 2003 and integrated different metropolitan agencies –such as the metropolitan transport authority– and representatives of the rest of the municipalities. In this new metropolitan approach the main aim was to foster productivity through innovation with an increasing role of culture and sustainability. Figure 4.1 shows the evolution of strategic planning in Barcelona in the last 22 years.

**Figure 4.1 - Evolution of general strategic planning: from municipal to metropolitan planning**

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1988	First meetings for the development of a strategic plan at local level
1990	1 <sup>st</sup> Barcelona Strategic Plan (1990-1994)
1992	Olympic Games
1994	2 <sup>nd</sup> Barcelona Strategic Plan (1995-1999)
1999	3 <sup>rd</sup> Barcelona Strategic Plan (1999-2003)
2003	1 <sup>st</sup> Metropolitan Strategic Plan (2003-2007)
2007	Revision of the Metropolitan Strategic Plan

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*Source: Pareja et. al., 2007*

The approach on strategic planning has also been adopted at local level by the economic sub-centres of the BMR, which have launched their own partnerships such as the Pacts for the city (Terrassa), or Pacts for competitiveness (Sabadell). The actors participating in these pacts differ from one municipality to the other but in most of them there are representatives of the trade unions and the entrepreneurs associations as well as local actors of the city. Moreover, strategic planning is becoming a mechanism for developing policies in certain economic sectors or policy fields. As we shall see, all the policies for the development of the creative economy are developed in the framework of strategic plans adopted by the different actors. Nevertheless, most of the time strategic planning fixes general objectives without a mandatory commitment from the actors; thus, these are soft coordination mechanisms. Although municipalities are behind the different strategic plans the different strategies compete for attention and development in the policy agenda, which can generate conflicts of interest between sectors. Furthermore, strategic planning is also used in a sectorial perspective. In this regard we can find strategic plans for different sectors such as culture or tourism. In table 4.3 a list of the existing strategic plans in the city of Barcelona and at regional level can be found. Whereas some of them are directly related to creative and knowledge industries, others have an indirect effect on the attraction and retention of these industries.

**Table 4.3 - Main strategic Plans developed at the BMR**

	<b>Institutions leading and participating</b>
Pla Estratègic Metropolità de Barcelona – Metropolitan Strategic Plan of Barcelona	Barcelona City Council, Trade Unions, University, Entrepreneurs' association, Public company managing the events site of Barcelona, Chamber of Commerce, Port authority managing the Harbour of Barcelona
Pla Estratègic de Cultura – Strategic Plan of Culture	Barcelona City Council (Cultural Institute of Barcelona)
Pla Municipal d'Immigració – Local Plan for Immigration	Barcelona City Council
Pla Estratègic del Turisme de Barcelona – Strategic Plan of Tourism	Barcelona City Council (Tourism of Barcelona, Economic Promotion, Chamber of Commerce)
Pla Estratègic de Serveis socials de Catalunya – Strategic Plan of Social Services in Catalonia	Regional government (Department of Social Action and Citizenship)
Pla de Ciutadania i immigració – Citizenship and Immigration Plan	Regional government (Department of Social Action and Citizenship)
Pla Català de Recerca i innovació – Catalan Plan in Research and Innovation	Regional government (Department of Innovation, Research and Business)

*Source: Own elaboration*

Summarising, strategic planning is being developed at different territorial levels and in different policy fields to engage private and societal actors in the decision-making processes. The most relevant partnership is the Metropolitan Strategic Plan but there are also partnerships and consortiums that elaborate strategic plans for each municipality. In parallel, different sectors such as the creative and knowledge industries or tourism have their own strategic plans for clustering in the territory. In the next sections we will analyse the relevant actors in economic development focusing on creative and knowledge industries, and their role in governance mechanisms.

### **4.3 Relevant actors for creative and knowledge-based economic development**

As has been stated in chapter three, creativity, culture and knowledge are becoming cornerstones for economic growth in the city of Barcelona and to a lesser extent in the whole metropolitan region. As we have seen, in recent decades culture has played a key role in the economic development of the city (Rodríguez Morató 2008). For instance, in the period 1995-2006 the City Council developed the promotion of the main architectural and cultural assets of the city –such as Gaudí buildings or the works of artists linked to the city like Dalí, Picasso or Miró– as well as the creation of new cultural equipments and facilities in the old town. Moreover, since 1995 culture is understood as an element that enriches citizens but also gives them the ability to innovate and to adapt to the new economy (Rodríguez Morató, 2008;

Mascarell, 1999). We have seen also that parallel to these efforts in terms of culture, the City Council has been promoting the attraction of creative and knowledge industries through the creation of new infrastructures and facilities.

In terms of governance the City Council's strategy has had different consequences. Firstly, it has transformed the role of private actors and its composition. After the Olympic Games sectors linked to the tertiary economy started to grow and to become relevant as private actors in the city. Amongst others, the touristic sector has become key for economic growth and the City Council has developed specific policies for tourism industries. These industries must be understood not only as hotels and catering but also those companies directly or indirectly involved in the organisation of business events. This touristic industry is trying to improve its quality giving added-value services with the collaboration of the City Council in the framework of a strategic plan. Artistic sectors and other creative industries have seen also a progressive increase in their protagonism through their involvement in the cultural policies of the City Council and their participation in the elaboration of the strategic lines that must guide the cultural policies in the future. Knowledge-intensive sectors, on the other hand, have been at the centre of the strategy for growth and have been fostered through programmes for entrepreneurship and major investments in infrastructures (mainly –but not only– the 22@ district). In addition, the financial crisis started in 2008 has had deep effects on the real estate sector: after 1992 and until 2008 this sector has had strong influence in decision-making, taking advantage of the relative weakness of the City Council and their central role in the development of major urban renewal projects.

The regional government is a key actor in the promotion of creativity and knowledge as cornerstones of economic growth, and since 2005 has been promoting a transversal plan for innovation and research in Catalonia. This National Plan (Catalan)<sup>3</sup> means a strategic plan for the consolidation of the knowledge economy in Catalonia with a wide consensus between all the actors involved in knowledge and creative industries. The list below includes different kinds of actors that participated in the elaboration of the plan

- Research and talent oriented actors:
  - Universities
  - Business schools
  - Research centres
  - Other research infrastructures
  
- Societal actors:
  - Social councils of universities
  - Trade unions
  - Entrepreneurs associations
  - Territorial strategic plans
  - Financial actors

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<sup>3</sup> As Catalonia claims to be a nation without state, the regional government labels its policies and plans as “national”. The policies of the central state are referred to as “state policies”. Nevertheless in this report we use the common categories national for the central government and regional for the catalan government.

- Companies
  - Large companies
  - Small and medium-sized companies

The plan agreed on a broad vision of innovation as an element that can foster all economic sectors and all the territorial units of Catalonia. Thus, the plan does not involve only creative and knowledge sectors but all actors of the economy. This strategic plan is behind the main strategies and initiatives taken at local and metropolitan levels. Apart from this strategic planning, the regional government has created an organisation to promote innovation and internationalisation of companies that also plays a role as adviser in strategic planning at the local level. This agency, called ACCIÓ, detects the innovative elements in the territory and recommends including them in the strategies for innovation at sub-regional level.

#### *4.3.1 Relevant actors in culture and creativity*

Cultural policies are developed through an autonomous body, the **Institute of Culture of Barcelona (ICUB)**, created in 1996. This institute coordinates the Strategic Plan for Culture, in which all the actors involved in the cultural and creative industries are represented. In consequence, the plan involves representatives of the performing arts (dance, theatre, circus), publishing, audiovisuals, visual arts and music sectors as well as professional associations and art and performing arts schools. The strategic plan detects the future needs of each field and proposes a common strategy. Thus, the ICUB plays a key role as coordinator and link between the private for-profit and non-profit actors linked to culture and the City Council. Following the assessments of ICUB director Jordi Martí, this approach based on dialogue is needed because culture cannot be generated from a top-down perspective and it must emerge in its own way.

Another key actor in the governance framework of the creative industries in the city of Barcelona is **FAD, Foment de les Arts i el Disseny** (Promotion of the Arts and Design). FAD is a non-profit private association created in 1903 by architects to promote architecture and design (Pareja-Eastaway et al. 2007: 69). Nowadays FAD is formed by 6 associations grouping different kinds of designers: jewellery, industrial design, architecture, arts and crafts, fashion, and graphic design (www.fad.cat visited on 19<sup>th</sup> January 2010). Their role is mainly as a guild for professionals linked to these fields; promoting the link between universities and the professional world, fostering the role of design in the value chain of products and services of the whole economy and promoting design in society in general through grants and awards. In terms of governance, they play a role as a lobby to orientate the policies of the City Council and to promote the internationalisation of designers working in Barcelona. Moreover, FAD is promoting a more transversal view on creativity and design as elements influencing all the economic activities of the region.

A third relevant actor in the promotion of cultural industries in the BMR is the **ICIC –Institut d’Indústries Culturals de Catalunya–**, a regional body for the promotion of the cultural industries in Catalonia led by the department of Culture and Communication of the regional government and with representatives from other departments of the regional government as

well as representatives from the music, audiovisual, publishing and artistic sectors of Catalonia. The main objectives of the ICIC are the development of these sectors and their international promotion. This action is done through funding production as well as through investments in infrastructures for the development of such activities. As has been stated in previous research in the ACRE project, the audiovisual sector depends to a great extent on this public funding (Pareja-Eastaway et al. 2008: 40), and the ICIC plays a major role in this field.

**Table 4.4 - Relevant institutions in creative and cultural policies**

<b>Institution</b>	<b>Year of foundation</b>	<b>Composition</b>	<b>Aims</b>	<b>Level</b>
ICUB– Institut de Cultura de Barcelona	1996	public	Coordination of cultural industries development	Local
ICIC- Institut català de les Industries Culturals	2000	public-private partnership	Promotion of Catalan media industries	Regional (Catalonia)
FAD	1903	private non-profit	Promotion architecture and design activities in Catalonia, but especially in Barcelona and the metropolitan region	Regional (Catalonia) / Metropolitan
Barcelona Plató film commission	1999	public-public partnership	Promotion of filming in Barcelona and Catalonia	Local / regional
Association of visual artists of Catalonia	1979	Private non-profit	Promote visual arts and defend artists interests	Regional (Catalonia) /Metropolitan
Barcelona Centre de Disseny	1973	Private non-profit	To promote design in the productive process	Local

*Source: Own elaboration*

#### 4.3.2 *Relevant actors in knowledge and innovation*

The constellation of institutional actors linked to the development of the knowledge economy is territorially more diverse than those of the cultural and creative sectors, which tend to be concentrated in the city of Barcelona. In the case of knowledge, different projects and initiatives are spread throughout the metropolitan region, and are especially strong where there is a long industrial tradition. Although strategic planning is present at regional level to develop innovation and knowledge, most of the projects are based on the attraction and creation of new companies in a territory. For that reason the governance approach is more top-down based, with a more relevant role of the City Council until the private actors can play a significant role. This is the case of 22@ district in Barcelona, but also other developments of the city such as the new innovation centre in Zona Franca.

To promote and create these new areas for the knowledge economy, the Barcelona City Council has looked for the collaboration of other institutions such as the Diputació de Barcelona, the different universities, or the regional and national governments. As previous ACRE research stated, one of the main factors of attraction to the region is its system of universities that attract students from abroad. The three main universities in the region, Universitat de Barcelona, Universitat Autònoma de Barcelona and Universitat Politècnica de Catalunya, play a significant role as actors not only in these projects but also in the overall policy for innovation and knowledge. Business schools are also playing a relevant role in the policies. ESADE, for instance, is promoting the creation of a new business park ESADE-Creapolis in Sant Cugat del Vallès.

#### **The governance structure of the 22@ district project**

As has been stated, since 1996 one of the main aims of the city was to transform its economy towards the 'knowledge economy'. The City Council planned a major urban renewal of the east side of the city, the former industrial neighbourhood known as Poblenou. The idea was to eliminate the semi-abandoned industrial factories and promote the creation of knowledge-based companies. The main objective of the project was to avoid a residential area and to promote a mixed-use space following the pattern of the rest of the city. The urban transformation started in 2000 with an important role of the private real estate sector in this first stage, when main infrastructures and buildings were needed. It is important to remark that this operation took place without an existing knowledge-intensive sector in the city demanding it; the idea of the project was to select strategic sectors (energy, biomedicine, ICT and media) and create infrastructures for its attraction. Given the lack of an organised private sector pushing for the project, the collaboration between different public administrations was key for its development: main universities as well as public companies related with these sectors moved completely or partly to the new knowledge district in order to attract new investments and to foster the settlement of companies in the territory. The project was managed and coordinated through a public company –22@Barcelona– with the aim of promoting the district and fostering the embeddedness of companies in the territory through different activities and programmes. In the first stage of the project 22@Barcelona focused on the creation of infrastructures and the attraction of large companies. In 2006 the project achieved a new stage based on the promotion of four strategic clusters: media, ICT, energy and health sciences. Although it is promoted as a knowledge district it includes part of the creative industries as are defined in the ACRE project. Moreover, since 2008 design has been included as a strategic cluster, reinforcing the growth of the creative sectors in the district. Thus, some of the actors of the cultural industries, especially those linked to the media, have also played a role in the project funding infrastructures and emerging companies. The efforts of the City Council in promoting the different strategic clusters are not isolated from the rest of the policies at metropolitan and regional levels.

The regional government and Barcelona City Council promote a public-private partnership– **Biocat** *bioregió de Catalunya*– to foster health sciences in Catalonia. The objective is to create synergies between the large public health sector, universities, private research laboratories and food producers to create a cluster based on health sciences. This partnership includes not only these actors but also representatives of the main consortiums based on health, such as 22@ district health cluster or Biopol, a knowledge district promoted in L'Hospitalet and based on health sciences. Biocat has developed strategic plans for the development and consolidation of the biomedical and biotechnological sectors.

Besides, in certain territories of the BMR with long autonomous industrial tradition, local actors have organised to promote economic development focused on knowledge. This is the case of the two most industrialised counties of the BMR, the Baix Llobregat and the Vallès Occidental. In this latter county, its 23 municipalities, the local entrepreneurs associations and representatives of the trade unions have created a consortium to coordinate policies and efforts for economic development. The Consortium for the Economic Development and Employment of Vallès Occidental (CEDEVO) promotes employment-creation and the modernisation of local industries through strategic planning. It is relevant to point out that the county includes two important economic sub-centres –Sabadell and Terrassa– and different relevant projects for innovation. In these areas with strong industrial tradition the efforts are towards modernisation and reorientation. As the one responsible of CEDEVO and member of the Terrassa City Council stated

*'In what can we be different [from the rest of the region]? What do we have? Trajectory, base, value chain... for that reason we bet for the textile industries, for the tradition, for the food industries, health...and we want to go to other fields [...] We can bet in eco technologies because we have a weight in technologies for efficiency, we have been working on that for a long time' (Interview with Manel Perez).*

In Barcelona the efforts in economic promotion are centralised in the department of **Economic Promotion** and its office **Barcelona Activa**. Although until 2010 each municipal institution could develop actions for economic development on its own, now they are centralised in a single department. The department of Economic promotion delivers its services through the agency Barcelona Activa, which was founded in 1986 to implement activation policies at local level. Recently, Barcelona Activa is focusing on the attraction of international talent through the programme “Do it in Barcelona” in collaboration with universities and other institutions of the BMR. The objective of the program is to facilitate the bureaucratic proceedings for the arrival of qualified foreigners and their inclusion in the labour market as workers or entrepreneurs.

**Table 4.5 - Relevant institutions in Knowledge and innovation policies**

<b>Institution</b>	<b>Year of foundation</b>	<b>Composition</b>	<b>Members</b>	<b>Aims</b>	<b>Level</b>
22@Barcelona	1996	public	Barcelona city council	Promote development of knowledge economy in the 22@ district	Local
22@network	2004	Public-private partnership	107 institutions and private companies of the 22@ district	Promote the relationship between companies in the 22@ district	Local
Biocat	2006	Public-private partnership	Generalitat de Catalunya (department of innovation) Ajuntament de Barcelona Private companies of the health sector	Promote the clustering of health sciences related companies of Catalonia	Regional
Catalan institute of technology	1990	Private non-profit	Industrial Engineers Association	Foster the modernisation of industry	Regional
Barcelona Activa	1986	Public	Barcelona city council	Foster the entrepreneurship of citizens and support to create innovative companies	Local
Consortium for Economic Development and Employment of Vallès Occidental (CEDEVO)	2006	Public-private partnership	23 municipalities of Vallès Occidental Trade Unions Local entrepreneurs associations	Foster the transformation of the economy and the skills and training of employees in the territory	County level
ACCIO	2009	Public	Generalitat de Catalunya (Department of innovation, universities and entrepreneurship)	Promote the internationalisation of Catalan companies Promote innovation	Regional

*Source: Own elaboration*

Finally it is important to point out that in some cases large private companies play a key role for the attraction and development of policies in a municipality. This is the case of Mediapro, the company leading the development of the media cluster in 22@ district. Mediapro is a transnational media company born in Barcelona involved in the filming and television activities and is involved in the development and management of the Barcelona Media Park in 22@. In fact, the City Council and the company agreed with the development of the park after long negotiations exemplifying that private companies have been reluctant to do large investments in the project and this only occurred after big negotiations with the City Council (*Avui* 23-07-2003 p.23).

#### 4.4 Types of interactions between actors

As we have seen in the previous section, one of the main features of the governance system in the BMR is strategic planning, a tool that is used by public administrations to create consensus around economic development with private companies and different societal actors. Nevertheless this strategic planning takes place in different ways and with the inclusion of different actors. Depending on the sector and the territory the plans show differences amongst them and sometimes there is a lack of coordination of these plans. In this regard, the lack of a metropolitan government is partially replaced by the action of the regional government. Nevertheless, when this government plays a role in coordination, as happens with the biosciences, the territorial basis for action is Catalonia as a whole and not only the BMR.

Besides, the coordination between municipalities and projects is influenced by politics. Most of the main municipalities of the metropolitan region are partially or totally controlled by the socialist party, which ensures a better coordination and transferability of experiences between municipalities. In this regard Barcelona plays a role as a leader in practices that are later implemented in other municipalities of the region. The only exception to the socialist hegemony is the city of Sant Cugat del Vallès, which at the same time has a different local model for economic development than the rest of the municipalities in the region. Policy approaches in Sant Cugat have been based on the creation of large residential areas of low density to attract high income and high skilled workers, in contrast to the fostering of the compact city and mixed-uses that is promoted by Barcelona. These policies have converted Sant Cugat into one of the wealthiest municipalities of Spain, concentrating qualified workers and middle and upper classes.

Although private actors play a key role in economic development through their direct involvement in implementation and through the role of entrepreneurs associations in decision-making, public administrations at different levels take a leading role in the economic development of the territory, not only through investments but also through the creation of an institutional environment of trust for innovative and creative companies. The scarce role of creative and some knowledge companies can be explained by their relative weakness in the economy as a whole and the weight of other sectors. During the last ten years, the action of the network of actors involved in economic development in the BMR has been the orientation of old industrial companies towards the knowledge economy, the creation of the conditions for growth and the consolidation of the knowledge sectors as future motors of the economy. Nevertheless, as we have seen in chapter 3, during this period productivity remained low due to the relevance of the real estate sector and the increase of services without added value, mainly linked to tourism.

That does not mean that the City Council of Barcelona is the only player in the development of policies without the engagement of private or other public actors. As we have seen, the regional government and agencies are very important actors in the development of policies and their coordination, especially for the economic sub-centres of the BMR, where there is a greater lack of funding than in Barcelona. Universities, trade unions, chambers of commerce and entrepreneurs associations also play a role in strategic planning and they participate at different levels of decision-making. Nevertheless, the Barcelona City Council initiatives are

leading the whole process and are transferred to other municipalities. The project 22@, for instance, is being reapplied on a smaller scale in Terrassa with local actors of that municipality.

Although the governance system sketched in the previous section takes into consideration the coordination between sectors and territorial levels as a relevant element, sometimes there is competition between territorial and sectorial actors to influence the strategy. Firstly, it is important to point out that despite the efforts of the regional government, municipalities have developed similar projects or infrastructures to attract companies that compete between them. One example of this kind of competition is the 22@ media cluster and the Catalonia Audiovisual Park located in Terrassa. Both projects have the same objective: to attract media companies through the offer of filming sets and other facilities. Nevertheless given the small size of the audiovisual sector in Catalonia the two projects compete to attract talent and companies. The second form of competition between actors is between sectors and their role in the overall strategy. In the city of Barcelona, despite the coordination and leadership of the City Council, different interests collide in the definition of the strategy for economic growth. As Martí and Pradel (2008) have stated, the development of the knowledge district in the east side of Barcelona hindered the opportunities for certain artistic activities to grow in the same place. As 'creativity' linked to art was not in the policy agenda until the second half of the decade 2000-2010, some creative sectors were not considered strategic in the district and were not included in the plans for the knowledge district. In the same vein, different actors from cultural and creative sectors are concerned about the pressure that tourism plays on the soft factors of the city. In fact, as shown in previous research in the ACRE project, tourism is perceived as an element which worsens the quality of life of the city, even by those foreigners attracted by this quality of life in the past. These opinions can be linked to a more general debate on the role of tourism in the city of Barcelona that appears as the success of the city in generating employment and economic growth through the attraction of visitors to the city. As has been stated in chapter three the City Council is developing policies to improve these sectors and to make the benefits that tourism has for the city more visible.

As most of the sectors in the creative and knowledge economy remain emergent, they are not organised coherently or with a single voice. Those creative and knowledge sectors with a long tradition have consolidated institutions, think tanks and channels of communications with the administrations. Architecture and publishing are two examples of traditional activities in the city with well established institutions that play a role as lobbies and are representatives of the sector. Moreover, some activities of the creative and knowledge sectors have a formal representation through professional associations. These associations and institutions are often recognised and legitimated by the public authorities, who include them in the processes of strategic planning. In the case of emerging sectors without a clear trajectory in the past this recognition and participation is more difficult. Recently, think tanks and foundations around the creative industries have appeared. They are not included in the processes of policy-making but are sources of knowledge for policy-makers. Two examples of these foundations are Kreanta and Interarts. These foundations develop programmes and research for the development of culture, creativity and arts as transversal elements in the new economy.

On the other hand, although most of the knowledge industries can organise themselves as an industrial sector in the traditional way, the approach proposed from the City Council for the

22@ district means certain innovation. The creation of the 22@network signifies a territorial approach rather than a sectoral approach. That means that a single association represents the interests of all companies in the district.

Finally, in the rest of the metropolitan region, where industrial sectors are still relevant, traditional productive actors are sometimes reluctant towards innovation. In fact, innovation is difficult in small and medium-sized companies that are suffering from the globalisation process and the increasing competition with foreign producers, and their entrepreneurial culture prevents them from focusing on innovation. For that reason, in these territories trade unions, entrepreneurs associations and municipalities are developing forms of local collaboration to foster a shift. In these areas the classic industrial actors are playing a key role in the development of policies closing to a certain extent the possible role of other kinds of actors, especially in issues related to economic development and employment opportunities. In these areas, emerging sectors tend to organise themselves within the existing entrepreneurs associations in order to have easier access to policy-making decisions.

## 4.5 Conclusions

The governance framework of the Barcelona Metropolitan Region shows a complex multi-tiered scheme in which public administrations play a key role at different levels. Barcelona City Council plays a leadership role in the development of policies for the metropolitan region, setting the policy agenda for the whole region and symbolically representing it in front of higher levels of government. In spite of that, small and medium-sized cities with long local traditions of economic growth try to develop their own projects and initiatives, sometimes without a clear coordination with Barcelona. This is the case of the former industrial centres of Sabadell, Terrassa and Mataró. The role of regional government in the coordination of these efforts is key. From this tier of government, the Generalitat is promoting policies for the clustering of knowledge and creative sectors at a regional level, which means the creation of a regional strategy for these sectors. One of the main aims of these policies is to avoid competitiveness between municipalities in the attraction of talent and capital, and to avoid the duplication of projects.

On the other hand, the long experience in strategic planning in the metropolitan region allows for large consensus on economic policies that are transversal and most of the time move beyond political positions. Although strategic planning is not binding, it means a clear general strategy for the development of public policies and private initiatives. The inclusion of a wide array of actors including entrepreneurs' representatives, trade unions, chambers of commerce, local governments, non-profit organisations and other social actors means the possibility of including different dimensions in the strategy and to linking social cohesion objectives with competitiveness. Nevertheless, this governance approach has seen a certain weakening in the last years, especially in the city of Barcelona. The celebration of a great event in 2004, the *forum de les cultures* found scarce participation from the civil society organisations and from the citizens in general. Since then there is a debate on what model Barcelona has to follow in the future.

## **5 CRITICAL EVALUATION OF STRATEGIES AND POLICIES**

### **5.1 Introduction**

In this chapter different discourses on the implementation of development policies and strategies in the new economy will be analysed. The evaluations extracted from the project's fieldwork will be discussed. As mentioned in the section on methodology, interviews were carried out with key actors in the drawing up and implementation of development policies in the creative and knowledge-intensive sectors; in this way contact with entities on the receiving end of said policies was established.

The result is a mosaic of approaches on economic development and boosting strategies in the creative and knowledge-intensive sectors in the Barcelona Metropolitan Region, especially in the creative and knowledge-intensive sectors. We will present debates and public controversies on significant topics such as: the necessity or not of public leadership in these economic sectors, the coordination of policies between the different levels of government, governance and territorial equilibrium, the influence of the Barcelona model, the attraction of talent or the main obstacles for the development of development policies in the creative and knowledge-intensive sectors in the BMR.

Finally, these results will be compared with those obtained in previous phases of the ACRE project. The discourses extracted from the analysis of policies and strategies will be compared with the opinions of employees, managers and skilled migrants. In this last section we will tackle the different views on issues relevant to the future of the region such as culture as an axis for development, the weight of the tourism sector, the Barcelona brand or the strong and weak points of the BMR.

### **5.2 The role of the administration: Top-down or bottom up?**

The viability of a top-down implementation of development strategies in the creative and knowledge-intensive sectors has occupied a central position throughout the entire ACRE project. Whether directly controlled economic development is feasible or if it is better to stimulate other transversal policies to favour the "natural" development of said sectors. This, inevitably, implies the formulation of questions related to the role of public institutions and also to who assumes leadership in the development of certain economic sectors.

There is a general consensus between the different types of actors interviewed that the administrations role should concentrate on creating the necessary conditions for the development of these sectors and the new economy. The approval of public leadership, including among private actors, must be highlighted. So, the main role should be to support and propose strategies, but should never have a marked interventionist character, nor attempt

to control the progress of these sectors. Furthermore, we must emphasise the relevance of the context prior to the influential intervention of the cultural and knowledge-intensive sectors in the territory so 'exclusive promotion of this development strategy from the administration would not make sense' (J.C., Barcelona Metropolitan Strategic Plan).

However, in reference to the role of public administration in the development and consolidation processes in these sectors, the informants pointed to the need to bear in mind the following points:

From the point of view of stakeholders linked to culture: For the policy-makers in the cultural sector the weight of civil society in the development of this sector is important. Civil society is the key to laying the foundations of cultural activity in Barcelona and its regions.

*'The administration should create the conditions, but the people make culture' (J.M., Institute of Culture of Barcelona, Barcelona City Council)*

On the other hand, there is also recognition that the creative industries depend considerably on the public sector in relation to their profitability in the market. This fact guarantees them more freedom with regard to contents but implies a greater public presence in the majority of the creative industries.

*'...in the cultural sector things are a bit different, a lot of the time you find that the low capitalisation of cultural companies would not allow them the infrastructures they need, because of the type of activities they do they are not permitted the role of primary capital accumulation. From this point of view, certain leadership from the administration, agreed on with the sector, would be the most appropriate policy' (A.LL., Institute of Cultural Industries, Catalan regional government)*

From the point of view of stakeholders linked to knowledge: In relation to the knowledge-intensive sectors, there is less involvement from the public administration. There is more commitment to generating a context in which the private sector may develop itself in its implementation in the productive sphere.

*'The public sector needs the private sector precisely for implementation in the productive world, but we would remain solely with the management of knowledge, which is fine, but it is insufficient' (M.B., Biocat, the Bio-region of Catalonia)*

From the point of view of the private sector: In the private sector there is recognition of the role of the public administration in the sector. However, in the cultural and creative sphere above all, there is a demand for greater confidence in the private sector. There is demand for greater influence in the definition of strategic lines and the need to find more spaces for consultation between the administration and private organisations. In an exercise of self-critique, the sectors closest to the arts recognise their difficulties in communicating through political language. In this sense, the implementation of policies of proximity and the abolition of bureaucratic barriers would be very interesting.

*'Helping creation through the administration subsidies, this is really difficult because they are out of date systems, really bureaucratic. People with good dossiers are rewarded and not those doing things, it's difficult' (P.S., Hangar, Centre for the production of visual arts)*

*'Another thing that would be interesting is the definitive planning of the trade unions and agreements question, I know that they're already trying to do this but there wouldn't have been differences between the diverse institutions acting. In the same way as in the health sector, or the textile sector, these are normal sectors in these types of questions (...) we're fighting against this now because this is still real' (J.P., Trànsit projectes)*

### **5.3 Policies: Coordination of objectives**

Independently of the role assumed by public policies in the stimulation or accompaniment of the new economy, one of the highly remarkable aspects is the coordination of the implementation of policies and in the establishment of objectives, as much between the different levels of government as between the different departmental spheres. This aspect becomes a central issue in the development process in the creative and knowledge-intensive sectors.

As Pareja-Eastaway et al. (2007) show, within the BMR three levels of power meet: the local power represented by the City Councils and County Councils (Diputaciones), the autonomous (regional) power represented by the Regional Government of Catalonia (Generalitat) and the state power, represented by the Central Government of Spain. The BMR, presently, is only a territorial representation without any political representation. As mentioned in Chapter 4, this work has studied the coordination of objectives between the administrations on these three scales:

#### *5.3.1 Horizontal crossover of objectives between the departments of one city council and between different city councils.*

Regarding horizontal crossover, between the departments of a single City Council, according to the interviewees, it is certain that the main objectives and operative lines are marked out clearly. Moreover, in the BMR there is an important and recognised trajectory in the implementation of strategic plans. In the case of the city council of Barcelona, the main strategic lines and objectives are framed in the Municipal Action Plan (PAM), which in recent years has sought to include processes of citizen participation. Furthermore, within the metropolitan territorial scope the Metropolitan Strategic Plan of Barcelona was pioneering and in the cultural field, existing since 1999, the Strategic Plan of Culture 'clearly marks out which are the cultural policies in the city (...) this means practically all of the city council's public programmes in cultural experiences that have to do with creativity, within a very broad concept of creativity...' (J.P., Institute of Culture of Barcelona, Barcelona city council).

Therefore, it seems that there is a general agreement on the main strategic lines marked out for the city. However, during the interviews a certain lack of synergies between some departments was perceived. This aspect is especially reflected in the conflicting positions

around the role the administration should assume in the coordination of the spheres of economic promotion and culture. Thus, there are conflicting views on the treatment the cultural industries should receive in the city. Nobody doubts that culture should be a key axis in the development of the city and the BMR, but there are different positions on the profitability which culture should have, on the role that the cultural sector should play in the economy of the city as a whole. On the one hand, those in charge of marking out the operative lines of economic promotion show a need to quantify the contribution of cultural activity in the economy of the city. On the other hand, the cultural sector, public as much as private, is reticent about conditioning the city's cultural content to economic strategies.

There is another type of horizontal coordination of objectives: the collaboration and cooperation between City Councils. In relations between the different City Councils of the BMR, in the development policies of the creative and knowledge sectors, the interviewees criticised the lack of a metropolitan dimension recognised politically and legally, and interiorised by the different institutions operating in the territory. Thus, the lack of a united vision is detected.

*'(the local governments) are constricted to certain "suits" to achieve their projects, but afterwards you see that civil society's way of consuming culture is much broader, in this sense, the city goes three steps further than what is being done in terms of public policies' (J.P., Trànsit projectes, s.l.)*

The City Councils of the cities furthest from the central city tend to have greater collaboration in development strategies in the knowledge-intensive sectors. The establishment of pacts and agreements on the creation of clusters or science and technology parks is frequent. In this way there are attempts to resist the weight of the central city. It is a question of collaborative strategies in the development of the knowledge-intensive sectors in order to create an identity, a shared mark that compensates for the great weight of Barcelona at a regional level but also internationally.

*'It is evident that we do not compete, nor do we want to, nor can we, because the Barcelona brand (is very powerful). We can appear on the map, we are included within Barcelona and we have to look for complementarities (...) We have to look for this complementarity, but never with the concept of periphery (...) Barcelona should generate synergies because there are potentialities here too' (M.P., Terrassa city council)*

However, despite this search for the specificity of each territory, the search for differentiating elements and the intention to create differentiated poles of attraction to the central city, the use and importance of Barcelona's international image is recognised in the promotion of different projects, in the attraction of talent and companies.

*'We (in an international project) take a lot of advantage of Barcelona's image. We really sell the closeness we have to Barcelona' (J.J., Sant Cugat city council)*

### 5.3.2 *Vertical crossover of objectives between the different administrations operating in the territory*

In the coordination of objectives between the different institutional levels operating in the BMR there is a conceptual agreement of objectives, meaning, all of the institutions have internalised the importance of development based on the boosting of the creative and knowledge-intensive sectors. Every institution has its well defined role in this type of development. The regional government establishes the frames of action and orders, from a regional perspective, strategic models. Moreover, we must emphasise the importance of the local governments as promoters of specific projects linked to the new economy. The implementation of this type of policies and the promotion of the sectors will depend to a large extent on the leadership capacities of the local powers. In the process of perceiving and designing development strategies for the creative and knowledge-intensive sectors, the political capacity and willingness of the City Councils is a key element.

Therefore, local dynamics are of great importance, even though they nearly always need the support of the superior institutions (regional, central government). The latter complement local boosting with financial support and the establishment of regulatory frameworks for the deployment of the strategy. Nevertheless, between the different institutional levels that work in the territory a lack of coordination of projects can be seen and, sometimes, conflicting positions in some projects.

*'I think that a problem that we have here, in Catalonia or Barcelona, is that we are at a moment in which all this (development) are sums of initiatives, many of which have a very individual character and very little association. Therefore, there's no coordination, there's lots of initiatives but little effort to cooperate' (J.C., Metropolitan Strategic Plan of Barcelona)*

This difficulty in the coordination of projects is also related to the political debate on territorial planning. The difficulties in establishing a territorial equilibrium, not only in the BMR but also in Catalonia, as in the distribution of resources and the difficulties in settling the weight which each part of the territory should have in the overall development process of the region. In this sense there are conflicting views on the role that the central city should play. On the one hand, the local government thinks that it should be the nerve and strategic centre of the region, and demands greater recognition of Barcelona as a motor of this development. On the other hand, the regional government has a broader view of the region and not just a view from the power centre, in this way it tries to create different nodes of attraction across the whole territory. However, different interviewees indicate the lack of a clear policy on the distribution of projects in the region. The attempt to maintain territorial equilibrium sometimes influences effectiveness in decision-making processes.

*'Maybe it's a problem of looking for equilibrium between territories. It's decision-making capacity, I say this sincerely' (J.J., Sant Cugat city council)*

*'The Generalitat should for once believe that this region can be explained because it has a great capital. The seats of the Generalitat should be those which induce the possibility that you suddenly discover the wonders of the Garrotxa. But listen, there are 4.2 million of us living in the metropolitan region!'* (J.J., Institute of Culture of Barcelona, Barcelona city council)

*'Of course the Barcelona brand is a brand which we can renounce, nobody has a monopoly on this brand, it is an asset of the region, not an asset of the city, but of the region as a whole'* (A.LL., Catalan Institute of Cultural Industries, Generalitat)

Still in reference to the crossover of objectives between different institutions operating in the territory, the issue of governance in the BMR must be remembered and emphasised. Despite the importance of Barcelona and its metropolitan region, the BMR still does not have a model which provides it with sufficient power to decide. The BMR lacks a metropolitan political dimension that, in the opinion of the large majority of the interviewees, would provide more coherence in the development strategies of the region. In this sense, a metropolitan law is demanded to grant sufficient powers and tools to the BMR as a combined entity. At the moment, a law of this sort is on the verge of being introduced in the parliament of Catalonia. However, of the first draft there are already critical voices, among others, citing the scarce modifications with respect to the present model.

### *5.3.3 Policy crossover: Coordination of policies in different fields which directly or collaterally affect the development of the creative and knowledge sectors*

Urban policies: The need for the crossover of objectives between policies from different fields but which affect the development of a creative and knowledge-intensive region is of vital importance in order to secure the success of the strategies undertaken. In general, coordination can be perceived in urban policies focused on promoting the creative and knowledge-intensive sectors. Moreover, there is agreement to underline the importance and promotion which the public sector is giving to policies for the attraction of talent, as in the recognition of the quality of the cultural sector in Barcelona and the public institutions management of this.

*'The change in the city's strategy towards knowledge has been noted. Look at 22@ and the mental health campus in Sant Boi and the Rector Ribera campus...the Zona Franca will change absolutely and radically, the knowledge portal, etc (...). It is noted, and on a cultural level too, that the citizen has everything much more within reach (...) I think all of this reverberates in the city, reverberates in the architecture, etc.'* (T.A., Vice-president of Political Science, University of Barcelona).

Indirect policies: The informants insist on the need for the modification of some collateral policies which would help the development of the creative and knowledge-intensive sectors. The condition of changes in the tax system has been one of the most cited policies for diverse reasons: from the private sector there is demand for fiscal recognition, fiscal statutes with the objective of "normalising" or "formalising" the creative figure. In this way, those creative sectors most linked to the arts, and others, would be saved from precarious labour conditions. From the public sector there is also demand for changes in the tax system, a tax system which

would favour and reinforce the creative industries with the contribution of more tax incentives, and, also, changes in the field of knowledge, such as advances in relation to the recognition and creation of patents.

*'We do not have a patronage, or a tax system which favours, not only the cultural field, but the field of knowledge in general. It seems to me that in the last budgetary law of the state, 16% of tax exemptions were directed towards the 'bricks and mortar' and another 16% to tourism, only 2% going to culture. What should the state do for this transformation? Generate normative frameworks, for example, in the case of the tax system' (J.M., Institute of Culture of Barcelona, Barcelona city council)*

*'There is an outdated line, not just here but on a global level, in relation to the concept of patents. If we could broaden it, even though here we would certainly collide with the legislation, so that the concept of patents could be less restricted, we could broaden its scope' (T.A. Vice-president of Political Science, University of Barcelona)*

#### **5.4 Advantages and constraints for the development of creative and knowledge sectors in the BMR**

Castells (2000) affirms that cities which contain means for innovation generate synergies and networks which attract two key elements for innovation: talent and risk capital. In this section we will see how two of the strong elements present in the BMR in the development of the new economy are precisely the existence of networks and the boosting of policies for the attraction of talent. However, questions related to the definition of the city's strategies, economic development and urban strategies and the search for new models, constitute some of the most difficult in the boosting and consolidation of the creative and knowledge-intensive sectors. As we shall see, the interviewees also cited obstacles of a specific character and inconsistencies such as the command of languages or the need for legislative changes.

In the development strategy of the BMR, there is a shared awareness of the importance of attracting talent. The effort and coherence of the public institutions in this type of policy is palpable. Recently, in the local context, in Barcelona, a programme has been created to centralise all of the policies for talent attraction. Moreover, from the Metropolitan Strategic Plan it is understood that facing the difficulty of attracting companies these days, policies for the attraction of talent must be opted for as basic elements in economic-strategic planning. It is noted that the attraction of talent in the business world should be promoted to the same extent as is sought in the field of research. Some difficulties can be found in the implementation of policies for the attraction of talent. The main obstacles are legislative, which involve mobility problems. Policies for the labour mobility of talent must be promoted, as much in the importation as in the exportation of talent. Furthermore, attractive work conditions should be created, mainly in relation to the improvement of the economic conditions since, as shown throughout the ACRE project, especially in Pareja-Eastaway et al. (2008) and Pareja-Eastaway et al. (2009), in the BMR the soft location factors represent one of the most attractive aspects, the strategy here would link itself to the improvement of certain hard factors.

*'For example, salary is another barrier. You can't say to a foreign MBA that they stay here and tell them if they stay here they will earn a thousand Euros. This is a barrier, even though in the public sector we can't do much...'* (M.M., *Do it in BCN Programme, Barcelona Activa, Barcelona city council*)

It is important to underline that various voices have emerged, from the cultural field above all, and from the universities, who believe not only in the attraction of talent, but in the importance of the retention of talent in the region, the need to create the necessary conditions so that this talent may emerge and develop itself.

Barcelona is a city of networks in the areas of culture and creativity; this was one of the conclusions of previous phases of the ACRE project, Pareja-Eastaway et al. (2009), which dealt with strong points in the attraction of talent. The people interviewed pointed to the importance of these networks and thought about how to promote them. Within the discourse we distinguish three different levels of networks.

- Firstly, professional networks which emerge only from the private sector and are mainly related to the field of creativity. There is an agreement in the public and private sector on the importance of the creation and presence of this type of network and the need for political effort to support them, but never exercising interventionist strategies.
- Secondly, in recent years, the public institutions have directed the establishment of networks between sectors more linked to innovation and knowledge. It is maintained that an important volume of companies from these sectors exists but that collaboration barely exists between them. There is certain ignorance within the sector, and from the public institutions the importance of establishing networks is stressed, for example, through the creation of clusters, science or technology parks, or associated forms, in order to promote these sectors.

*'...that is a strategic knowledge sector, it is a strategic sector in the contribution of value (...) it is very clear that we group together an under-studied sector in terms of statistics, (...) what we do see is that it was a very diverse sector with very diverse business structures and above all disconnected (...) What we (Barcelona Chamber of Commerce) are going to do is create this commission and, somehow, try to group together representatives from different subsectors'* (X.C., *Heritage and Culture, Barcelona Chamber of Commerce*)

*'...and from the City Council we dedicated ourselves to search for the local innovative agents, local agents but who didn't look (...), meaning, you have all the pieces of the puzzle but nobody says: Why don't we put it together? Why don't we assemble it? (...) and this is what we bring about with our Innovation Plan, because before these sectors shared an estate but they still didn't know that they could complement each other, and part of this plan has served for this'* (M.P., *Economic Promotion, Terrassa city council*).

- Finally, the networks established between the public and the private sectors are highlighted: the putting in contact of the public sector and the private sector in relation to innovation and creativity. The search for complementarities between the public resources on offer to the company and the search for spaces for greater communication are issues which need to be tackled. Some interviewees from the public institutions warn that the business environment characteristic of the BMR, of small and medium-sized enterprises, make this type of public-

private networks difficult. From this point of view, larger enterprises would be appropriate because small enterprises sometimes lack the strategies of a consolidated company.

All of the key actors evaluated the main obstacles for the development of a region based on the creative and knowledge sectors. The main problems appear to come from the strategic perspective:

- Firstly, there is a lack of definition of the strategy that the city and the metropolitan region are to follow. The city pulled out the exhausted model, which worked especially well in Barcelona, but which is now tired and lacking in a clear conclusion as to which should be the new idea of the city and the region. This is closely related to the lack of a clear proposal, a common and transversal agreement, on which are the exact sectors that should be encouraged. The course is marked out, but a new model must be found in order to catch up and to decide on a sectoral base on which to sustain it.

*'I think this is exhausted, in the sense that it doesn't feed anymore, the strategy is exhausted, now it's time to make a more fine-tuned strategy (...) it's not that I deny the past, but it's that the past is no longer tangible' (J.M., Institute of Culture of Barcelona, Barcelona city council)*

*'Now there is a model which doesn't work, we should find another model. What I say is that this model should be sustained on excellence and it should be broadly diverse. What we cannot do is continue being present in the world through big events, we should think of something more consistent' (J.C., Metropolitan Strategic Plan of Barcelona).*

- Following the strategic line, in the private and public sectors there is demand for greater continuity of projects and/or policies with the objective of encouraging the new economy. The proposed policies should maintain themselves in a sustained and sustainable way independently of the political context of the governments and the electoral conjectures. Frequently, changes in the government also involve changes in the strategic course; there is a demand for greater consensus in the lines to be followed and for there to be certain continuity in the programmes.
- Other obstacles for the development of the creative and knowledge sectors pointed to by our informants were of a diverse nature. Some with a social basis, such as the scarce command of language in Catalan society; others with a legislative basis, such as the need for new regulations to protect creativity; related with the academic world, the need for greater visibility of the university or more flexibility in the evaluation of scientific production, or, from some private sectors, there is demand for greater application of new technologies from the administration.

Finally, the issue of the economic crisis and how it affects the creative and knowledge-intensive sectors and the new development strategies is tackled. There is a consensus from interview respondents on affirming that the crisis is a serious problem because operating in a context that works is not the same as manoeuvring in a badly structured context, but that the sectors studied are not especially hit by the economic situation. Faced with this scenario there are palliative measures mainly to break the effects of unemployment, but really what is

needed is a long term strategy from the public sector, one which structurally changes the economy and bets on innovation and new economic sectors. As for the impact of the crisis on specific creative and knowledge-intensive sectors, it is insisted that the impact depends on the specific sector. For example, the audiovisual sector is one of the most affected in the cultural ambit. However, in general it is affirmed that the creative and knowledge-intensive sectors are not especially affected by the crisis and that, for example, in the cultural ambit the repercussions of the economic context are really very few. Changes in the mode of cultural consumption can be perceived, but consumption continues.

## **5.5 Confrontation with the target groups**

The ACRE project has done an in-depth study of the opinions of the three target groups: workers, managers and highly-skilled migrants that reside in the city-regions studied and work in the creative or knowledge-intensive sectors.

The first target group analysed was the creative and knowledge workers and graduates in the BMR. A survey was carried out with the objective of discovering the level of satisfaction with the city, with their immediate environment and their work. It was necessary to understand which were the factors that influenced the decision-making process with regard to work and place of residence. Secondly, fieldwork was carried out through interviews in order to study the target group of managers of creative and knowledge companies in the BMR. The study focused on the level of importance of classic location factors and soft location factors to understand the reasons why they had chosen the BMR to locate their companies. Finally, the highly-skilled immigrants target group was analysed through semi-structured interviews with transnational immigrants and experts in talent attraction. In this phase, the objective was to analyse the capacity of the BMR to attract talent, to identify the main factors leading such immigrants in the creative and knowledge sectors to arrive and settle in the BMR.

Some of the questions tackled in the present study about the dynamic strategies and development policies in the BMR were also considered previously through the three target groups analysed. Below, some of these transversal themes dealt with in different phases of the project are exhibited. This consists of a synthesis of the confrontation with the results of this field work and the study of the three target groups, and the analysis, from a general perspective, of the divergences and coincidences of the results.

There is a firm agreement, among the groups studied, that culture and knowledge should be one of the key axes in the economic development of the region. After entry into the economic crisis, commitments to the creative and knowledge sectors and to innovation mean a vital change in strategy according to all of the actors studied. Moreover, all of them also affirm that the BMR effectively counts on all of the potentialities in order to successfully achieve this strategy towards a new economy.

There also exists a positive and agreed assessment of the existence of professional and social networks in the BMR. All of the groups attribute great importance to the professional networks that exist in the region and especially in Barcelona. This coincides with the willingness of the public institutions to mind and encourage Barcelona as a network city, but

never with excessive administrative interventionism, such as is warned by the private sector. The weight of the professional networks in the city is especially relevant for the managers and the skilled migrants. Precisely, for this last group, the main attraction factors of the city are related to the presence of sectors that act as BMR nodes, although soft factors also bear decisive weight. The managers also think that the potentials of the region are especially related to the soft factors. For this reason, they add, some hard factors (certain infrastructures, communication, telecommunication, etc.) should be boosted in order to attract more companies. Precisely, the city's institutions have reorganised the policies for the attraction of talent in Barcelona and the BMR. Mainly, they have been centralising all of the programmes, they have become city policies and, moreover, they have added hard factors as factors of attraction.

However, the tourism sector is one of the issues that reveal more divergences between the groups studied and raises controversies about the strategic line which should be followed. The qualified migrants consider tourism as a negative aspect. They claim that one of the aspects that worry them most about the city is the excessive presence of tourists, in the city centre above all. According to the qualified migrants, tourism carries some undesired effects which affect the quality of life; such as a higher cost of living and the blurring of the city's identity. Furthermore, in relation to culture, it is believed that tourism influences the market and the cultural offer. This is denied by the Institute of Culture of Barcelona which affirms that it works so that *'the cultural offer is not made for tourism but that the cultural offer may be for the cultural development of the city and the citizens. If afterwards it attracts tourists, well great! But we have programmes for people from Barcelona'* (J.M., Institute of Culture of Barcelona, Barcelona city council). The managers observe the tourism sector from two sides: the weight of the tourism sector in the BMR is positive because it involves money and employment, and also because it is an indirect way of attracting talent. But on the other hand, it runs the risk of diminishing the quality of life of the region and deteriorating the image of Barcelona.

According to our last interviews, in the public administrations, tourism is not considered a worrying or negative factor. It is thought that its contribution to the city is beneficial although we must *'study a model of quality tourism, that may integrate into the reality of the city and agree with the sectors involved (...) the need for planning the capacity for the reception of tourists needs to be tackled, as well as guaranteeing the quality and sustainability of the sector'* (Strategic Tourism Plan of the City of Barcelona 2015, Barcelona city council).

On the other hand, if there is an agreement between all of the actors studied, it is the need to renovate the Barcelona brand, which is very closely tied to the international image of the city. All recognise its value in the past as a way to promote the city, but several suggest reinventing it or providing it with new contents or, in the most critical cases, eliminating marketing strategies in the promotion of the city.

Policy makers agree with the creative and knowledge managers that there is excessive localism in the market in the small and medium-sized enterprises of these sectors. Expansion and internationalisation of the market is necessary, such as the attraction of big companies that function as drivers for the economy. From the public institutions or entities, like the Chamber of Commerce, policies for the opening-up of markets and the attraction of

companies are implemented, although, increasingly, policies for the attraction of talent gain more relevance. Furthermore, managers and administration agree that there is a lack of tradition in the small Catalan enterprise in the management of risk capital. In this sense, the administration affirms that they are carrying out policies for the stimulation of this type of investment.

Having competitive and quality training and teaching is on the political agendas of those committed to the development of the creative and knowledge sectors. Precisely, the managers in these sectors criticised the lack of a greater link between the academic and business world, and, in certain sectors of the new economy, the difficulty in finding appropriate professional profiles. However, it must be noted that one of the city's factors of talent attraction are the degrees or postgraduate courses of certain pioneering sectors in the city, such as architecture or design, among others.

Finally, it should be highlighted that there is a unanimous agreement as to which are the strengths of the city. The strength of the soft factors in the BMR, above all quality of life, the geography or its cultural atmosphere, plays a central role. However, there are also some hard factors worth emphasising, such as international accessibility, some infrastructures related to culture and, in some central sectors of the city, education and study.

## 6 CONCLUSIONS

Looking at the transformation of the urban economy of the BMR and in particular at the growing importance of culture and creativity and the increasing creation (and location) of knowledge intensive firms, it can be said that **policy matters** in the BMR. The aim of this report was to point out the role of policies and programmes in the development of the Barcelona Metropolitan Region during the last decades. As has been clearly stated, the current position of Barcelona in the urban scene is not only the result of the random confluence of several favourable determinants, but a decided effort to foster the urban economy on the basis of creativity and knowledge benefiting from the existing industrial fabric and tradition. Policies in the BMR have also taken into account the importance of a strong engagement and compromise with the economic past.

As mentioned in the theoretical framework of this report, the ACRE project is offering some alternative views on Florida's arguments about the attractiveness of the city and its region to the so-called "creative class". Personal trajectories and employment related issues certainly play a role in the current position of the BMR as a creative and knowledge city. The attachment of people to the area (socially, economically, educationally, etc.) becomes an essential variable in our research to explain why certain creative sectors strongly emerge. Despite the fact that Barcelona might be the particular case of the ACRE project where soft factors are decisive, especially in attracting high qualified immigrants from abroad, the existing and past policy strategies and programmes are, without doubt, as important as the high quality of life in the region.

### 6.1 On general issues

In general terms, there is no discussion between actors about the priorities and axes of economic development of the city-region. Policies aiming at the stimulus of creative and knowledge intensive industries have become essential for the future of the BMR. There is also an agreement on the importance associated with the Barcelona image in attracting talent and companies which base their activities in creativity and knowledge. However, the need for a reformulation of the contents associated with this image is also a question of agreement among those interviewed and the three target groups of the ACRE project.

Strategic planning has been a key instrument to minimise the waste of efforts in promoting the development of the city of Barcelona. This issue has been copied not only by other European cities but also by many large municipalities in the region of Barcelona. Besides, the initial steps in strategic planning developed in the 1980s covering the whole strategic development of the city are currently accompanied by the proliferation of many programmes with a strategic perspective in a varied range of matters such as tourism, employment or culture.

## **6.2 On transversal policies**

Direct policies oriented to promote culture, creativity and knowledge-intensive activities cannot be isolated from other policies which, although in an indirect way, also contributed to the position of the competitiveness of the city-region. We mainly refer to policies improving existing hard factors such as the High Speed Train or broad band connectivity. During the past decade, the Barcelona Metropolitan Region shows huge public investments in these infrastructures. The role played by the central government (and in many cases by additional funds from the EU) is remarkable as one of the main providers of funds for the development of these activities. Therefore, although the local government strategy is certainly fundamental for the design and implementation of policies fostering creativity and knowledge, the national government emerges as playing a key role in deciding accompanying measures and policies to those adopted by the local government. The improvement of hard factors attracts companies and, simultaneously, a high qualified labour force.

In the same vein, policies related to the labour market also directly affect the competitiveness of the region. In particular, the low levels of productivity are seriously threatening the capacity of the region to compete in the European arena. Connected to this, salaries are not a competitive advantage any more in Spain and in particular in the BMR, but there has been no substitution in terms of better quality labour. The worsening of the Spanish economic situation in the current crisis has denoted the need to redefine targets at the national level. The BMR is better positioned than other Spanish regions due to its historical efforts in promoting capital-intensive activities (creative and knowledge) rather than labour-intensive ones. However, the remains of a highly industrialised past based on low salaries slows down the recovery.

The effort made by universities and research centres in the BMR in order to attract talent by means of good programmes of high education and by the creation of high qualified jobs is remarkable. They are also involved in the strategic planning of the territory and contribute to the establishment of coherent goals in the national, regional and local programmes of education.

## **6.3 On specific policies**

Culture is an essential part of the strategy of (not only economic) development of the city of Barcelona and, as a result, a main driver for creativity and a key contributor to the image of the city. The aim of the promotion of culture in Barcelona is twofold: on the one hand, it is based on the assumption that stimulating cultural activities for the whole citizenship, providing large public equipments such as museums and theatres, contributes to the welfare of the population as a whole. On the other hand, culture has an economic added value that cannot be mistaken. The municipality of Barcelona (and also the regional government) are the main customers of cultural industries in the region as they are recognised not only as employment providers but also as key contributors to the creative atmosphere of the city-region.

Culture and image are strongly related. The image of Barcelona abroad attracts tourism. Depending on the “type” of tourism it might benefit from the huge supply of cultural activities in the region, especially in the city of Barcelona. However, so-called “low cost” tourism has considerably increased in the recent past given the facilities offered by flying companies and hotels. As mentioned in this report, but also in other stages of the ACRE project, although cultural (high quality) tourism is the target, mass arrivals have already produced the first negative effects and opinions. There is a clear trade-off between the expansion of the image of Barcelona because of tourism and also the negative social cost that it produces in the city.

Knowledge-intensive activities do not enjoy a long tradition in the BMR. As has been stated, the path dependency of the BMR is mainly based on industrial activities far from the service sector. However, there is a considerable structural change in the contribution of these sectors to, for instance, the creation of employment. An evident top-down approach in policies stimulating the knowledge intensive sector has been assumed by many municipalities (not only the local government of Barcelona with the 22@ project as a flagship of this approach) in the region. In many cases, this fact has contributed to the proliferation of agreements between different municipalities (despite their different political colour). The joint effort, their cooperation, has proved to be more economically profitable than competition. The role of facilitator between actors is clearly assumed by the public administration

Creative and knowledge industries denote in their essence a high risk in economic terms, especially at their initial stages of development. Given the importance attached to them as a hard core of the economic development of the city of Barcelona, the local government provides infrastructures and facilities for their development (Incubators, Factories of Creativity). However, creativity is not always associated with the economic viability of business; these strategies might be fundamental in sustaining the existence of these activities which, in addition, are highly profitable for the image of the city itself. In terms of dimension, creative sectors are mainly dominated by freelancers or micro-companies. The definition of a public strategy to contribute to the enhancement of these, too small, companies is a current challenge for the local agenda.

#### **6.4 On governance**

In the BMR, a complex overlap of institutions and policies takes place. Three main tiers of government develop policies at metropolitan scale: local (the region is formed by 164 municipalities), regional (the government of Catalonia) and national (the government of Spain). The three levels play different roles in the BMR, the local government being essentially responsible for improving the municipality’s position in the urban hierarchy. The progressive decentralisation of responsibilities and policies towards lower levels of government that have taken place in Spain since the end of the dictatorship has decidedly influenced the proliferation of agreements between them (*Consortcis*) and also the elaboration of joint programmes contributing to the clustering of activities.

The good performance of governance is central for success in improving urban competitiveness. The nature of interactions between actors involved in the enhancement of the competitiveness of the city region of Barcelona is somehow blurred: on the one hand, many official agreements are taking place between different local governments in the region also involving private actors. It is clear that cooperation might improve the position of all of them in the economic landscape of the Autonomous Community and even the country. A clear shift is detected in terms of governance; from an isolated top-down approach taking place in each municipality to the collective agreement between different actors involving more than one municipality. The inclusion of the private sector and the civil society is even more important in the current economic crisis. On the other hand, the absence (until very recently) of a metropolitan institution which guarantees the coordination of policies and strategies might be a clear threat for the success of the region.

The study of the articulation of governance in Barcelona provides some insight of additional key players apart from public institutions. Civil society is a strong component of governance in the form of many existing foundations promoting creativity and culture and internationally recognised associations of creative actors among others. This is certainly a differential fact when compared to other city-regions of the project.

Following this argument, the establishment of networks in the BMR and between professionals, institutions and other bodies is essential in the articulation of a joint strategy of economic development. In that sense, the provision of channels to facilitate contact between companies, and also with public organisations, is a relevant positive issue that takes place in the Barcelona city-region.

The municipality of the city of Barcelona plays a leadership role in the region. Many other local governments are influenced by the strategies adopted in the city of Barcelona and configure their own strategy mirroring what Barcelona has already done. For instance, the promotion and stimulus of the knowledge sector through the constitution of technological districts or knowledge-oriented scientific parks. In addition, municipalities of the region also benefit from the image of Barcelona in the international sphere.

To summarise, the BMR's competitiveness shows the input of many efforts in a varied range of areas of intervention and different levels of government. It is clear that, despite certain threats, the long term strategy has guided the short term initiatives. The establishment of creativity and knowledge sectors as main goals of specialisation during the 1980s is currently providing positive outcomes not only in terms of employment but also in terms of the global image of the city-region. In addition to this, the performance of "good governance" is key during the process. The uncertain future given the current economic crisis finds the BMR better positioned than other metropolitan areas of Spain to cope with the new challenges. However, this is not exempt from risks and the situation nowadays is complex and deserves of an accurate joint effort from all actors involved.

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