A local and territorial approach to the operation of the culture economy in medium and small cities: case study of the Spanish cities of Mérida and Cuenca

Una aproximación territorial y local al funcionamiento de la economía de la cultura en ciudades medias y pequeñas: estudio de caso de las ciudades españolas de Mérida y Cuenca

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Abstract

The chief objective of this research is to analyze the weight that several factors linked to territory and/or urban society (such as proximity, heritage, image, or infrastructures) exert in the development and operation of cultural clusters in small and medium-sized cities. To this end, a local territorial approach combining quantitative and qualitative methods has been undertaken and applied to the Spanish cities of Mérida and Cuenca. The results from this case study show that many parameters observed in the international bibliography that form part of the idiosyncrasy of medium and small cities (‘closeness’, possibility of face-to-face contact, quality of life, low production costs) are considered by selected interviewees as essential to understanding the operation of their organizations and the urban cultural economic cluster as a whole. In general, these parameters appear in the international bibliography as contributing to the development of the cultural economy, but their importance in medium and small cities had been tested only rarely.

Key words: cultural clusters; cultural production; urban cultural economy; Geography of culture.

Resumen

El principal objetivo de la investigación es analizar el peso que algunos factores del territorio y la sociedad urbana, como la cercanía, el patrimonio, la imagen o las infraestructuras, tienen en el desarrollo y funcionamiento de los clusters culturales en las ciudades medias y pequeñas. A este fin se ha realizado una aproximación territorial a escala local con una combinación de métodos cuantitativos y cualitativos que se han aplicado a las ciudades españolas de Mérida y Cuenca, elegidas como estudio de caso. Los resultados demuestran que muchos de los parámetros frecuentemente considerados en la bibliografía internacional, y que forman parte de la
idosincrasia de las ciudades medias y pequeñas (cercanía, posibilidad de establecer contactos cara a cara, calidad de vida, bajos costes de producción), son considerados por los entrevistados como indispensables para entender el funcionamiento de sus organizaciones, así como del conjunto de cluster económico cultural urbano. De manera general, estos parámetros aparecen en la bibliografía internacional como coadyuvantes al desarrollo de la economía de la cultural, pero su importancia en las ciudades medias y pequeñas había sido testada en muy pocas ocasiones.

**Palabras clave:** clusters culturales; producción cultural; economía urbana de la cultura; Geografía de la cultura.

1 Introduction

In 1976, cultural critic R. Williams pointed out that in the Social Sciences, ‘culture’ was among the most complex of concepts, and he distilled it through three principal meanings: the anthropological (as a way of life and production —material, immaterial, and symbolic— of a group of humans or a period of time); the evolutionary (as a process of intellectual, spiritual, and aesthetic development, whether of an individual or group); and the creative (as a set of intellectual and artistic practices, together with their material or immaterial results). In his extensive definition, several pages in length, only once does the term ‘culture’ appear in very weak relation with the economy, in reference to the culture of certain “social and economic groups” (Williams, 1976, p. 89). However, the decades since this seminal work have seen a progressive expansion of culture and ‘the cultural’ through the entire social sphere and particularly toward the economy, in aspects related to both production and consumption. Thus, it has been stated that a defining characteristic of current societies is “the conspicuous convergence that is occurring between the domain of the economic on the one hand and the domain of the cultural in the other” (Scott, 2001, p. 11).

This progressive inclusion of the cultural sphere into the economic sphere has promoted significant theoretical complexity when it comes to delimiting concepts such as creative or cultural activity, which are sometimes taken as synonyms (Galloway & Dunlop, 2007). In this context, the original approach of this research was to focus expressly on activities that have traditionally fallen into the cultural sphere, given that the demarcation between the two concepts would not only have theoretical significance but would also affect the consideration of public policies (Galloway & Dunlop, 2007). Nevertheless, strict separation when selecting companies has not been
possible, because the aforementioned conceptual ambiguity is partly transferred to statistical classifications; and it is not unusual for some companies to follow business models that straddle the cultural and the creative.

Cultural production—now also understood from an economic point of view—has historically been and continues to be concentrated in cities (Barrado-Timón, 2012; Montalto et al., 2019), as a prioritized and essential element for urban reproduction (Miles, 2007). This is true to the extent that there exists a sufficient critical mass of creators and consumers of culture, as well as a social structure that favors cultural production, dissemination, valuation, and consumption. In this context, the present work is aligned with recent studies that have sought to value the role and importance of cultural production in cities generally left out of theoretical analyses and interpretations (Bell & Jayne, 2006b; Kresl & Ietri, 2016; Lorentzen & van Heur, 2013b). To this end, we undertake a theoretical approach to the role of cultural production in the city and the urban economy, with a focus on the case of medium and small cities in Spain, in line with previous work (Barrado-Timón et al., 2020).

As regards the results section the first part of this analysis quantitatively assesses the importance of cultural production in medium and small Spanish cities, as well as the main factors that determine the relative situation of each. Next, two medium-sized Spanish cities—Mérida and Cuenca, both with a strong and significant heritage and cultural profile—are presented as examples by which to deepen our examination of the territorial processes at work in the culture economy of small cities. The results of applied fieldwork (described in the methodology section), including in-depth interviews with businesspeople and political and social agents, serve to illustrate qualitatively the relations between cultural production and the city from a territorial, social, cultural, and economic perspective.

Through this double empirical approach, our aim has been to delve into the spatial circumstances of cultural production, reflecting on the impact of territorial relations (location, infrastructures, demographic size, power, etc.) as well as heritage, cultural identity, and urban image on the operation of particular economic organizations and on the development of clusters of cultural production. We seek in this way to contribute to understanding of the patterns of localization and distribution of cultural production in the urban system and, particularly, in medium and small cities.

Our chief objective is to go a step beyond studies that take a fundamentally quantitative approach to the weight of the culture economy within urban systems by also considering the socio-spatial
aspects that explain the operation of an urban cultural cluster. Interest in this approach arose when it was detected in a prior work that, while many studies had looked at the distribution and/or concentration of cultural production in Spain, local-scale approximations of the territorial patterns that explain such processes were scarce (Barrado-Timón et al., 2020). Thus, the question that has guided this research as well as the present text might be summed up as follows: What socio-spatial processes, on a local scale, explain the role of a small or medium city as an area for cultural production?

2 State of the art

As the current bibliography demonstrates, cultural production has shown a clear trend toward spatial concentration, particularly in certain urban settings (Barrado-Timón et al., 2020; Lazzeretti et al., 2008, 2009; Lazzeroni, 2013; Lorentzen & Frederiksen, 2008; Lorentzen & van Heur, 2013a; Meijers et al., 2017; Montalto et al., 2019; Scott, 2001; Storper & Venables, 2004). Moreover, one bit of unanimity has prevailed (at least until fairly recently) in that both theorizations had an interpretive bias that favored large cities, and especially the large centers of globalization (Bell & Jayne, 2006a; Brennan-Horley, 2013; Erickcek & Garrett-Petts, 2002; Evans & Foord, 2006; Lazzeroni, 2013; Lorentzen & van Heur, 2013a; Selada, 2011; Tomaz, 2012; Waitt, 2006). The negative result of this bias went beyond scientific neglect of a significant part of the urban system; in terms of planning and development, small and medium cities have been forced to use theories and models designed for large metropolitan cities (Evans & Foord, 2006; Jayne et al., 2010; Tomaz, 2012), often frustrating the successful implementation of sustainable strategies for culture-led development (van Heur, 2013).

Nonetheless, in recent years, academic interest has grown in the cultural economies of urban models other than the dominant globalized ones, whether due to the demographic weight of marginalized cities or from a geographical, economic, political, or cultural point of view (Montalto et al., 2019). From this interest have emerged a significant number of monographs and joint publications that seek to adapt existing theories or to produce new ones for these previously overlooked urban models (Barrado-Timón et al., 2020; Bell & Jayne, 2016; Escalona-Orcao et al., 2015, 2021a, 2021b; Freestone & Gibson, 2006; Kresl & Ietri, 2016; Lorentzen & van Heur, 2013b; Richards & Duif, 2018). This new scientific interest has confirmed success stories of cultural production in medium and small cities (Denis-Jacob, 2012; Erickcek & McKinney, 2006; Escalona et al., 2016; Evans & Foord, 2006) and has launched the express consideration of specific territorial factors of this
urban model, highlighting its potential competitive advantages (higher quality of life, better access to services, cultural and natural amenities, heritage, lower production and living costs, comparatively higher levels of cultural vibrancy) (Erickcek & McKinney, 2006; Montalto et al., 2019; Selada, 2011) as well as some factors that may stall development (isolation, reduced markets, ‘cultural smallness’) (Bell & Jayne, 2009). The following pages reflect on the territorial characteristics of medium and small cities and their possible positive and negative impacts on the development of the culture economy.

2.1 Territory and economy of culture: expectations and the role of small and medium cities in the international and Spanish literature

As Storper and Venables (2004) once noted, if certain economic sectors continue to assume the significant costs that concentration may entail, despite progressive reductions in transport costs and the increasing ease with which ideas can be instantly transmitted, then these sectors must have strong reasons to congregate and interact with each other locally. This is particularly significant in a sector like cultural production, whose often ‘immaterial’ production has apparently a high inherent potential for ‘aspatiality’.

However, in reality, the relationship in the culture economy between a territory and the way production is organized (both in each individual organizations and as a whole) is a very intense one. Explanations include a productive structure composed of many highly mobile, specialized, interdependent companies, which increase their individual and joint efficiency through proximity and interrelation (Scott, 2001) via face-to-face contact and trusted networks (Storper & Venables, 2004). This further allows them to maintain flexibility, overcoming problems that arise from the randomness of organization (Porter, 1990) and reduced transaction costs between them, all the while maintaining optimal access to public services (Hansen & Winther, 2013; Montalto et al., 2019). Ultimately, it is assumed that the innovation and creativity required by the culture economy depend on relational and informational density based on the establishment of these direct contacts and networks of trust, largely derived from the personal knowledge of both professionals and organizations (Hansen & Winther, 2013; Storper & Venables, 2004).

This intimate relationship established between cultural production and territory means that, in certain sectors, the latter becomes the true brand around which the goods and services produced within a certain space compete (Power & Scott, 2004). That is, there is a synergy and a symbolic connection which supposes that the values of a given space (cultural, patrimonial, historical, natural, scenic, productive, etc.) permeate the cultural products and services generated
inside it, thereby conferring symbolic value. Moreover, given that many services must be consumed in the same place and time where and when they are produced — typical of many subsectors of the culture economy — then places of cultural production also tend to be places of intense cultural consumption (Scott, 2001; Smidt-Jensen et al., 2009), again enhancing the trend toward concentration and confluence with other economic sectors, particularly those of leisure and tourism.

In the face of general theories that, as mentioned, give preference to the analysis of large global cities, growing attention to other urban models suggests that it is possible in some cases to overcome handicaps of smaller size and isolation (Montalto et al., 2019) and to develop cultural production centers with the capacity to transcend their smaller demographic, economic, or symbolic weight. Indeed, certain advantages of medium and small cities in some crucial aspects have been the subject of quantitative analyses carried out by both the European Commission and the Joint Research Center (European Commission, 1019; Montalto et al., 2017) in the Cultural and Creative City Monitor (CCCM). Similar analysis is found in an equivalent effort by Cultura y Territorio research group (Escalona-Orcao et al., 2021b) focused on all Spanish cities with between 50,000 and 100,000 inhabitants. While large metropolitan areas may have clear advantages in those aspects most directly related to the creative economy, cities of smaller demographic scale may still compete in an acceptable way in terms of cultural vibrancy and in certain resources linked to the endowment of cultural and natural heritage (Escalona-Orcao et al., 2019; Escalona-Orcao et al., 2021a; Montalto et al., 2019).

Among the most cited amenities that appear to offer certain comparative advantages to small and medium-sized cities are their inherited or endogenous resources, mainly cultural and natural amenities (Bell & Jayne, 2009; Denis-Jacob, 2012; Dubinsky & Garrett-Petts, 2002; Erickcek & McKinney, 2006; Hall, 2000; Hansen & Winther, 2013; Knox & Mayer, 2013; Montalto et al., 2019). This inherited patrimonial endowment, often specified in non-modifiable elements such as the specific location or weight (cultural, economic, political, etc.) enjoyed by the city in the past, is also the most often mentioned factor in the case of medium and small Spanish cities (Barrado-Timón et al., 2018; Barrado-Timón et al., 2020; Escalona-Orcao et al., 2021b; Boal & Herrero, 2017; Escalona-Orcao, 2017; García García et al., 2012; Guerrero & Navarro, 2012; Michelini & Méndez, 2012).

Apart from the existence of a certain inherited capital, which might be found in any city regardless of its size, the international bibliography also mentions a series of factors that can
favor the economy of culture and that depend, in principle, on characteristics inherent to medium and small cities.

Among these aspects, some of which will be the specific object of investigation in this text, are greater habitability and sustainability, which can be specified in terms of: quality of life and livability (Jayne et al., 2010; Knox et al., 2013; Lorentzen & van Heur, 2013a; Montalto et al., 2019; Selada, 2011; Waitt, 2006); lower costs of production and living, especially with regard to housing (Denis-Jacob, 2012; Lorentzen & van Heur, 2013a); better access to educational institutions (Bell & Jayne, 2006b; Jayne et al., 2010; Kresl & Ietri, 2016; Montalto et al., 2019; Selada, 2011) as well as cultural (Jayne et al., 2010) and transportation systems or accessibility (Montalto et al., 2019); and the degree of social cohesion (Jayne et al., 2010). To this should be added aspects related to governance, and the capacity of institutions in these small cities to promote certain projects and discourses (Meijers & Burger, 2017), along with political decisions related to a given city’s status as a regional or provincial capital (Denis-Jacob, 2012; Petrov, 2007).

Regarding the Spanish bibliography (apart from that already indicated for the international), specific references can be found to: the potential of medium and small cities to generate or retain cultural economic activity based on aspects including the existence of advanced public services, or of companies able to attract certain cultural sectors (Barrado-Timón, 2013; Prada-Trigo & Méndez, 2010; Plaza, 1999); the effect of capital-city status on a regional scale, insofar as Spain operates on a model of significant political and institutional decentralization (Barrado-Timón et al., 2018, 2020; Escalona-Orcao et al., 2021b; Barrado-Timón & Vázquez-Varela, 2014; Boal & Herrero, 2017; Caravaca Barroso et al., 2013; Gámir, 2005; García García et al., 2012; Guerrero & Navarro, 2012; Méndez et al., 2012; Michelini & Méndez, 2012); and the intra-metropolitan dispersion of certain sectors, particularly the audiovisual sector (Barrado-Timón et al., 2018; Barrado-Timón et al., 2020; Gámir, 2005; Méndez et al., 2012; Michelini & Méndez, 2012). On top of the above-mentioned factors, which may well explain the success or failure of certain medium and small cities, both the size (demographic, economic, political, etc.) and the situation (in more or less isolated areas of low density, and proximity or distance to dynamic metropolitan areas) are considered major explanatory factors of greater or lesser potential for developing a strong cultural economy (Denis-Jacob, 2012; Jayne et al., 2010; Waitt & Gibson, 2009).

According to some authors a difference can be drawn between quantitative size and what might be qualified as ‘smallness’, linked to an ability to transcend a presumed position in a given urban...
system (Bell & Jayne, 2006b, 2009; Lorentzen & van Heur, 2013a; Miles, 2005), thereby overcoming the negative traits of traditionalism and conservatism to which they are supposedly bound (Bell & Jayne, 2009; Jayne et al., 2006). In this way, success may lie precisely in the use of what Bell and Jayne describe as ‘localness’ or ‘third-tierness’ (Bell & Jayne, 2006) to project specific identities that permit the development of differentiated strategies (Lorentzen & van Heur, 2013a). This in turn connects with Scott (2001) when he suggests that the best strategy to be followed by non-metropolitan urban models would be based on specialization and differentiation in very specific sectors (niche markets); also possible would be strategies based more on cultural consumption than production (Peck, 2005).

2.2 The territorial approach to the local cultural economy: synergies between production, territory, and heritage

As mentioned earlier, a prior review of the literature found a lack of local-scale approaches investigating relations between territory and the culture economy in medium and small cities, particularly in Spain (Barrado-Timón et al., 2020). Despite this gap, some studies indicate the possibility of integrating cultural assets with other components of local systems in order to promote not only an economy of cultural consumption, but a set of production activities around culture, and this has been regarded as feasible for small cities as well (European Commission, 2019; Lazzeroni et al., 2013; Montalto et al., 2019). Lazzeroni et al. (2013) propose analysis of the weights of heritage and identity as engines in a city’s cultural economic development, where it is “the place itself, with its own cultural heritage, which becomes the object of the cultural economy and the pivot on which development policies can be defined” (Lazzeroni et al., 2013, p. 454).

However, the methodology followed by Lazzeroni et al. (2013) to assess the potential of a medium or small city as headquarters and engine of a culture economy gives enormous weight to aspects of heritage and identity such as monuments, artworks, landscapes, museums, and the general atmosphere. While such elements undeniably play roles in the development of the culture economy, both as resources for cultural production and as symbolic and ‘brand’ image enhancers of the goods and services produced in a given territory, other elements not linked to heritage and culture are likewise essential to the operation of individual companies and to a relatively powerful cultural production system. That is to say, Lazzeroni et al. (2013) focus their main attention on what the specialized literature has referred to as ‘soft’ factors for the location of creative activity, leaving most ‘hard’ factors out of their analysis.
Thus, the territorial approach proposed by Lazzeroni et al. (2013) (a model to be used here, as explained in the methodological section) can incorporate the analysis of other idiosyncratic aspects deemed typical of medium and small cities as described in the literature, and these can further be configured as elements of attraction or rejection of economic activity linked to culture. In general, this is specified in the consideration of elements of a socio-spatial nature that derive from the ‘closeness’ that medium and small cities enjoy. This would include factors like the importance of face-to-face contacts, or the establishment of trust networks among economic and social actors, which can lead to advantages like reductions of informal costs via direct (not necessarily contractual) collaboration. Other possible advantages of medium and small cities include: direct involvement with political and cultural institutions (and consequent easy access to information, grants, projects, etc.); adequate interrelation of small and highly specialized companies collaborating at different stages of the production process; or the existence of a well-trained workforce employed on a regular basis, thus facilitating their inclusion at specific moments in the production process. Finally, also noteworthy are all those general elements essential to any economic activity, such as a solid productive structure, in terms of both the overall economic system and the quality of infrastructures (general urban infrastructures as well as the private spaces required by certain sectors).

The proposal is to pay attention to a series of characteristics typical of medium and small cities to assess their impact on the vitality of the urban cultural economy, and this implies transcendence of the strict division between ‘hard’ factors (classic localization factors such as accessibility, infrastructures, a qualified workforce, salary structure, costs, etc.) and ‘soft’ factors (those that can affect attraction of the creative class, such as the environment, proximity, quality of life, the cultural scene, etc.), as observed in much of the scientific literature (Escalona-Orcao, 2018; Méndez et al., 2012; Murphy & Redmond, 2009; Pareja-Eastaway, 2009). In the economy of urban culture, traditional or ‘hard’ location factors are still considered essential, as in the availability of capital, the location of other companies with a potential knock-on effect for the economy as a whole, and the availability of qualified labor or quality research (Wu, 2005). Nevertheless, as pointed out by Musterd et al. (2007), there is also a certain consensus that additional characteristics can make a city eminently creative, as in differentiation based on that city’s particular culture and history, a sense of authenticity, or the small scale of operation in relationships (Musterd et al., 2007). As Lazzeroni et al. (2007) suggest, some of these characteristics appear to be especially significant in medium and small cities, such as optimal
habitability (Lewis & Donald, 2010) or a relatively compact cultural identity and the uniqueness and differentiation that this permits (Storper, 1997).

Therefore, although the elements to be analyzed in this approach have indeed been treated on a regular basis and are considered important for the cultural ecosystems of medium and small cities (as noted in the previous section), the combination of several (‘hard’ and ‘soft’ together) in order to qualitatively assess the weights attributed to them by economic agents in the cultural economy of this urban model would represent a novel contribution to the scientific literature.

3 Materials and method

As indicated in the Introduction, the interest of this research is to reflect on the weights that economic, social, and political agents attribute to elements of the city in which they are situated to explain their potential in the culture economy. In short, and following in part the model of Lazzeroni et al. (2013), this is about claiming a ‘territorial approach’ that expressly focuses on the local scale and its circumstances. Here the analysis opens that focus somewhat; as mentioned above, without underestimating the weight of heritage and urban image as defining elements in a culture economy, we broaden our scope to include other intrinsic urban aspects such as demography, location, qualification and training of the workforce, the rest of the economic system, tourism, and/or political management. In short, we seek to explore the role of the city itself as a resource in the culture economy.

In order to advance the research, both this section and the Results section have been divided into two very distinct parts. The first part is quantitative in nature, presenting the weight of the culture economy in the Spanish urban system of medium and small cities. This first phase is also operational to the second, as it seeks to characterize the two cities to be used as case studies.

The quantitative phase has been made possible by a tool developed by the Cultura y Territorio research team from the University of Zaragoza and the Autonomous University of Madrid. This instrument (called Spanish Cultural and Creative City Monitor or SCCCM1) examines indicators for Spanish cities of between 50,000 and 100,000 inhabitants. It is an adaptation of the aforementioned Cultural and Creative City Monitor CCCM2 developed by the European Commission and the Joint Research Centre. The CCCM empirically analyzes the role of culture as an urban economic resource, in order to promote its development. In its most recent edition

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1 See more here: http://culturayterritorio.com/cultural-and-creative-cities-monitor/
2 See more here: https://publications.jrc.ec.europa.eu/repository/handle/JRC117336
(2019), it covers a total of 190 cities with more than 50,000 inhabitants from 30 European countries (the European Union plus Norway and Switzerland), selected for having organized at least two cultural initiatives of international scale and for being included in the Urban Audit database. This tool constructs a composite indicator called the C3 — a product of the weighted integration of three sub-indices or areas (‘cultural vibrancy’; ‘creative economy’; ‘enabling environment’) developed through nine expressive dimensions (‘cultural venues and facilities’; ‘cultural participation and attractiveness’; ‘creative and knowledge-based jobs’; ‘intellectual property and innovation’; ‘new jobs in creative sectors’; ‘human capital and education’; ‘openness, tolerance, and trust’; ‘local and international connections’; and ‘quality of governance’) and 29 more detailed indicators.

Of the 13 Spanish cities analyzed in the CCCM, only Santiago de Compostela has fewer than 100,000 inhabitants; therefore, this instrument is not very useful for in-depth analysis of the culture economy at the smaller urban scale in Spain. To address this problem, the Cultura y Territorio research group has developed with 2019 data an adaptation of the instrument for the 81 Spanish cities of between 50,000 and 100,000 inhabitants, distinguishing between those of intra-metropolitan or extra-metropolitan location. Decisions taken during the process of adapting the CCCM to the SCCCM, and the model ultimately developed, can be consulted at the webpage of the group, as well as in Escalona-Orcao et al. (2021b).

The second phase of the paper is focused on the two case studies and presents a qualitative approach. A total of 19 in-depth interviews were conducted in the Spanish cities of Mérida and Cuenca, and qualitative opinions were requested of interviewees on the weights that the above-mentioned urban factors exert in the culture economy of each locality and in its particular organization. The selection of companies to interview was made from a database and business listing that permits searches by city and by activity sector (SABI, or the Iberian Balance Sheet Analysis System) and from the business directory of the economics periodical Expansión. Next, contact was attempted with the selected companies in order to obtain the widest possible sample. Regrettably, contact proved impossible with a significant number of companies appearing in these directories, whether due to insufficient data or because they had vanished (given the small business size and high mortality common to the sector). Undoubtedly, problems experienced by such companies in medium and small Spanish cities thanks to the pandemic and consequent
restrictions on cultural activities, whether for reasons of suspended activity or outright closure, have further frustrated the collection of a larger sample (Escalona-Orcao et al., 2021).

Although the small size of the sample might be considered a weakness of the research, the number of interviews ultimately carried out does approach a saturation point for the cities analyzed, given the depth with which the proposed topics were discussed. Indeed, at a certain point in the analysis it became difficult to add new codes or perspectives to these topics (Fusch & Ness, 2015; Guest et al., 2006), and so a clear image of the guidelines and processes under study was in fact obtained, with each new interview adding only slight variations of interpretation (Mejía, 2000).

Qualitative analysis of this information was developed using a deductive methodology aimed at assessing the weights that certain urban characteristics exert within the cultural economy of the selected cities, as noted in the bibliographic review. From the responses obtained, we proceeded to code by urban themes/characteristics and by their positive or negative assessment, thus establishing relationships between them.

The interviews, listed in Table 1, were conducted during the summer of 2020 in the city of Mérida and during the first semester of 2021 in Cuenca, based on a standard questionnaire for both cities. Of all those carried out, 13 were with cultural entrepreneurs (six in Mérida and seven in Cuenca), and six were with political and cultural managers (three in each city). The codes appearing in the table, used in this text for reference, indicate the city (‘M’ for Mérida, ‘C’ for Cuenca), the relationship of the interviewee to the culture economy (‘E’ for entrepreneur, ‘I’ for an institutional agent, manager, or politician), and a number for order. In the results section, qualitative comments by the interviewees are reproduced with inverted commas (‘), along with the interview code.

Mérida and Cuenca were chosen as case studies based on similarities and differences that can prove significant when examining urban patterns of the culture economy. In terms of similarities, which are of great interest for appreciating general trends at this scale of urban model, both are cities that can be classified as demographically small within the Spanish urban system (Mérida has 59,548 inhabitants and Cuenca 54,621, according to 2020 data from the National Institute of Statistics).

Both are located in demographic environments of low density and with lower development vis-à-vis the country as a whole. Mérida (in the province of Badajoz) is capital of the autonomous community of Extremadura, while Cuenca is the capital of the province that shares its name in the
autonomous community of Castilla La Mancha (Figure 1 shows the locations of these and all cities analyzed in the SCCCM). From the point of view of income, according to data from the Living Conditions Survey of the National Institute of Statistics, compared to an average of €11,680 per person annually for Spain as a whole in 2018, Mérida registered an average income of €10,541 (above the €8,503 average for the autonomous community of Extremadura) while Cuenca averaged €12,278 (above the €9,533 average for the autonomous community of Castilla La Mancha). Meanwhile, the average income for the city that led the ranking that year (Pozuelo de Alarcón, in the metropolitan area of Madrid) was above €28,000.

Table 1. Interviews conducted

<table>
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<th>OCCUPATION</th>
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<th>CITY</th>
<th>SCOPE OF RESPONSIBILITIES</th>
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<td>Representation</td>
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<tr>
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<td>Theater</td>
<td>Mérida</td>
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<td>Audiovisual</td>
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<td>Theater</td>
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<td>Cuenca</td>
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<td>Heritage/archeology</td>
<td>Cuenca</td>
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<tr>
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<td>Businessman</td>
<td>Audiovisual/music</td>
<td>Cuenca</td>
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<td>Audiovisual/Design</td>
<td>Cuenca</td>
<td></td>
</tr>
<tr>
<td>MI 1</td>
<td>Politician</td>
<td>Culture</td>
<td>Mérida</td>
<td>Local</td>
</tr>
<tr>
<td>MI 2</td>
<td>Manager professional</td>
<td>Culture</td>
<td>Mérida</td>
<td>Local</td>
</tr>
<tr>
<td>MI 3</td>
<td>Manager</td>
<td>Culture</td>
<td>Mérida</td>
<td>Provincial</td>
</tr>
<tr>
<td>CI 1</td>
<td>Politician/professional</td>
<td>Culture</td>
<td>Cuenca</td>
<td>Local/provincial</td>
</tr>
<tr>
<td>CI 2</td>
<td>Politician/manager</td>
<td>Urbanism/culture</td>
<td>Cuenca</td>
<td>Local</td>
</tr>
<tr>
<td>CI 3</td>
<td>Manager</td>
<td>Culture</td>
<td>Cuenca</td>
<td>Local</td>
</tr>
</tbody>
</table>

Source: authors’ own elaboration

Similarities are also evident from a cultural point of view, and in terms of image and urban projection toward larger (national or even international) scales. Both Mérida and Cuenca were classified as World Heritage Cities by UNESCO in the 1990s, and both are part of the Spanish network of cities with that designation. This assures them a measure of symbolic projection and makes them destinations for cultural tourism, so that the interweaving of the purely cultural
economy with tourism is an element to be borne in mind, at least in those sectors most directly linked to exploitation of heritage.

Nevertheless, the heritage referents of the two cities are very different, and this can also mean differences in the cities’ use and projection. Although much of its current heritage dates from the 16th to 18th centuries, Cuenca is known for its medieval urban complex situated high above the contemporary city, offering spectacular landscapes and views but also problems of accessibility and isolation from current urban dynamics. For its part, Mérida represents a benchmark for ancient Roman cities on the Iberian Peninsula, with a large number of very impressive and well-preserved archeological spaces spread throughout the city (notably the ensemble formed by the theater and amphitheater); apart from these remains, however, heritage attractions are few.

As for differences, a very significant one arises in relation to the roles that these cities perform in the current administrative division of Spain. Cuenca is the capital of its province, the product of a 19th-century division that still carries great administrative and economic importance but no real political or symbolic weight. On the other hand, Mérida—in the province of Badajoz, whose capital city of the same name has a population nearly triple that of Mérida—had no special status until the Constitution of 1978, when it was named capital of the autonomous community of Extremadura, thus granting it a very important political, administrative, and symbolic rank.

In terms of location and accessibility, Cuenca enjoys considerable favor. The two cities are located in two of the lowest-income regions in Spain, both with declining demographic and economic environments. However, Cuenca is mid-way between two of the country’s most developed metropolitan areas (Madrid and Valencia), connected to both by highway as well as high-speed train. Mérida, meanwhile, is relatively far from poles like Madrid or Seville; although connected by motorway with these two metropolitan areas, its poor rail connection has proven a great deficit for both the city and the region.

Finally, these two case-study cities differ greatly in terms of contemporary cultural artistic production. Cuenca enjoys an important relationship with abstract art, thanks to certain avant-garde artists in the 1960s (grouped under the name of ‘El Paso’) who chose to center their work there, endowing the small city with an enormous artistic vitality that soon served to promote the revitalization of its semi-abandoned historic center. The result was the inauguration in 1966 of a museum of abstract art (Museo de Arte Abstracto Español de Cuenca) located within the city’s emblematic ‘casas colgadas’ (‘hanging houses’). Today this museum is accompanied by many other artistic institutions opened across recent decades.
Mérida is host of the International Classical Theater Festival, in operation almost without interruption since the 1930s in the ‘ruins’ of its Roman theater. This activity gives the city (at least in summer months) a symbolic importance well above others with more powerful cultural economies. In fact, until the restrictions imposed by the 2020 pandemic, this festival has often appeared near the top of national rankings of cultural events, as in the 2019 Observatory of Culture, which placed it at number 18. This aspect carries quantitative weight beyond the image and economy of Mérida, determining to a certain extent the city’s cultural ecosystem, which is focused on the theatrical arts.

4 Results

As noted in the methodological section, before delving into the selected cases we first offer a general analysis of the cultural economy sector in medium and small cities in Spain. A detailed quantitative analysis has already appeared in other works by this research group, and these are noted in the bibliography, should any reader care to consult them. This article contains a brief summary of their findings in order to establish the place that Mérida and Cuenca occupy in terms of the economy of culture among the overall set of medium and small Spanish cities. In any case, the interest in these cases does not lie in the size of their cultural economies (where both obtain intermediate rank among the 81 medium and small cities in Spain, as will be shown); rather, the chief interest lies in the differences and similarities between these cities and their cultural economies, which give insight on the weights that urban and social characteristics may have in the development of this sector.

4.1 The economy of culture in medium and small Spanish cities: positions of Mérida and Cuenca

Given the dimensions and objective of this text, we do not enter into detailed analysis of the behavior of the economy of culture in the set of medium and small cities in Spain. For a deeper consideration of these aspects, a number of quantitative and qualitative works previously published by the same research group may be consulted (Barrado-Timón et al., 2018; Barrado-Timón et al., 2020; Escalona-Orcao et al., 2019; Escalona-Orcao et al., 2021a; Escalona-Orcao et al., 2021b). In these analyses, which employ the SCCCM instrument described in the methodological section, an indicator of the weight of the cultural economy in each medium and

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Boletín de la Asociación de Geógrafos Españoles, (92)
small city (C3 index) is defined through the combined values of three sub-indices: ‘cultural vibrancy’ (supply of local culture and the demand it generates); ‘creative economy’ (the weight of cultural and creative sectors in the urban economy, and how they favor innovative capacity); and ‘enabling environment’ (resources both tangible and intangible that help cities to sustain cultural development and attract talent).

Figure 1. Results of the C3 index in the cities analyzed

From the analysis carried out, and as shown in Figure 1, a series of interesting conclusions can be derived as regards the cultural economy in medium and small Spanish cities. The main conclusion is that the top places in the ranking are mostly occupied by metropolitan cities (or cities close to large metropolitan areas and well-connected by highway and high-speed train, as in the cases of Toledo and Segovia with respect to Madrid, or Girona with respect to Barcelona); and especially present are those with the highest incomes and the highest levels of quality of life. Among the top 20 positions, several are high-income municipalities in the metropolitan areas of Madrid and Barcelona (Pozuelo de Alarcón, Las Rozas, San Cugat del Vallés, San Sebastián de los Reyes, Boadilla); outside this pattern are some coastal tourism cities, middle-income metropolitan cities of an industrial nature, and Santiago de Compostela (Galicia), one of the foremost heritage and cultural cities in the country.
Regarding the cities on which we focus particular analysis, Mérida and Cuenca are ranked 22nd and 33rd, respectively, among the 81 cities considered. Mérida obtained a final score (C3 index) of 36.10, while Cuenca obtained a score of 32.52. Both cities are located above the C3 average of 29.54 points.

In any case, despite the similarities between the two cities noted in the methodology section and the relatively similar importance of their cultural economies, significant differences are evident. Cuenca is well above the average for the 81 cities in terms of ‘cultural vibrancy’ and the dimensions that comprise it (‘places and facilities of cultural interest’ and ‘cultural attraction and participation’). On the other hand, it scores well below the average in the other two sub-indices, ‘creative economy’ and ‘enabling environment’.

Mérida shows a different trajectory (although it scores similar to Cuenca in ‘enabling environment’); it also differs to a certain degree from the group to which it might be said to belong – small, inland cities in areas of lower development and with a high heritage and touristic component. It scores somewhat below average in ‘cultural vibrancy’; however, it is above the average in ‘creative economy’, being something of an exception in this sense among small cities outside large metropolitan areas. Mérida’s high score here may be attributable to the fact that is the capital of an autonomous region and therefore host to important institutions and public companies based on cultural and creative jobs, such as the audiovisual sector (Barrado-Timón et al., 2018).

To complete this characterization, we refer to the cluster analysis carried out by the research team that developed the SCCCM; this analysis is aimed at classifying the cultural and creative ecology of the entire set of 81 cities. Mérida is included within the group of cities defined as exhibiting a ‘principally creative economy’. This group also includes metropolitan nucleus cities with high income levels (San Cugat del Valles, in Barcelona) and coastal tourism cities (San Bartolomé de Tirajana, in the Canary Islands), but its main exemplar among cities of high heritage content is Santiago de Compostela. One characteristic of this group is the importance of the audiovisual sector, mainly due to the political decision to locate the headquarters of regional public television in capitals of the respective autonomous regions (Mérida, Santiago) or in Paterna, the metropolitan headquarters of Valencia’s regional television. As for Cuenca, the cluster analysis places it within the group of cities exhibiting ‘principally cultural vitality’, along with other small and medium provincial capitals with high heritage content (Toledo, Cáceres, Huesca) and certain coastal tourism centers (Escalona-Orcao et al., 2019).
Apart from the mere ranking of cities presented above, from statistical analyses carried out by researchers from University of Zaragoza enrolled in the Cultura y Territorio research team (Escalona-Orca et al., 2019; Escalona-Orca et al., 2021b), some interesting conclusions are derived around the impact that the three sub-indices have on the development of a city’s culture economy. In the first place, the ‘creative economy’ sub-index best predicts the final weight of the urban cultural economy (C3 index) (Figure 2, D2), meaning that the cities which obtain higher scores in this sub-index (high-income metropolitan areas) are also the cities ranked in the highest positions of the final synthetic index. On the other hand, the score obtained in terms of ‘cultural vibrancy’ (where scores are higher for the urban model here observed) is less clearly related to the final result in the C3 index (Figure 2, D1). As already noted, this explains the poor results of many of the heritage cities located in areas of low population density and far from the main zones of economic development, as is the case with the cities under analysis.

**Figure 2. Relationship between the C3 index and the scores of the sub-indices that compose it (D1 ‘cultural vibrancy’, D2 ‘creative economy’, D3 ‘enabling environment’)**

In any case, most interesting in this characterization of the urban culture economy is that the sub-indices ‘creative economy’ (Figure 2, D2) and ‘cultural vibrancy’ (Figure 2, D1) do not reinforce one another in this set of cities (Escalona-Orca et al., 2019). That is, there is no direct and immediate relationship between a city’s heritage, cultural interest, and cultural sector and the weight of its culture economy, understood as jobs and patents based on knowledge, heritage,
the arts, etc. These aspects, tested in the aforementioned studies, were to be discussed with interviewees in order to assess whether their perceptions confirmed the quantitative analyses.

4.2 Territory, society, heritage, and urban image as factors contributing to the development of the culture economy in Mérida and Cuenca

The ongoing lack of knowledge about the composition and dynamics of cultural and creative ecosystems has at times been highlighted (Communian & England, 2020; Gong & Hassink, 2017). This lack extends in the case of Spain and for intermediate urban scales to the individual trajectories of each city in relation to the culture economy; and this is even more evident for the socio-spatial aspects that contribute to the development of this sector. Indeed, although aspects including proximity and face-to-face contact, mutual trust, heritage, the urban image, or quality of life have all been cited as factors that can theoretically favor smaller urban scales, the reality is that few empirical investigations have sought to examine this.

This section will therefore focus on assessing the importance that purely spatial and social factors which characterize medium and small cities may have in the operation of cultural companies and clusters. To do so, we start from the opinions of those managers and economic and cultural agents referenced above (whose comments are reproduced with inverted commas). Emphasis will be placed on the relative weight of those territorial characteristics most directly related to the urban model with which we are concerned (medium and small cities), in order to consider its relative advantages or disadvantages compared to the larger urban spaces most often analyzed. Our analysis will be carried out by distinguishing between the characteristics of small and medium-sized cities that can be categorized as ‘hard’ or ‘soft’ location factors, in accordance with the method proposed as being ‘state of the art’ earlier in this article.

Among the more classic or ‘hard’ localization factors the element that interviewees considered most favorable was labor costs, especially in the case of Mérida, which is consistent with part of the international bibliography (Denis-Jacob, 2012; Lorentzen & van Heur, 2013a). This is a factor directly related to this urban model (lower production costs in smaller cities and in those with lower levels of development), allowing them to compete against localized companies in larger cities. What is produced, in certain circumstances, is a positive synergy between low costs of living and production – an aspect that can be seen as determinative of relative success in the culture economy of certain urban models: ‘wage costs are lower than in the rest of the country, but as the standard of living is also lower, this is positive’ (ME 4); ‘not labor costs, because living in Cuenca is cheap’ (CE 2); ‘as an advantage, clearly the low costs –Cuenca is a comfortable
and cheap city in which to live and develop an economic activity’ (CE 5). In any case, there is no unanimity in this regard, as some interviewees consider that, at least in their sectors, there is a clear awareness of what a professional should charge, and workers are paid well within the regional context: ‘labor costs are adequate (...) I know that there’s a good distinction here between the professional and the amateur, and we don’t have that salary problem where we have to lower costs in order to compete’ (ME 2).

Labor costs are directly related to the availability of well-qualified workers for the different sectors and phases of a production process. In the two cities analyzed, the situation seems to be more favorable in Mérida than in Cuenca (‘as for a disadvantage of the city, the difficulty in finding qualified labor’ – CE 5). No generally positive or negative situation appears to prevail in either city, but rather differences according to the sector and the phase of the production process. Thus, in Mérida a negative situation has been revealed in the case of audiovisual production (‘in this sector, finding qualified labor nearby is sometimes difficult’ – ME 6; ‘for more complex projects, we have to go outside’ – ME 3), and a very positive situation in the theatrical sector at the level of interpretation (‘there are highly trained people in Mérida’ – ME 4), but less so from the technical point of view (‘the companies compete more for the technicians than for the actors’— ME 2; ‘the actors are trained, but not the lighting technicians or sound engineers’ – ME 2). In fact, in what could be considered a problem derived from the demographic and economic levels of these cities, an emigration is underway of those professionals most in demand, toward cities of greater economic centrality: ‘terrible, and always worse and worse, because Madrid is taking the good technicians. There are some very good ones, but they take them’ – ME 2).

Among the ‘hard’ factors that are considered negative, continuously cited are those derived from: deficiencies of infrastructure (clearly transport, in the case of Mérida); isolation and scarce population, which implies small markets (‘Cuenca has a small population, and very few dedicate themselves to music, which means few potential clients’ – CE 2); as well as strong competition from companies located in more dynamic and less remote areas (‘places close to large cities like Madrid or Valencia... we have to compete with companies there’ – CE 2). As in the Spanish examples, the international bibliography (Denis-Jacob, 2012; Jayne et al., 2010; Waitt & Gibson, 2009) cites isolation, low densities, and direct competition from large metropolitan areas (whether near or far) as among the problems that frustrate the development of powerful cultural clusters in this urban model.
Another interesting topic with a smaller number of references concerns negative opinions possibly related to ‘cultural smallness’ (Bell & Jayne, 2009; Jayne et al., 2010), which is to say the lack of dynamism sometimes attributed to places of small population, compared to the supposed incessant vitality of big cities and urban nuclei more directly connected with the principal flows of globalization. To a large extent, this ‘cultural smallness’ is a product of business dependence, according to the interviewees (‘there’s little business here, a rural area that doesn’t invest in these types of activities’ — ME 3; ‘all cultural companies have great dependence on the public administration; if it didn’t exist, we wouldn’t exist’ — ME 6), largely due to the weak dynamism of the urban and regional economic systems (‘in Extremadura, it’s rare to find a private company in this sector that has nothing to do with the regional government’ — ME 6) and of the city itself (‘the whole city goes hand-in-hand with the administration’ — CE 1). This relationship between a not especially powerful or dynamic economic system and the culture economy is also recognized by cultural managers and programmers (‘There are no large companies to ask for sponsorships — all cultural managers end up going to the same entities to ask for aid’ — CE 3).

The strongest relationship between the cultural sector and the rest of the urban economy is observed in tourism, with two main effects. First, there are attempts to convert the tourist into a consumer of culture, thereby establishing positive synergies between the two sectors (‘expectations are being generated, since they’re betting on a program that can also attract tourists’ — ME 1; ‘the very choice of season in which the festival is held — the summer, when tourism drops — explains that with this activity an attempt is being made to move the city a bit (...) and support the fabric of the tourism business’ — CE 3). Second, cultural production is used for urban promotion, including in terms of tourism (‘culture achieves its greatest value when promoting the city’ — CE 1; ‘we promote Mérida because we take it to every corner of Spain’ — ME 4). It is also perceived that the current, highly standardized models of consumption of cultural tourism do not facilitate the integration of new cultural offerings into mass urban tourism: ‘since everything is absorbed by heritage (...) I don’t know what influence the city’s other cultural aspects might have’ (ME 2).

Regarding the ‘soft’ factors of location, the first discussed with the interviewees was the weight (in the operation of their organizations, and of cultural clusters in general) they would ascribe to geographical proximity (‘closeness’) and ease of face-to-face contact with other economic and institutional agents, in line with what the international bibliography finds (Hansen & Winther, 2013; Scott, 2001; Storper & Venables, 2004). According to the answers offered, for businesspeople in Mérida, proximity is an element of enormous importance, while those in
Cuenca consider proximity a neutral factor in relation to their production strategies, although some actors in this city do define it as a ‘determining factor for business’ (CE 5).

More significant are the reasons specified in qualitative opinions for which productive importance is attributed (or not) to the territorial and social proximity that medium and small cities allow. In the first place, interviewees highlight the importance of geographical proximity for ease of contact with other key agents in the productive chain, thus reinforcing the position of sectors in which (according to analysis of the ‘hard’ factors) sufficient qualified labor was indeed present in the city. According to the literature, this facilitates contractual relationships and lowers transaction costs while maintaining the spontaneity and agility of a system based on small organizations (Porter, 1990).

Here we find arguments to the effect that ‘geographic proximity is very important for contracting and cooperation relationships’ (ME 3) ‘between companies here’ (ME 4). The economic relations among companies are forged mainly at a local and regional scale (‘most are from Cuenca, although there are some from other regions’ – CE 6; ‘my contacts go beyond the city to all the companies in Extremadura’ – ME 4). There are even agents for whom the city is the only scale at which they build productive relationships (‘they are all from Cuenca, they are less than five kilometers away’ – CE 5; ‘what most prevails are personal (…) face-to-face contacts’ – ME 1; ‘the subcontractors are 100% local, but because it’s our philosophy, we subcontract the technicians and the equipment we need in Mérida’ – ME 5; ‘all those that I subcontract are from Cuenca, while those who subcontract me are mainly companies from Madrid and Valencia’ – CE 7).

In fact, at least in the case of Mérida, with a cultural ecosystem very focused on theater (largely thanks to the International Classical Theater Festival), and with businesspeople and producers closely related to one another (even working as actors in productions of other companies), the importance of face-to-face contacts, as indicted by Storper and Venables (2004) and others, reaches such a point that many are established informally. Thus, while in Cuenca a clear majority of responses are inclined toward formal contractual relationships, in Mérida the opposite is true, and not only between theatrical agents but between different sub-sectors (‘cooperation is informal, yes, we’ve done that a lot’ – ME 6).

The reality is that the operation of these small cultural ecosystems in some sectors and cities (like the theater sector in Mérida) seems to depend on the two parameters attributed to them in the bibliography, made possible thanks to proximity: small companies that can adapt to quantitative
and qualitative changes in hiring, and close and proven contacts that assist the mounting of productions (Hansen & Winther, 2013; Porter, 1990; Storper & Venables, 2004) (‘basically, they’re hired through kinship, because they already know you, or they’ve seen something that you’ve done, or because someone has told them about you’ — ME 5). Thus, it is noted that ‘companies here can be very small, with 15 or 20 people in their catalog of actors and actresses, and in the end, they end up mounting all the plays with those people’ (MI 1).

As indicated in the bibliography, these informal alliances ‘derived from face-to-face contact’ (ME 5) seem to allow in these cities stable flows of information that facilitate the improvement of the productive system: ‘you find out many things — what others do, the projects they do— these close contacts are extremely important’ (ME 3). This informality seems to operate at the level of mutual support and provision of services and technical elements between companies, as well as in the transfer of information; however, once a project is accepted, the contracting and other economic relations are formalized: ‘we jointly present ourselves to funding competitions, and if we win, we formalize the UTE’ (temporary union of companies) (ME 3).

The second reason given by the interviewees to explain the advantages of small size and proximity, especially in the case of Mérida (an autonomous capital), is ‘being closer to public administration’ (ME 4), which implies that ‘all people are known — I have personal contact with the director of cultural promotion, and with other people, so I have better contacts than if I did not live here’ (ME 4). What seems clear is that this would not be possible in another population center within Extremadura, or even if Mérida were a larger city — as is the case in other regional capitals like Madrid, Barcelona, Valencia, or Seville. Again, it should be noted that Spain is a highly decentralized state from the political and administrative points of view, so that in each autonomous capital resides a government and administration with a great deal of power and responsibility; and considering the companies we are dealing with here, this is also significant in essential aspects such as economic aid in regions (like Extremadura) that are subsidized by the European Union. The importance of regional capital status is reinforced when this responsibility has fallen on small cities such as Mérida or Santiago de Compostela (capital of Galicia), clearly enhancing the economic significance of urban size and proximity. It is interesting that, compared to other aspects analyzed, physical proximity to a powerful administration equipped with budgets for cultural activity does not appear to be a clear decisive factor in the international bibliography.

The economic relationship between cultural companies and public administration is established on many occasions via subsidies (‘yes, we benefit from many subsidies from the regional
government’ – ME 3; ‘yes, there is aid for productions, and also for tours’ – ME 4); in the cases analyzed, also especially underlined is the importance of the regional administration as a final or intermediate client (subsidizing cultural activities within the city’s programming, which hires companies directly). Many of the interviewees stated that the different levels of administration are their most important and even their sole clients (‘all public institutions — private business for us is a very low percentage of turnover’ – ME 6; ‘almost all of our clients are public sector’ – ME 3; ‘our main market is public institutions’ – CE 1; ‘my most important clients are public institutions, by far’ – CE 5) or else one among numerous clients (‘both public institutions and private companies’ – CE 6); but none indicated that their markets were exclusively private.

The energizing role of public administration in the culture economy is fundamentally one of hiring creators and producers, then making products available to citizens as a public service (‘When I came to the council, the basic function of the institution was to finance activities, not to promote them; they had been financing a series of activities in a traditional way, while management depended on other entities’ – CI 1). This function is recognized as essential by cultural companies, yet their final assessment sometimes carries a clear negative tone, in line with poor assessment of the urban economic system as a whole (economic ‘smallness’) when considering the ‘hard’ factors of location.

Apart from the closeness and mutual knowledge derived from small demographic size, the interviewees were asked to reflect on the impact that certain urban variables had on the operation of their organizations, starting with the importance attributed to cultural infrastructures and to the urban culture on offer; that is, what in the quantitative section was termed ‘cultural vibrancy’. The relationship established between spaces for cultural consumption and the culture economy is nearly absolute, either because the former serve as production sites for some of the companies interviewed (in the case of theaters or cultural centers), or because it is generally understood (in the case of cultural activities or environment) that, the greater the sensitivity toward culture, the better the social conditions for the economic activities they develop: ‘the great tradition of Mérida and the city’s own social climate... there’s a predisposition to collaboration, thanks to a taste for culture’ (ME 5).

It should be noted that the best valued cultural facilities by far are the museums, and both Cuenca and Mérida feature some very important ones that furthermore clearly connect with the cultural images that these cities project. Especially noteworthy are the Museum of Spanish Abstract Art in Cuenca, linked to the revitalization of the city in the second half of the 20th century, and the National Museum of Roman Art in Mérida, an outstanding referent in Spain both
for its collection and its architecture. The impact that museums have been having on urban revitalization strategies via cultural consumption since the end of the 20th century has long been analyzed and debated (Gómez, 1998; Gómez & González, 2001; Plaza, 1999; Plaza, 2000). More complex a topic is the possible role museums can play in promoting the cultural production of a given city. Such a connection was perceived as possible by the interviewees when assessing their role in the construction of an urban image that also serves as a brand for their cultural productions.

As a conclusion to these case studies, we can indicate a series of qualitative combinations of ‘hard’ and ‘soft’ factors that help to explain the favorable position of Mérida over Cuenca in creative economy observed in the quantitative approach. Mérida has managed to take better advantage of its own characteristics as a small and medium city than Cuenca, building a stronger connection between its heritage-based image, its ‘cultural brand’, and certain sub-sectors of its cultural economy.

In the first place, Mérida’s cultural specializations (especially in the case of theater) connect better with the symbolic identity that the city transmits, and with certain of its cultural landmarks, notably the National Museum of Roman Art and the Classical Theater Festival. This symbolic connection in turn favors the creation of a conducive cultural environment and, consequently, both tradition and specialized labor. Thus, we find statements such as ‘Mérida helps with exterior commercial management; the city sells itself, even abroad, and for theater people it’s a reference’ (ME 1); also, ‘the city generates projection for my company; the Festival generates a lot of projection’ (ME 4). In fact, this positive link also has an internal aspect, in the high regard that the inhabitants show for the work done by these companies and their personnel (’it never happens anymore that you say you’re an actor and people ask ‘and what else do you do?’ – ME 2), and in the end this entails a kind of image-fusion between society and the cultural sub-sector: ‘The theater is part of the city’s DNA’ (ME 5).

To the contrary, while Cuenca is a city with equally important cultural and heritage attributes, the image it conveys is less compact and less linked to its current cultural and creative productions. As also indicated in the bibliography, this would confirm that cultural heritage is not in itself a factor that necessarily enhances cultural production; rather, it is the transmitted image of that heritage (its symbolic and transcendental capacity, and its connection with certain cultural sectors) that can generate a synergistic relationship that enhances the economy of culture.
This stronger connection between cultural production and the symbolic image of Mérida, as exemplified in the theater, also allows the city to take better advantage of the ‘closeness’ and face-to-face contacts that favor the dissemination of ideas, insofar as this is a sector with a very complex production chain that depends on the confluence of many small companies working together with freelance artists and technicians. On the other hand, in those sectors where linkages are simpler and depend on relatively segregated business units, ‘closeness’ loses importance and cannot compensate for the negative aspects derived from isolation.

The importance of proximity to a powerful public administration, such as a regional capital city in Spain, cannot be overlooked. In this sense, Mérida (or, for example, Santiago de Compostela) has a clear advantage over cities of similar size without this rank; and this status can confer favor in sectors highly dependent on public procurement, such as audiovisual production.

5 Discussion and conclusion

In the international bibliography, there appears to be no clear consensus on the weight that the combination of ‘hard’ and ‘soft’ factors has in the location of creative activities (in the opinion of managers and/or workers), although studies tend to focus on cities of greater demographic significance and international projection (Murphy & Redmond, 2009; Pareja-Eastaway, 2009) than those considered in this work. Nor has it been possible to categorically prove the weight that ‘soft’ factors may have in attracting or enhancing creative activity in areas of low demographic density, such as the small extra-metropolitan cities in Spain (Escalona-Orcao et al., 2018).

Our analysis of Mérida and Cuenca does seem to confirm the importance of certain territorial aspects considered essential to the success of a cultural ecosystem; but no clear preponderance is evident for either of the two categories (‘hard’ and ‘soft’ factors). Rather, certain combinations of these are more likely to foster relatively virtuous circles that can enhance cultural economic development. As already noted, these qualitative advantages do not seem to work at the urban scale so much as at a particular city/sector scale, so they may prove neutral or even negative for a different productive sector in the same city. Thus, not all the cultural sub-sectors of a city appear to be capable of overcoming the drawbacks of the ‘smallness’ of the place where they are located, or of taking comparative advantage of the same, or of transcending the local to compete at a broader scale.

It seems clear that both ‘closeness’ and trust (Scott, 2001; Storper & Venables, 2004) are significant to many interviewees, insofar as these allow the exchange of information, as well as
services and benefits. In fact, in some sectors there is a complete overlap based on personal familiarity among very small companies, so that to a large extent they end up sharing costs, risks, and benefits while maintaining great flexibility. Interestingly, the interviewees did not usually specify the advantages of this easy interaction in economic terms (i.e. in reduced production costs) but rather in access to information and collaboration among companies (as in the provision of services or equipment) and workers.

Nevertheless, the closeness presented by small size does seem to have positive effects when combined with other ‘hard’ factors like the availability of a sufficiently qualified workforce. Again, this positive combination of ‘hard’ and ‘soft’ factors does not operate for the cultural economy of a city as a whole but for certain sectors with complex production structures and chains of small business units and/or self-employed workers. In this case, the urban environment, knowledge, and trust are all essential to achieving a density that favors the creation and transmission of ideas and information, facilitating optimal combinations among production units.

The other ‘hard’ factor which in combination with ‘closeness’ can build positive synergies is proximity to public administration. However, the capacity of public administration to promote a culture economy is not homogeneous either, as sectors of the culture economy and levels of administration are both varied. Discovery of which administrative processes and levels are most important to urban cultural ecosystems remains a pending task, as does examination of which sectors or phases of production might benefit most.

Another aspect of interest to our research has been the importance attributed to ‘smallness’ by the agents interviewed, in both positive and negative terms, as regards the operation of their organizations and urban cultural ecosystems. Reference is made in the international bibliography to factors such as the better quality of life in medium and small cities (Jayne et al., 2010; Knox, 2013; Lorentzen & van Heur, 2013a; Montalto et al., 2019; Selada, 2011; Dubinsky & Garrett-Petts, 2002), or the lower costs of living and production (Denis-Jacob, 2012; Lorentzen & van Heur, 2013a); at the same time, these aspects have not been not so clearly valued in bibliographies focused on Spain (Barrado-Timón et al., 2020). However, a large proportion of interviewees in this case do indicate the lower costs of production and living in medium and small cities as positive factors, along with greater social cohesion. In other words, the cultural producers interviewed for this research do clearly suggest that the smaller urban model offers advantages that are not present in larger cities. Nevertheless, these advantages are not
characterized as significant if not combined with other ‘hard’ factors and may vary depending on the productive sector.

However, this ‘smallness’ is also reflected in a negative way, especially in reference to a low-powered economic system offering few possibilities to connect with and boost the cultural economy. Therefore, the positive aspects of smallness in terms of quality of life are diluted when a city lacks a powerful economic system that connects with its cultural economy. This seems to favor very dynamic medium-sized metropolitan cities by combining ‘liveability’ and economic dynamism due to the ‘borrowed size’ effect (Alonso, 1973; Burger et al., 2015), as has been found for the audiovisual sector in the wider metropolitan area of Madrid (Barrado-Timón et al., 2018, 2020). Such a factor can harm cities like those under study, where smallness is combined with isolation in regions of little dynamism, sometimes with a certain ‘agglomeration shadow’ effect (Burger et al., 2015) from large metropolitan to which they may be fairly well connected, as in Cuenca. As noted with the positive perception of ‘smallness’, this negative perception was not appreciable in the national bibliography on Spain; confirmation of these aspects in other cities and with greater quantitative evidence would be a matter for further research.

In any case, positive and negative perceptions of ‘smallness’ are neither univocal nor unidirectional. According to the available sample, variable interrelations with other urban factors and with the cultural sector here observed do matter considerably. Therefore, we cannot comfortably affirm that aspects such as urban size or the regional environment have a particular impact on urban cultural sectors; for such conclusions to be drawn, it would be necessary to examine the complex relationships between particular urban spaces and certain productive chains more deeply.

An interesting aspect observed in results from the earlier quantitative approach is the scant statistical relationship found between the aspects integrated under the banner of ‘cultural vibrancy’ (‘cultural venues and facilities’; ‘cultural participation and attractiveness’) and those of the ‘creative economy’ (‘creative and knowledge-based jobs’; ‘intellectual property and innovation’; ‘new jobs in creative sectors’). Also notable is the very reduced weight that this ‘cultural vibrancy’ exerts in the behavior of a city’s culture economy and in the development of potential cultural clusters (Escalona-Orcao et al., 2021b). At minimum, we find no direct and mechanical relationship between the two aspects. This appears to run somewhat counter to the importance ascribed by the literature to certain cultural amenities and inherited elements as basic resources that help explain the development of a strong culture economy (Bell & Jayne, 2009;

The results obtained in the qualitative research appear to indicate that for our interviewees, the existence of a rich heritage is not necessarily synonymous with success in the economy of cultural production but (at best) in the economy of cultural consumption, by way of leisure and tourism. In fact, several interviewees raised doubts about connecting cultural production with the tourist economies of their respective cities—a link sometimes taken for granted in the literature. This seems to be the case in many Spanish cities of small or medium size and with high heritage content: although they are important tourist cities (Hidalgo-Giralt et al., 2020) that obtain good results in terms of ‘cultural vibrancy’, they have not succeeded in making the leap to a strong economy of cultural production. Thus, while places of cultural production are often places of intense cultural consumption (O’Dell & Billing, 2005; Scott, 2001; Smidt-Jensen, 2009), the inverse relationship does not necessarily occur (where places of intense cultural consumption are automatically places of cultural production).

As indicated in other works, it is not the inherited patrimony but rather the cultural identity and sense of ‘authenticity’ that can be built with that heritage which can connected with and form the basis for a powerful cultural economy (Lazzeroni et al., 2013; Musterd et al., 2007). More clearly essential for the promotion of the cultural sector is a city’s capacity for symbolic transcendence by way of discourses and images created over time, as well as its capacity to project itself beyond its own urban limits (Lorentzen & van Heur, 2013a).

This idea connects with Scott’s (2001) concept of ‘niche markets’, given that urban symbolism will be effective only when constructed from a right assessment of the urban reality, and when it connects well with the cultural sub-sectors to be promoted; or with the notion of exploiting a city’s small size, which allows a more compact cultural identity (Storper, 1997) for taking advantage of what Bell and Jayne (2006) described as “localness” or “third-ness”. Thus, one conclusion may be that there are generic urban discourses (such as those generally based on wealth of heritage) with little capacity for differentiation or penetration, and these are unlikely to drive a given ecosystem toward broader cultural markets. Others, meanwhile, being more concrete and connected to their particular urban reality, will always be more powerful in the promotion of a certain cultural sub-sector, linking that sector with the image of the city as a promotional ‘brand’.

Although heritage can generally represent a positive differentiating factor for companies based in a particular city, truly exceptional synergies occur when there is a direct connection between the

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urban image and a specific cultural sector. These would be cases where, following Power and Scott (2004), it might be said that the city itself becomes the brand under which the cultural products produced within it compete in national and international markets.

In summary, our research methodology and the scale here considered have revealed certain keys for understanding the culture economy in medium and small cities. First would be a refutation of simple causalities between the existence of cultural heritage and a powerful culture economy. Although heritage is an important resource, it is more important at the time of establishing the sectors that will have more capacity to connect with the urban reality and to transcend to other scales (‘niche markets’), than when it comes to ensure a powerful cultural ecosystem of a generalist nature. As has been demonstrated in this text and in other publications by this group (Barrado-Timón et al., 2020; Escalona-Orcao et al., 2021a, 2021b), some of the most developed cultural ecosystems are found in small and medium-sized cities within larger metropolitan areas, with few or no previous heritage or cultural references.

The second major aspect to be highlighted is the weight of certain specific territorial factors of small and medium cities, often cited but scarcely investigated at the local level. Our conclusion is in line with that found by other works (Barrado-Timón et al., 2020; Lazzeroni et al., 2013) indicating the need to develop case studies at a local scale that adopt a territorial approach to the culture economy and that allow for the observation of nuances in relations between the culture economy and the urban space, heretofore obscured from prior approaches.

Finally, it must be mentioned that the local approach also carries a weakness, in that our conclusions are supported entirely by two case studies. Deepening the analysis by way of additional examples (using this or a similar methodology) will allow further advances in understanding the economy of culture as relates to this urban model.

Supplementary materials: data for the SCCCM are available at http://culturayterritorio.com/base-de-datos-de-indicadores-version-de-2019

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