

## CULTURE AS THE ENGINE OF BILBAO'S ECONOMIC AND SOCIAL TRANSFORMATION



**ATTRACTIVENESS** INNOVATION RENEWAL  
CREATIVE INDUSTRIES **CULTURE** GROWTH  
**NETWORK** ECONOMIC DEVELOPMENT

### 1. Context:

Bilbao is the capital of the province of Biscay with a population of 350,000 inhabitants and €35,865 in GDP per capita in 2012. The metropolitan area of Greater Bilbao, with 1,000,000 inhabitants, is home to nearly half the population and economic activity of the Basque Country, positioning itself among the more competitive, innovative and productive European regions, with a GDP per capita 30% higher than the average of the European Union. Until the 1980s, Bilbao was an industrial city, with an economy based on steel and shipbuilding. Nevertheless, the serious economic crisis and industrial modernisation forced to the city to reinvent itself. In answer to this complicated situation, a number of public and private institutions conceived of a process of integrated revitalisation that resulted in an “urban revolution.” Culture was the wick that ignited the transformation of Bilbao, with the Guggenheim Museum as flagship of its development and global recognition. Today Bilbao is a city of services in

which culture is a fundamental axis of the strategy to promote innovation and sustainable economic and social development.

Since the 1980s, the image that Bilbao has projected has been one of an industrial city in decline, incapable of competing on the global level with other cities and attracting new investments. When the first industrialised countries in Asia and Southeast Asia emerged in the global economy with more competitive prices on products with a smaller degree of added value and that consumed a significant amount of human resources, Basque traditional industry could not face the competition and the economic decline of the territory began, materialising in the continuous closing of companies and businesses. It was necessary to regenerate the city socioeconomically, adapting it to new local and global demands. Bilbao led in institutional investment (along with the Basque Government and the Provincial Council of Biscay) to transform Bilbao's base of product specialisation toward new economic sectors in order to face off against the crisis.

In the 1980s and 90s, the global development of the city included cultural policy as a fundamental instrument for the urban regeneration and transformation of Bilbao, along with urbanism and sustainability. Shortly before the economic crisis reached its culmination ('92 and '93), the decision was made to create a great cultural space that fulfilled an energising function to again make Bilbao a competitive city through culture: the Guggenheim Museum Bilbao, opened in 1997. During the last 15 years, Bilbao's policy of development has been sustained through new activities such as services, leisure, culture and tourism.

THE CITY COUNCIL ADHERED TO AGENDA 21 FOR CULTURE BY AGREEMENT OF THE GOVERNING BODY OF MARCH 2005. EVEN BEFORE THIS, BILBAO HAD A CULTURAL POLICY ALIGNED WITH THE AGENDA'S PRINCIPLES AND COMMITMENTS.

## 2. Bilbao and culture

The policies of 1990s were focused on establishing the conditions necessary to turn Bilbao into the city of services that it is currently (67% of the economic activity corresponds to the services sector and 24% to the industrial sector). For this purpose, the strategy materialised through significant **infrastructure investments and cultural features** to take advantage of the urban development opportunities generated by dismantling industry and the reform of the harbor and railway infrastructures, which freed up a great deal of space in center of the city. It was decided to locate the Euskalduna Conference Center and Concert Hall and the Guggenheim Museum Bilbao, the true **engine of urban and social regeneration, in the Abandoibarra area.**

The City Council adhered to the Agenda 21 for Culture by agreement of the governing body of March 2005. Even before this, Bilbao had a cultural policy aligned with the agenda's principles and commitments.

**Culture, Axis of the Government Plan** - Bilbao's cultural policies strategy is formulated from an approach focused on culture as an economic and social engine. It is a key axis of the City Council's Government Plan 2011-2015, for which it earmarks around 10% of the municipal budget, in order to boost programming, consolidate the network of features, develop events and promote creation and artistic formation in collaboration with the creative sector, to turn all this artistic activity into an element of wealth generation:

**1. Bilbao, center of cultural activity:** (1) Strengthening of the museum network; (2) cultural infrastructures; (3) consolidation of the library network; (4) Stimulus for cultural programming; (5) culture in the neighbourhoods and (6) diversity.

**2. Bilbao, center of cultural creation:** (1) To promote artistic creation and artist training and (2) to collaborate with the city's artistic sectors.

**3. Bilbao, capital of leisure and events:** (1) cultural and leisure events; (2) consolidation of features and quality events, (3) participation and (4) Art and culture are also high-priority areas defined in the **iBilbao Innovation and Intelligent Specialisation Strategy.**

On the operative level, Bilbao has had a variety of public support programs for the cultural and creative industries sector like **BCreative!** for some time (2011-2013), through which it promotes future investment linked to the development of the creative economy as a sector likely to create jobs and wealth, strengthening talent, values, creativity and entrepreneurship. This sector is positioned as a model of opportunity tied to the urban surroundings of the city. It represents more of 6% of the economic picture and near 5% of Bilbao's jobs. The Creative Economy Development Plan gathers the measures of support at the height of this sector, promoting the creative capacities of the companies based in the city. All this municipal effort places culture as the economic and social engine.

**Culture and economy** - Bilbao long ago recognised the **economic dimension of culture as a factor of wealth generation and economic development** through its incorporation as an essential part of the city's strategy, summarised in the significant effort made by means of public financing (10% of annual municipal budget) and recognising the strategic role of the cultural industries for their contribution to local socioeconomic development by means of the implementation of programs like "BCreative." Another key element is the creation of the great cultural features which the city has at its disposal.



**Culture, sustainability and territory** - A balanced cultural policy cannot only be based on great features and shows. It must place culture within the reach of all ages, neighbourhoods and wallets. To this end, the City Council is organising more than 1,000 free activities in Bilbao's 33 neighbourhoods for more than 70,000 people. It is collaborating with more than 50 cultural civic associations, organising discussion groups on programming in each neighbourhood and putting municipal facilities at the disposal of residents to welcome and energise the neighbourhood's associations and group cultural initiatives. Culture is taken to residents and visitors by configuring outdoor public spaces as culture spaces.

**Culture and human rights** - The Mandate Plan 2011-2015 Integrates the focus on human rights following the *European Charter to Safeguard Human Rights in the City* and the *Global Charter Agenda for Human Rights in the City*, including the right to enjoy culture in its diverse expressions and modalities.

**Culture and social inclusion and diversity** - 8.5% of the population of Bilbao is foreign. For that reason, the Program and the Local Immigration Council, key tools of municipal management, are present in the definition of cultural policy. Work is done in collaboration with the private sector, civil society and other institutions so that culture and public spaces are accessible to the handicapped (examples for the blind are the ability to receive customised sound information by means of the audio description, facilitated by the Theater Arriaga, or the production of programs in Braille).

**Culture and governance** - Bilbao has three tools: leadership and governance to establish long-term strategies, the mandate plan—(commitments acquired via citizens), and, aligned with it, strategic budgets, which ensure that economic resources are assigned to high-priority areas. Values like

equality, social and environmental sustainability, solidarity, transparency and participation guide municipal governance. Bilbao systematically evaluates the cultural impact of its programs in order to adopt the necessary measures of adjustment and to establish guidelines to ensure the centrality of culture in the policies. As a member of the CGLU Culture Commission, Bilbao participates actively in the activities that are inspired by it. In the cultural sphere, it has signed agreements with Santander, Barcelona, Bordeaux, Biarritz and Milan for the exchange of experiences.

### 3. Objectives and project implementation

#### 3.1. Principal and specific objectives

The integration of the cultural and economic policy of Bilbao has as its primary objective the consolidation across time as the engine of economic activity and social transformation within the city's planned development strategy, to maintain the positioning of Bilbao as a competitive and attractive city at the global level.

##### Specific objectives

- To contribute to the urban, economic and social regeneration of Bilbao.
- To consolidate the economic and urban development transformation of Bilbao.
- To serve the internationalisation of the city and its configuration as an attractive global city in order to attract companies, professionals, researchers, etc.
- To contribute to the quality of life and well-being of its citizens.

IN ORDER TO BE ABLE TO EXPORT CULTURE AND TO CONTINUE GROWING AS A CULTURAL CITY, IT IS NECESSARY TO DEDICATE TIME AND EFFORT TO LISTEN TO THE CITY'S OWN CREATIVE SECTOR.

#### 3.2. Action Items

##### Support and promotion of cultural infrastructures:

- (1) The promotion of the museum network
- (2) The creation of new cultural infrastructures: Alhóndiga Bilbao;
- (3) The consolidation of the library network and municipal archive;
- (4) Neighbourhood cultural programming: decentralised programming of theater, music, exhibitions, etc. in collaboration with local cultural organisations;
- (5) The promotion of artistic creation and artist training: Bilbao Art, Bilbaoeszena, Bilbao Musika, Bilbao Film Commission, literary competitions;
- (6) Support for the organisation of cultural reference events: the Bilbao ZINEB! International Documentary and Short Film Festival, the Bilboko Kalealdia Theater and Street Arts Festival, the Basque FEST Festival, the Bilbao Bad Festival of Theater and Contemporary Dance, the Bilbao Fant Festival of Fantastic Cinema, Poetry Week, the ABAO opera season, the Musika-Music Festival of Classical Music;
- (7) Support for theater programming: municipal theaters (Arriaga and Campos) and collaboration with private halls (Hacería, Fundición, Pabellón 6).

##### BCreative: support for economic dimension activities in the art and culture sector:

In order to be able to export culture and to continue growing as a cultural city, it is necessary to dedicate time and effort to listen to the city's own creative sector. For that reason, Bilbao is investing in its creative people as the first link in the chain of its implementation of support activities:

- (1) "Bilbao Txokoak": a competition to select 10 spaces in the city in order to reform them, to invigorate them or to rehabilitate them from the design, architecture and socioeconomic perspectives.
- (2) Bilbao Auzo Factory (BAF): the creation of innovative surroundings that act like nodes of innovation, creating small urban spaces for creativity and entrepreneurship within neighbourhoods. These factories, through the synthesis of a variety of uses as incubators, accelerators, educational and networking activities among others, generate an attractive environment for innovation and the city's economic development.

- (3) The BiDC Forum and Design Week: a joint push by the Biscay Provincial Council and the Bilbao City Council to promote and support the growth of the design sector.
- (4) Collaboration with the UNESCO Creative Cities Network
- (5) Collaboration with the Fun&Serious Game Festival and Ho Play (videogames)
- (6) Bilbao Art District: a joint initiative between the Bilbao Fine Arts Museum, the Guggenheim Bilbao and the Bilbao Maritime Museum, together with businesses linked to the arts sector to drive this activity in a given area within Bilbao.
- (7) Enterprise encounters within the design sector with agents of the Milan Triennale, the IT sector with Microsoft and IBM, and companies in the textile sector with Maker technologists.
- (8) The “Creativity Meeting Point” creative industries forum
- (9) Training activities in collaboration with Eiken (Euskadi Audio-visual Cluster), Technarte, Sherpa Summit Bilbao, B-Awards, Selected and Bilbao Maker Faire
- (10) Participation in the Regional Use Plan, organising training courses in the audio-visual, videogames, new technologies and events production sectors.



### 3.3. Stages

**Stage 1: 1990 - 1997 Investment in culture as an economic engine through the creation of a global icon:** the Guggenheim Museum Bilbao. During the 1990s, Bilbao established the initial investment in culture as an economic engine of city. In 1991, Bilbao decided to build the Guggenheim Museum Bilbao, which was inaugurated in 1997. In 1998, Bilbao opened Bilbao Art and in 1999 the Euskalduna Conference Center and Concert Hall.

**Stage 2: 1997 - 2010 Construction of Bilbao as a cultural city of reference.** Once culture became a development tool of the city, Bilbao concentrated on harnessing existing cultural infrastructures and creating new ones (the inauguration of the Alhóndiga Bilbao), besides designing and updating cultural programming to meet needs.

**Stage 3: 2010 - Strengthening of the economic dimension of the arts and culture.** In the present decade, Bilbao is concentrating its efforts on strengthening the art and culture sector to allow the city to be competitive in sectors with a greater future forecast at the same time that it takes advantage of the last great opportunity space: Zorrotzaurre, where the sector will play a fundamental role. The economic dimension of culture entails the support of entrepreneurship in the sector, creating the conditions for its development through traditional factors (economic aids, traditional financing, etc.) and of new factors related to the creative environment (meeting spaces, creative atmosphere, networks, social financing, etc.)

### 3.4. Results :

- The image of Bilbao as cultural city of reference
- Infrastructures: Guggenheim Museum Bilbao, Museum of Fine Arts, Euskalduna Conference Center and Concert Hall, Alhóndiga Bilbao, the museum network, Arriaga and Campos Theaters.
- Growth of the Art and Culture Sector (4% annual; 6% of companies; 5% of total use)
- Growth in Tourism (5.5% of Bilbao's GDP), due in large extent to cultural tourism.

## 4. Impact

### 4.1. Impact on the local government

The conception of culture as an economic and social engine has had as its main impact in the City Council the **alignment of the city's cultural and economic policies**:

- (1) **Evaluation of the economic impact of cultural policies.** The City Council of Bilbao has established a system of indicators to evaluate the impact of municipal cultural policies that allows it to obtain data on its management and to establish improvement actions and to adapt its strategy.
- (2) **Work in the economic sector and the cultural sector.** A continuing collaboration between the economic and cultural sectors has been established so that all efforts are directed to the attainment of objectives, giving culture an economic dimension that has not always been linked to it.

### 4.2. Impacts on the city's culture and cultural agents

- (1) **Impact on the art and culture sector:**
  - annual growth of 4% during the last decade
  - it represents approximately 6% of Bilbao's total companies
  - it represents approximately 5% of Bilbao's total employment
- (2) **Impact on cultural consumption:**
  - growth of the number of cultural events and activities in the city
  - increase in the number of attendees and spectators at events and cultural activities
  - increase in the city's cultural infrastructures

THE INTEGRATION OF THE CULTURAL AND ECONOMIC POLICY OF BILBAO MUST HAVE AS ITS PRIMARY OBJECTIVE CONSOLIDATION ACROSS TIME AS AN ENGINE OF ECONOMIC ACTIVITY AND SOCIAL TRANSFORMATION.

### 4.3. Impact on the city/territory and its population

- (1) **Economic impact - generation of wealth in the city:**

#### **Guggenheim Museum Bilbao (1997-2014):**

- €3.224 million in GDP (38 times the cost of its construction)
- it generates an average of 4,500 annual jobs (direct, indirect and induced jobs)
- contribution of €500 million in additional income for the Basque Tax Office
- it has received more than 15 million visitors (two-thirds foreign)

#### **Euskalduna Center (1999-2014):**

- €1.035 million in GDP (12 times the cost of its construction)
- €9 million in accumulated surplus
- it generates an average of 1,200 annual jobs (direct, indirect and induced jobs)
- contribution of €90 million in additional income for the Basque Tax Office
- 5,777 conferences and events held and 4,400 musical and artistic performances
- 7 million people in attendance

- (2) **Other impacts:**

- Number of public cultural events: 2.132 per year
- Number of visitors to the city: 734.215 per year
- Tourism: 5.5% of Bilbao's GDP

### 4.4. Transverse impact

**Cultural programs to stimulate the role of women** - The equality of women and men is a fundamental principle in municipal activity and it is included in specific cultural programs that allow participation in an egalitarian way in public spaces: the Arriaga Theater's program for women at risk of social exclusion, the Science and Diffusion Annual Series: "Women who Make Science" and cultural and social workshops for women.

**Culture as an engine of regeneration and revitalisation of various areas within the city** - In Bilbao La Vieja are located Bilbao Art, a center of artistic production for the professional preparation of creative young people and Bilborock, a former church and space for live music from emerging local groups. In Otxarkoaga, another former church, Harrobia Eskena - Bilbao Stage Production Innovation Center, has become a technical and professional tool for the stage sector. In Zorrotzaurre, hand-in-hand with the HACERIA Cultural Association through the ZAWP Bilbao project- Zorrotzaurre Art Work in Progress, has transformed the old industrial pavilions into stage spaces for cutting-edge staging and productions.

## **5. Other information**

The City of Bilbao was a candidate in the first edition of the "UCLG International Award- Mexico City- Culture 21" (January-May 2014). The prize jury prepared its final report in June 2014 and asked the UCLG Committee on Culture to disseminate this project as an exemplary practice.

Request approved in September 2014.

Best practices published in October 2014.

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Video: Bilbao: Culture as an economic engine <http://www.youtube.com/watch?v=Rwn2FsUmvN4>