Abstract

Creative cultural industries are businesses on the rise with a potential that has yet to be determined. They are not generally acknowledged by the State as economic pursuits, however. The notion that culture is a not-for-profit endeavour is firmly rooted in Spanish society, a circumstance that has led to the invisibility of the industry as a business opportunity.

That lack of credibility as an economic proposition is reinforced by the industry’s organisation and management, its dependence on subsidies and its focus more on propagation than industrialisation. It consequently lacks both strategic business and sex equality policies.

Keywords: Women, entrepreneurship, culture, creative cultural industries, SMEs, cultural development.

JEL codes: L26, J16, Z11.
Introduction

Cultural leisure has been popular in Spanish society for decades, steadily widening its circle of consumers with a stream of activities, endeavours and businesses conducted within the realm of creative cultural industries that owe their consolidation to their growing audiences. A number of sub-industries are even engaging, as products, in some of the trendiest financial and investment endeavours. Cultural tourism, cultural leisure and trading in artistic assets and collector items are areas that are not only stoically resisting economic recession, but are actually enjoying such sustained growth that they can be optimistic about their prospects.

In unfavourable circumstances, businesses resort to creativity, while the authorities and institutional bodies continually encourage entrepreneurship by launching new measures to drive business and economic growth. Such costly and risky ventures are apparently apt only for the very brave, however. Their translation to culture tends to intensify the sensation of investment instability and insecurity conveyed by the industry, for culture is not commonly viewed as a wealth-generating activity. Despite that common belief, however, as early as 2006 creative industries accounted for 6% of the world’s gross domestic product (Howkins, 2007) and 3.2% of all trade in goods and services in 2009 (UNCTAD, 2010). Since that time, the figures have risen steadily. In Spain, for instance, in 2010 the share of cultural activities in the country’s gross domestic product came to nearly 3% or 32 billion euros, according to Cuenta Satélite de la Cultura (satellite account for culture) data. Growth has continued since then, reaching 3.5% of Spanish GDP in 2013, even though the period was characterised by the deepest budget cutting on record1. Creativity is the mother of innovation. At the beginning of 2012, a total of 101,342 companies were engaging in the trade and hire of cultural goods or conducting primarily cultural business.

It is at least paradoxical that while the authorities are so intent on encouraging entrepreneurship, the creative cultural industry, whose activity is based on creativity, merits such scant acknowledgement and support from those very authorities when seeking financing. Calling for entrepreneurship in the creative cultural industry is redundant for, according to Schumpeter2, it over-dimensions that conceit because the spirit is always creative and any reference to creativity in this industry is a reference to content.

If creativity and innovation are the ideals pursued in business sector renovation to drive a healthy economic turnaround, why the creative cultural industry is not afforded stronger State backing is difficult to understand. That attitude denotes risk aversion on the part of institutions and scant confidence in an industry based on individual creativity.

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1 Data taken from Anuario de Estadísticas Culturales 2013, authored by the Ministry of Education, Culture and Sport.
2 Regional CC SME Support Centre, Structurally Strong Traditional Economy.
1. Economics of culture, creative economy and creative cultural industries

No definition of the creative cultural industry (CCI) is complete without reference to industrial and professional inter-disciplinarity. The creative economy embraces areas of the arts, business and connectivity that have been fuelled by innovation and new business models. Art distribution and retailing channels (music, digital animation, films, news and advertising) have been blasted wide open with the advent of the digital era, thereby expanding the profits earned in the creative economy. Creative industries are now defined to include many areas of the economy not necessarily related directly or exclusively to art.

Figure 1. Creative cultural industry turnover in Spain

![Bar chart showing turnover in €M for different time periods.](source: Ministry of Education, Culture and Sport)

Taken alone, i.e., with no reference to recent trends in Spanish GDP, the data in the above figure paint a biased picture of CCI growth in the last 40 years. Against the backdrop of an unfavourable economic environment, however, and the impact of the years of severest recession on company profitability, together with budget constraints, industry growth is impressive.

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(3) In the European Union, formal acknowledgement of the importance of the CCIs came in the Lisbon Summit held in 2000, which identified a new model of European economic development based on knowledge management.
According to *Webster’s Third New International Dictionary*, culture is “the training or refining of the moral and intellectual faculties”. Alternatively, it is defined as “the body of customary beliefs, social forms and material traits constituting a distinct complex of tradition of a racial, religious or social group”. Such definitions broaden the perspectives held in the past whereby culture was an exclusive and elitist enclave or a synonym of the fine arts. Culture evolved in keeping with the aforementioned definitions throughout the twentieth century, when it came to be viewed as a fundamental human right, a key element to development, a vehicle for the redistribution of rights, improvements in governability, democratic participation and social peace, as well as an essential pillar for building the freedoms that enable human beings to live full lives (UNDP, 2004; Rivas 2011).

According to 2010 UNCTAD\(^4\) data, the economics of culture spawned by the creative economy of which creative cultural industries form part is a conceit based on creative resources that potentially generate economic growth and development by embracing economic, cultural and social factors. Moreover, such factors interact with technology, intellectual property and tourism. As in all types of business, those circumstances can foster revenues, trade and job creation. At the same time, however, CCIs differ from other industries inasmuch as their activity induces cultural diversity, social inclusion and human development. The term “creative economy” was coined by John Howkins (2013), for whom it includes industries where the value of goods and services is based on intellectual property: advertising, architecture, cinema, design, games and toys, fashion, music, publishing, research and development, software, TV and radio, videogames and visual and technical arts. The UNCTAD,

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\(^4\) United Nations Conference on Trade and Development.
however, includes more businesses under that heading, such as the digital economy, innovation and content and knowledge industries: publishing, audio-visuals, music and education services, as well as cultural content management (exhibitions, museography), the performing and visual arts, heritage and crafts.

Howkins (2013) further reported in connection with the invisibility of the creative economy that according to UNCTAD (2010) data, since 2005 the creative economy has accounted for over 6.1% of the global economy and grown even in times of crisis. Despite that performance, it is still not regarded by most economists as an industry to be reckoned with and in fact is not even acknowledged as a strategic or productive industry. For that reason, it continues to be “invisible” from the standpoint of strategic planning, political and business decisions. It is more often the object of protectionist policies and subsidies than of support in economic and business terms that would strengthen its position and enable it to increase its weight in the world economy.

The creative economy encompasses creative cultural industries that UNESCO defines as “industries which combine the creation, production and commercialisation of creative contents which are intangible and cultural in nature.” These goods and services revolve around creativity. Moreover, according to UNESCO their production and commercialisation processes should resemble the processes in place for the goods and services produced by other industries (Rey, 2009).

Figure 3. Distribution of Spanish cultural sub-industries by 2010

Our times have often been referred to as the “Knowledge Society” in allusion to the importance attached to that value, along with education, in societies’ development and prosperity. The knowledge society is related to the creative economy and its creative cultural industries whose business is based, fittingly, on activating,
extracting and converting knowledge and creativity, applied either to traditional activities or to high technology-related endeavours (Boix and Lazzeretti).

Today’s society has assimilated new channels for accessing culture with breath-taking facility and speed. Consumer patterns have changed and with them the ways people socialise and interpret cultural enjoyment. Nonaka and Takeuchi (1995) contend that in this new society the key instrument for organisations is knowledge management, which is what enables them to survive, grow and cope with the problems that may arise. It is, moreover, the sole valid resource at this time (Drucker, 1993). The same may be said of countries: nations that have created mechanisms for managing knowledge and protecting and fostering their creativity will enjoy the greatest growth opportunities and highest chance of survival. Countries that are not so prepared will be culturally invaded by countries, companies or other actors to the detriment of their industry and even their identity. Governments’ new-found concern for these issues can be seen in measures adopted in recent years by developed countries to defend intellectual property internationally and create economic intelligence departments, both focused on effectively managing and protecting intellectual property.

2. Cultural industry entrepreneurship

As in so many other areas of the Spanish economy, the crisis has driven many artists and cultural professionals to seek new opportunities abroad. The absence of development programmes and policies designed to retain this capital and to capture international talent is particularly damaging at this time. Starting up a business is especially trying in the cultural sphere due to the want of measures that favour financing for entrepreneurial initiatives, the lack of business nous, the existence of market entry barriers and entrepreneurs’ sparse business training (Ruíz Navarro, 2010).

Those issues must be addressed if Spain is to compete on the international arena with countries such as Denmark, Finland, Norway or the United Kingdom. In 2013 the Spanish Government announced measures to combat some of these weaknesses, which affect the national economy as a whole, with a programme of entrepreneurship and business management courses. At the same time, the educational offering in post-graduate cultural management is veering toward a global environment and Spain’s main export markets, such as Latin America and Europe.

In recent years, the so-called creative economy has gained strength as a key industry in production models and as a factor of economic growth. At this time, according to the ILO, the creative economy accounts for 7% of world GDP and employs approximately 800,000 people. A United Nations Conference on Trade and Development (UNCTAD) estimate places the value of exported cultural goods and services at 592 billion dollars in 2008, with mean yearly growth from 2002 to 2011 of 8.83% and 3.7% during the worldwide recession in 2007 to 2011.

Further to the Utrecht School of the Arts’ 2010 report entitled The Entrepreneurial Dimension of the Cultural and Creative Industries, the term cultural
entrepreneurship can be understood to be a key element that leads to cultural or creative organisation, explicitly driven by a strategic cultural mission: to assume risks when balancing creative and management values and contribute to a vital infrastructure in its immediate surrounds.

That report was based on interviews with European experts, most of whom premised that the features of cultural and creative industries such as product diversity, labour market, market conditions, the need to cooperate and network, as well as production and distribution differences, justify the need for the term (cultural entrepreneurship).

Culture and creative cultural industries play a significant role in social development. Nonetheless, the effort required to protect culture has led to these industries’ being viewed more as a subsidised than a market activity. That approach has stymied these industries’ contribution to economic growth, which has been much lower than it could potentially have been. It was not until the twenty-first century when UNESCO adopted what are now the three major international instruments that acknowledge the economic and commercial importance of cultural goods and services, and culture as a pillar of sustainable human development: the Universal Declaration on Cultural Diversity, in 2001; the Convention for the Safeguarding of the Intangible Cultural Heritage, in 2003; and the Convention on the Protection and Promotion of the Diversity of Cultural Expressions, in 2005. These instruments advocate a new approach to culture, traditionally viewed as an activity that needs to be subsidised irrespective of economic considerations around development.

In Article 8 to its Universal Declaration on Cultural Diversity (UNESCO, 2002a), UNESCO drew attention to the specificity of cultural goods and services, which should not be treated as mere commodities or consumer goods in light of their intrinsic value and specific contribution to society. At the same time, however, they hold huge economic value that springs from an unlimited raw material, creativity, and have two key components that distort the supply and demand curve: innovation and, given their intangibility, ready internationalisation.

Culture’s effect and dependence on development were identified and analysed in 1982, on the occasion of the second edition of MONDIACULT or World Conference on Cultural Policies held at Mexico City. Views on that relationship have continued to evolve and in 2013 the Hangzhou Declaration (UNESCO, 2013) acknowledged culture to constitute one of the essential pillars for sustainable social, economic and environmental development and identified a need to incorporate it into development policies.

Throughout these thirty-some years, UNESCO has conducted analyses and studies furthering culture as an engine of political, economic and social development, with initiatives such as the World Decade for Cultural Development in 1988, the World Commission on Culture and Development’s report entitled Our Creative Diversity in 1996, the 2010 acknowledgement of culture’s contribution to attaining the MDGs and the commitment to ensuring it a place of its own in the new era (UNESCO 2012).
UNESCO’s 1996 report entitled *Our Creative Diversity* was the first to identify the most significant areas in which culture impacts development and the effect that encouraging creative cultural industries would have on issues such as equality between women and men; empowerment, construction of democracy and participation of civil society; diversity and plurality, primarily as regards minorities; education and development in freedom for children and youths; the protection and harnessing of cultural resources (heritage, language); the environmental sustainability of culture; the essential role of creativity and cultural freedom; and the need to develop national and international public policies with culture as a mainstay.

In Spain, the *Cuenta Satélite de la Cultura* (satellite account for culture) contains economic information from which to estimate the impact of culture on the national economy as a whole. According to that source, in 2011 the cultural industry contributed 2.7% to Spanish GDP, or 3.5% if all intellectual property-related economic activities are included. The breakdown by cultural area reveals that the books and press sub-industry accounted for 1.1% of the total GDP in 2011 and 39.5% of all cultural activities. It was followed by the audio-visual and multi-media sub-industry (24.6%), which includes cinema, video, recorded music and television, among others. The remaining sub-industries had a lower share: plastic arts (14.4%), performing arts (8.3%) and heritage, archives and libraries (7.2%). These data confirm that intellectual property-related and cultural activities carry substantial weight in the Spanish economy.

Further to data contained in the aforementioned Utrecht School of the Arts report (*The entrepreneurial dimension of the cultural and creative industries*, 2010), the inability to access financing is often an obstacle to rolling out cultural initiatives, particularly for small cultural companies. Profitability questions deter private investors, although at this time the main sources of funding are self-financing and bank loans. Consequently, public financing and public-private partnering are key components for such companies’ development. With the steep decline in public subsidies and the potential for reaching vast audiences afforded by the Internet, the number of new creative entrepreneurs seeking collective financing through options such as crowdfunding and micropatronage has risen visibly in the last year. Goteo.org and Verkaim are examples of platforms for projects seeking such alternative funding. Since the response obtained is directly related to the interest in and demand for the product at hand, this type of fund-raising may also serve as a tool to measure the interest in a given cultural activity or project, thereby minimising pre-launch risks and costs. The tendency in cultural circles is to regard such methods as standard practice, although they should be viewed as supplementary to existing tools.

3. **Women and cultural entrepreneurship**

As the culture industry is not yet organised as a consolidated economic and business activity, good practice covering such questions as equality between women and
men is scantly developed. For that reason, the equality perspective is a significant factor in any analytical approach to global data on the creative cultural industries, where sizeable imbalances are found. In the area of artistic creativity in particular, the scales are clearly tipped in men’s favour, as discussed below.

In recent years Mujeres en las Artes Visuales (MAV), an association of industry professionals, and its coordinator Rocío de la Villa, have analysed data and studies to obtain an objective overview of the situation in the artistic community. They report that men clearly predominate in this area, accounting for 69% of the total, a figure significantly higher than the percentage of males in the working population (60.6%). These percentages are inverted for women, who constitute 31.3% of the artists and 39.4% of the national workforce.

The art professions are firmly and indisputably masculinised, and the proportion of men rises with visibility. Not a single woman appears on the list of the top ten Spanish artists by international sales born after 1950 (Artprice- FIAC, 2007-2010).

In light of the change in women’s role in Spanish society and the data cited above, it is hardly surprising that male presence rises with artists’ age. Women’s presence in artistic professions is greater among the younger generations, a process in keeping with their rising numbers in specialised training (65.4% of the enrollees in advanced level courses in 2009 were women).

The pattern on the international market is similar: not a single Spanish woman has been present in recent years on the list of the 500 top artists by sales. All of this affords irrefutable evidence of women’s invisibility in this field.

The woman-man ratio among practising artists is smaller than the ratio among trainees, with the difference appearing at the transition between one and the other status. It as if artistic creativity and all that goes with it were an exclusively male domain. Women have won barely over 30% of contemporary art awards and their membership on juries stands at approximately that same percentage.

The man-woman divide is even wider in the analysis of the authorship of works on display in public contemporary art museums and centres. Of the 3,915 artists whose works were custodied by the Queen Sofia National Museum and Art Centre in 2010, only 10.3% were women and 6% Spanish women. While such a percentage might be justified in museums specialising in older works given women’s negative position in the world of professional art in centuries past, it can hardly be explained today.

Another very revealing fact in connection with the Spanish art market is that of the 1,790 artists exhibiting in the country’s contemporary art galleries, 14.7% or 264 are Spanish women, and all women together (Spanish and other) account for 24.7%. That contrasts with the figures for men: 75% in all, 45.5% or 814 Spaniards and 29.8% or 533 male artists from other countries.

Nonetheless, women play a much greater role in companies operating on the art market, and even prevail in certain areas, such as contemporary art gallery management. Men are predominant in the trade of antique goods, however. To study this situation in greater depth, the companies participating in the major Spanish art fairs,
ARCO and Feriarte, were chosen for analysis. The findings showed that women were in management positions in over 50% of the contemporary art galleries participating in the latest edition of ARCO.

Trading in antiques was much more a man’s game, however: while women were found to manage antique painting and jewellery galleries, many more men than women were observed to head areas such as antique engravings, furniture and archaeological items. In coin and stamp collecting and antique books, over 95% of the executives were observed to be male. In Feriarte 2010, for instance, of the 114 exhibitors, 20% had women and 80% men managers.

At 45%, female presence in auction house management is common although not prevalent. Women are less frequently employed as art experts by industry majors such as Sotheby’s or Christie’s.

These figures confirm that much ground has yet to be covered to reach sex equality in the art industry. Nonetheless, the art gallery data are a promising sign that a better gender balance can be reached.

The statistics on employment in cultural creative industries, in turn, are indicative of gradual growth in recent years, with a total headcount of 457,600 or 2.6% of total employment in Spain. Cultural company staff are characterised by a higher than average educational level and considerable percentages of employees have more training than observed in the country as a whole. In this industry, 72.1% are wage earners, compared to 82.4% in the general workforce. The proportion of part-time employees (16.8%) is slightly higher than recorded nationally.

Significant differences are also observed between the sex ratios in cultural and total employment: 58.5% of the art industry employees are men, compared to 57.4% overall. By age group, the percentage is highest in the middle ages.

These data confirm the obvious existence of structural sex inequality which, to be remedied, will call for specific proposals in a not-too-distant future that must include social and business policies designed to further cultural equality and development.

**Conclusions**

Creative cultural industries contribute largely to stimulating today’s economies and hold high strategic value for national and regional development. Hence the need to further the cultural economy in Spain and view it from the same perspective as all other economic resources. Given, however, that the crisis and scant social participation in cultural activity induce risk aversion and quench entrepreneurial initiatives in the industry, a need can clearly be identified to foster investment and professionalism.

The aim is to locate new economic engines in cultural sub-industries with promising offerings that constitute a significant segment of the national economy and capitalise on their potential as resistant, appealing and profitable businesses. Authorities should contribute to professionalising the industry by abandoning the knee-jerk, “subsidy reflex”.
If culture is viewed like any other industry in a country’s economy, it should be required to implement good practice and implement sex equality policies at all levels of company organisation. Today, society demands a comprehensive offering of high quality goods and services in which respect for the environment, equality and social responsibility form part of the package. For these reasons, such demands may reasonably be expected to become more exacting in the cultural industry for, as this study shows, creative cultural product consumers and producers have a higher than average education. With time, their social demands and intolerance toward unfair policies, such as sex inequality, are sure to grow.

A change in attitude within cultural companies will be needed for the industry to conduct its business in ways that would liken it to others. To that end, as analysed above, cultural companies will have to envisage greater freedom of movement and organise their activity around business principles rather than cultural content. In other words, authorities should not be able to manipulate companies’ content through subsidies.

The authors of this article believe that public policy toward creative cultural industries should have a greater industrial than cultural component. That in turn will call for coordinating initiatives with the private sector and capitalising on the know-how of companies with proven experience in internationalising their products, for that will be a key factor in enabling new creative cultural companies to venture abroad.

The present crisis and the minority and in some cases even elitist social participation in cultural activities discourage entrepreneurship in this industry. Nonetheless, firmer support for one of the country’s major resources, its historic and cultural heritage, would be a sensible course to take. The sustainable model sought for the industry can only be created and its profitability ensured if the resistance to change is overcome and the relationship between economy and culture furthered.

Many disciplines are involved in cultural activity, creating jobs and wealth in one and the same business context: restorers, freighters and archaeologists are examples of the specialised skills needed in culture, although the list is much longer and includes information engineers, administrative, financial and security staff and many others. Interdisciplinary cohesion is consequently an imperative, given the interdependence of specialists in different areas for even their most basic tasks. With so many realms of activity involved in creative cultural industries, the business’s scant social advancement, in particular respecting sex equality, is hardly reasonable. The numbers on artistic creation cited above, with no more than a token female presence in the art market, should not be tolerated.

In conclusion, the economic potential generated in Spain by such powerful resources as culture and the cultural heritage is a promising sign for an economically prosperous industry in the not-too-distant future, in which companies operate as such and routinely implement social and equality policies.

Another conclusion that can be drawn from this analysis is that the present philosophy toward culture must be replaced with an economically sustainable model. This change of mentality is required both on the part of the authorities and cultural
companies themselves, although to a lesser extent in the latter, for which the stigma against culture as a profit-making pursuit has long been eradicated. The time has come to adopt an open mentality toward art and culture in the understanding that profitability does not detract from their social role, but rather consolidates and ensures their perpetuity. One of the country’s major and most valuable resources is its cultural heritage, an area of great entrepreneurial and innovative potential from which to draw.

Throughout this article, the authors have contended that the view of traditional investment and business areas should be enlarged, based on a pressing need for a more creative approach. Many economic challenges are arising in the cultural environment and stemming from those challenges is a demand for social advancement that professionals and companies need to interiorise as part of the industry’s daily routine.

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