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Cover Photo: Archaeologists defending higher education, research and employment (Paris, January 2009, photo: Nathan Schlanger).

ARCHAEOLOGY AND THE GLOBAL ECONOMIC CRISIS

MULTIPLE IMPACTS, POSSIBLE SOLUTIONS

Edited by Nathan Schlanger
and Kenneth Aitchison

6. Commercial archaeology in Spain: its growth, development, and the impact of the global economic crisis

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1 Introduction

This paper presents an overview of the impact of the global economic crisis on the Spanish archaeological sector. This study is a part of a broader initiative to analyse and systematise information on this sector, under a research theme entitled "The Socioeconomics of Heritage" of the Heritage Laboratory, a department of the Spanish National Research Council (CSIC). In this context, we have been developing an empirical study in the new market generated in the 1990s connected with Spanish archaeological heritage management, with particular attention to the emergence, structure and development of this market sector, examining the relationships between the actors and institutions involved in the generation of knowledge and innovation processes. To promote better knowledge of this sector, the present study analyses and discusses the current situation of archaeology in Spain and the effects of the global crisis. While we still lack sufficient quantitative data to fully identify the consequences of the crisis, we have developed a methodology to identify or measure these effects.

2 Overview of the Spanish archaeological sector

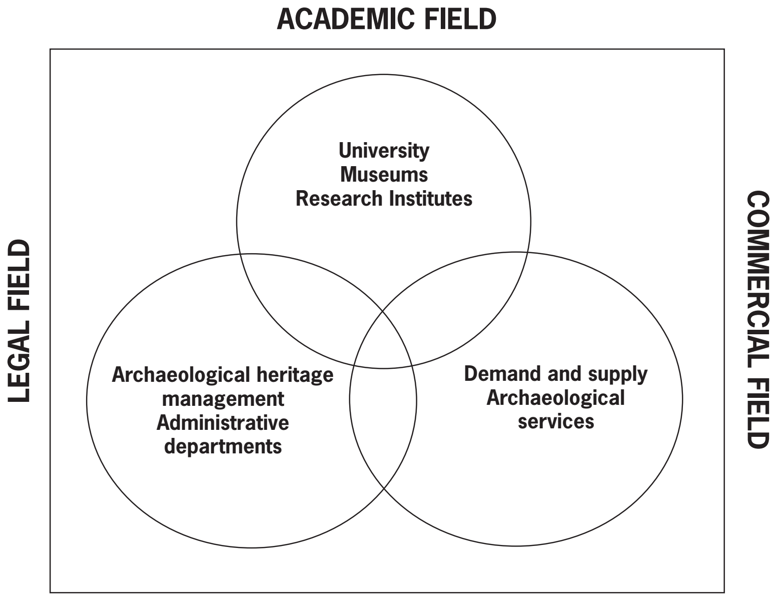
The Spanish archaeological sector is composed of heterogeneous agents with different interests and objectives that are classified in three main fields: the legal (or regulatory) field, the academic field and the commercial field. These fields involve different types of agents and organisations that are connected with the processes of archaeological management, as can be seen in Fig. 1.

The **legal** (or **regulatory**) **field** is made up of government institutions that have responsibilities regarding archaeological heritage at international, national, regional and local levels. These institutions carry out three basic activities: regulation, heritage management and commissioning of archaeological services.

The **academic field** includes research bodies, universities and museums; these institutions carry out activities linked to the conservation, production and transfer of archaeological knowledge.

As for the commercial field, business activities are carried out by organisations offering archaeological services to clients, such as government institutions and the construction sector

Fig. 1. Main agents and fields in the Spanish archaeological sector.



3 General description of Spanish commercial archaeology

3.1 The emergence of a new activity

In the early 1980s a series of major historical events marked a turning point in the understanding, protection and management of Spanish heritage in general, and of archaeological heritage more specifically. The first significant event was the publication of the Spanish Historical Heritage Law in 1985 to ensure the protection and preservation of the country's heritage. A series of requirements for the protection and management of heritage assets were subsequently developed to compensate for the absence of control mechanisms during the years of urban expansion in the 1960s. The second major event was related to the transfer of competencies from the central government to the regional governments between 1979 and 1983. After the publication of the Spanish Constitution (1978), a model based on the territorial structuring of seventeen regions was implemented, each with legislative autonomy, executive powers and administration through elected representatives. Each of the seventeen Spanish regions then developed their own approach for managing and regulating the historical and archaeological heritage, and for ensuring the adequate conservation and correct use of these assets.

The implementation of these new requirements meant that the regional authorities had to regulate any activity liable to affect archaeological heritage. This of course increased the workloads of these bodies, given their numerous other activities in terms of urban planning and public works developments. These regional administrations also lacked the necessary human and financial resources to assume these new responsibilities. Until the publication of the Spanish Historical Heritage Law (1985), archaeological works were conducted at the expense of the urban development, without planning or control. Most interventions were carried out with limited resources, relying on the goodwill of archaeologists linked in some way with the universities. However, following the implementation of the Law and the transfer of responsibilities for heritage matters to the regions, the demands led to the creation of a sector based on archaeological services. The regions began to outsource archaeological heritage management work to professionals in the field, while maintaining the role of monitoring and controlling this work. A new labour market begun to emerge, connected with archaeological heritage management. Based on the regional guidelines of cultural heritage laws and management, companies were structured and gradually gained experience, diversifying their services and creating value, building a labour market in which cooperatives, businesses and self-employed professionals settled into a new sector: commercial archaeology.

3.2 Defining commercial archaeology

It is difficult in Spain to define the archaeological profession and the learning process involved in this activity, given the absence of specific university degrees in archaeology. Actual archaeological operations are carried out by individuals, who are referred to in professional terms as 'archaeologists'. This definition is considered to refer to graduates in history who specialised in prehistory and archaeology, or to individuals who are able to justify their skills in archaeology through professional experience. Not all graduates in history and prehistory will be archaeologists, but to count as an archaeologist it is necessary to have completed these studies. This definition seems then to leave out those who have entered the archaeological profession through their own learning process. Commercial archaeology is "an activity generated in relation to Archaeological Heritage, when a correct control of this heritage calls for specific actions to be carried out that are generally developed as part of a contract, providing a specific service and charging for it" (Criado Boada, 1996).

The services offered by archaeological companies, as requested by enterprises, government agencies and private clients, include the following:

– *Documentation services*. These activities are related to recording, cataloguing and producing inventories of cultural heritage and archaeological sites to be protected.

– *Intervention services*, involving a series of activities carried out on the archaeological heritage with archaeological methodology. For example, in a building project that may affect archaeological resources, the archaeological company has to estimate the consequences of these actions, and then take steps to control or rectify the possible damage, always under the supervision of government agencies (culture, urban and /or environment departments). Funding for these intervention activities comes mostly from government agencies and from private companies, whose development projects threaten to destroy or damage archaeological sites.

– *Enhancement services* or museum projects. These activities are designed to render knowledge about the past accessible in different social contexts. Following intervention work on the threatened archaeological heritage, these valorisation activities should begin to give meaning to cultural resources, so as to penetrate the market mechanism and generate social profitability (Criado Boada 1996a, 1996).

– *Consultancy services*, including advisory activities, training and procedures related to archaeological assets that require field expertise.

– *Cultural diffusion services*, involving activities connected with the knowledge society and / or resources related to archaeological heritage management.

4 Designing a methodology for assessing the impact of the crisis on Spanish commercial archaeology

Upon the above background, a methodology was devised for characterising the structure and size of the Spanish archaeological sector, and the impact of the crisis on it.

At the onset, it should be remembered that in Spain there are no official sources of systematised data on the archaeological sector. This makes it difficult to carry out a scientific study of this topic, as much time and resources are required in order to gather the primary data. This dearth of information is also related to the lack of empirical studies on this sector, and to the absence of a binding definition of the archaeological profession. The results presented in this paper can therefore only be an estimation.

To collect quantitative and qualitative data on the size, structure and development of the Spanish archaeological sector, I designed a survey-based methodology. The empirical research phase was carried out in two sequential parts.

The first part is based on **qualitative** assessments. Information was collected from secondary sources and from exploratory interviews.

– Secondary sources, including archival material and publications on archaeological heritage management and on commercial archaeology. In addition to Spanish sources, comparisons were made with other countries engaged in commercial archaeology (United States and United Kingdom).

– Exploratory interviews were carried out with various actors in the Spanish archaeological sector, including commercial companies executives, university professors, researchers from public research bodies (CSIC), heritage managers in regional governments, and archaeological associations.

The second part is based on **quantitative** assessments. This included gathering primary socioeconomic data through:

– The creation of a database of archaeological companies in Spain. A total of 273 such companies were identified. Generally speaking, it is estimated that around 2,358 people were working for archaeology companies in Spain during 2008; this number includes 457 business owners and their 573 full-time contract employees, and a further 1,328 employees with part-time contracts.

– The drafting of a questionnaire sent to all the 17 regional archaeological heritage departments in Spain, to collect information on the structure and the work of these departments.

– An initial survey dedicated to archaeological companies in Spain is being carried out. Official letters have been sent to the companies included in the database, to inform them of the project and the questionnaire. These companies were subsequently contacted by phone and informed that they could respond to the questionnaire through a webpage.

In order to estimate the impact of the crisis on archaeological activity, the following dimensions are considered to be important:

– Data on the volume of archaeological activities over the past few years (2006-2009) will make it possible to analyse the growth of archaeological activity during this 'critical' period.

– Quantitative information on market sales and investments in the last few years (2006-2009) in the private sector. This survey, undertaken through the questionnaire, was finished in November 2009. Information was obtained for 212 of the 273 cases registered, representing a high level of response, at around 78%.

– Quantitative data on the evolution of the employment market in archaeology during this period (2006-2009).

– Qualitative information on the effects of the crisis on commercial archaeology, including opinions, attitudes and behaviours.

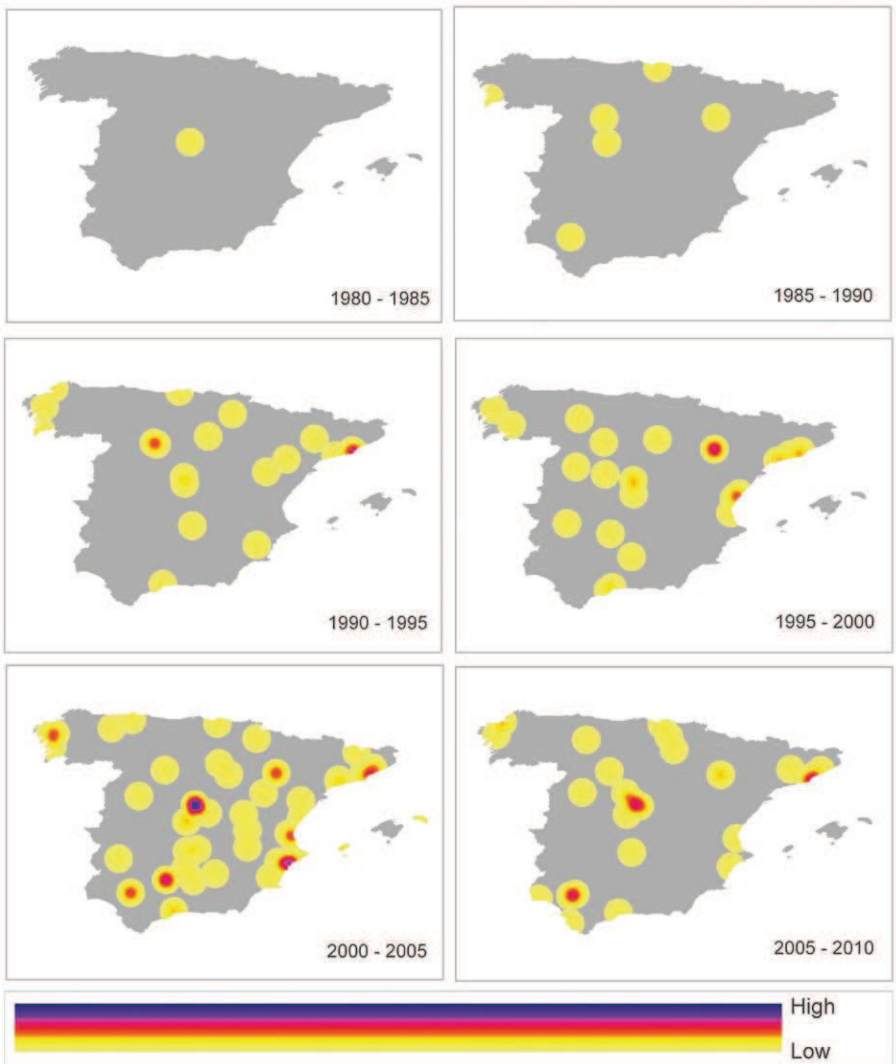
As already indicated, the methodology presented here should make it possible, despite the lack of formal and systematised data on the Spanish context, to estimate the effects of the crisis on the archaeological sector.

5 The impact of the crisis - some preliminary results

In presenting these initial trends regarding the effects of the crisis, it is important first of all to review the structure and size of commercial archaeology.

The development of the Spanish archaeological sector, as we know, took off in the early 1990s, after the Spanish Heritage Law (1985) had attributed competencies in archaeological management to the 17 regions, each with their own legislation. This 'boom' from the 1990s onwards can be seen in Fig. 2.

Fig. 2. Dates of creation of archaeological companies (by region).



Less than twenty years old, Spanish commercial archaeology is still an immature sector. The companies are small, usually with one owner or two partners and one full-time employee, who contract part-time temporary personnel according to demand. Until recently the archaeological services offered were quite generic, but now specialisation has begun and the companies have diversified their services. It is noteworthy that the concentration of these 273 registered companies in Spain differs considerably across the regions, as the following figure shows.

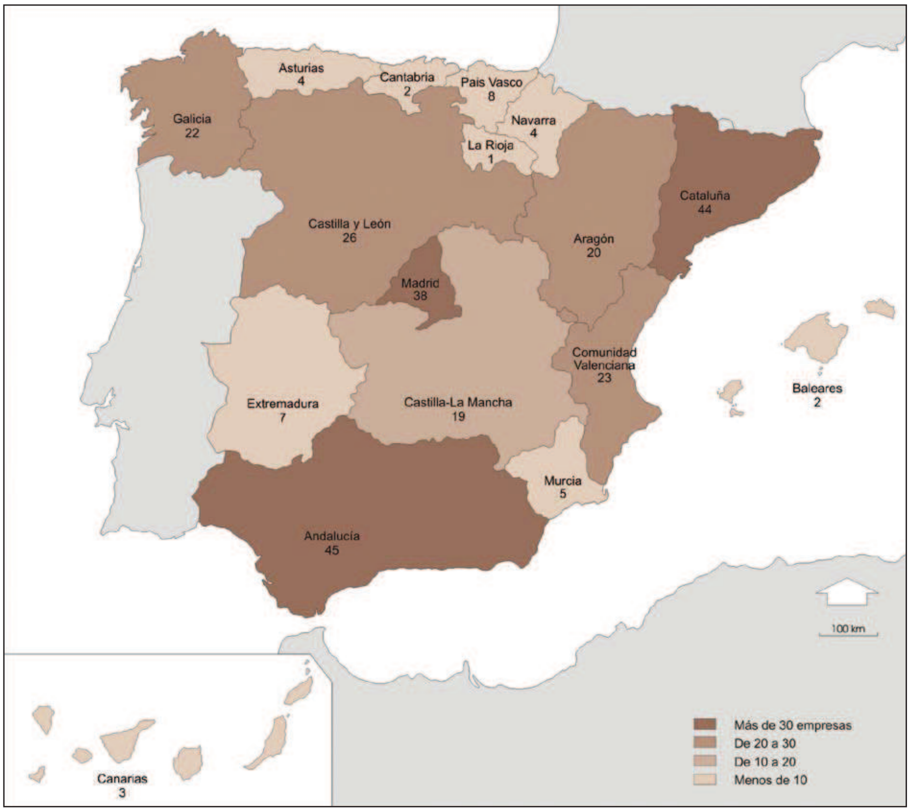


Fig. 3. Number of archaeological companies by region, across Spain.

The regions of Andalusia, Catalonia and Madrid have considerably more than 30 archaeological companies each, while Castile-León, the Community of Valencia, Castile-La Mancha, Galicia and Aragón have between 30 and 20 companies. A last group of regions – Extremadura, Asturias, the Basque Country, Murcia, Navarra, Cantabria, the Canary Islands, La Rioja and the Balearic Islands – have less than 10 archaeological companies each.

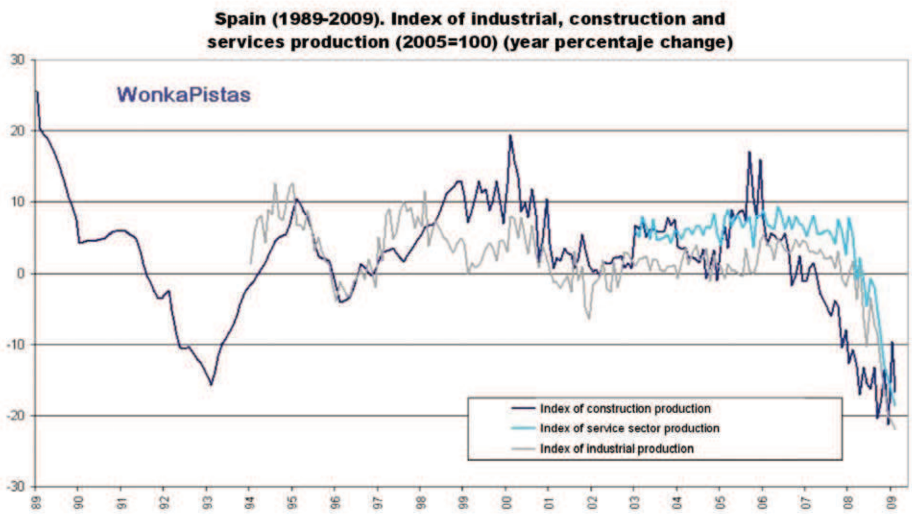
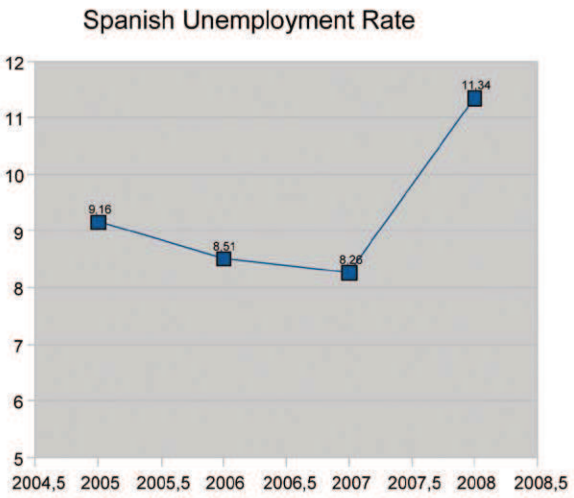


Fig. 4. Spanish index of production for the construction, industrial and service sectors (1989-2009). Source: WonkaPistas based on Eurostat and INE.

However, this steady growth in the Spanish commercial archaeology sector ground to a halt in 2007, as a result of the global crisis. The rise in mortgage rates in the United States in 2007 lead to serious adverse consequences for banks and financial markets around the globe. The crisis worsened dramatically and quickly in 2008, and the Spanish economy proved to be particularly vulnerable in that its growth over the last decade was based on a boom in the construction industry.

Fig. 4 shows that the construction sector experienced a high rate of growth between 1994 and 2007, and in 2006 actually surpassing the levels of both the industrial and the service sectors. Indeed, the Spanish economic growth of the last decade owed much to the construction boom. According to the National Statistics Institute, the relative importance of construction in Spain's GDP rose from 11.7 % in 1996 to 17.9 % in 2007. In terms of employment, the sector grew in the same period from 9.3 % of the country's total employment to 13 %. However, from 2007 onwards the construction sector began to collapse: given the large number of people and companies working in this sector, the consequences for the Spanish economy – and its labour market – were serious.

Fig. 5: Spanish Unemployment Rate (2005-2008).
Source: National Statistics Institute.



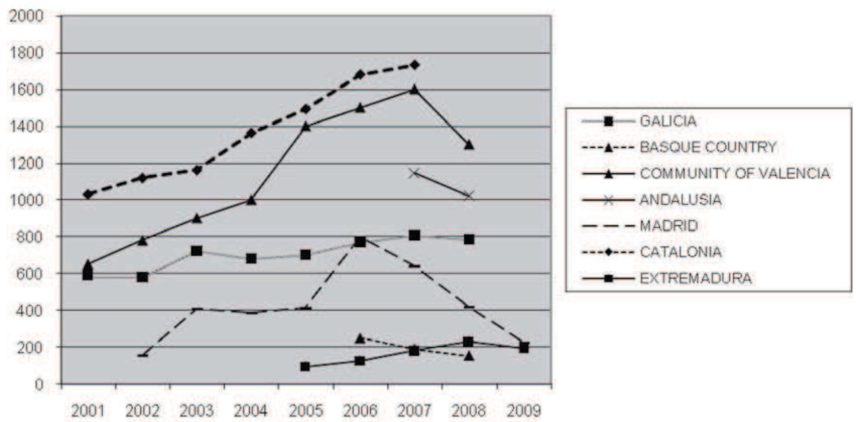
While June 2007 saw the lowest level of unemployment in the Spanish democracy, the unemployment rate has since then risen sharply, reaching over 11% of the active population. As an attempt to mitigate the catastrophic effects of the crisis, the government introduced a funding program called "Plan E" in 2008. This strategy includes different courses of action aimed at developing the economic system and employment. In the construction sector, the government are investing major resources in the revitalisation of public works, to alleviate the effects of job losses. For this reason the crisis in this sector is not as severe as could be expected, although the prospects are not positive.

It is also important to keep in mind that the crisis and its effects show clear regional differences. While the construction sector was the overall driving force behind the Spanish economy until 2007, it was much more significant in some regions than in others: consequently, the effects of crisis were hardest felt in the regions where the construction sector was more important. This was the case in the Mediterranean regions (Catalonia, the Community of Valencia, Murcia), as well as Andalusia, Madrid and Extremadura. The crisis was less felt in the regions of northern Spain – Galicia, Asturias, Cantabria and the Basque Country – which are less directly dependent on construction, and where the relatively aged population created less demand for new housing.

Quite logically, the activities of the Spanish archaeological sector depend closely on the constructing sector, and reflect similarly the effects of the crisis. The main activity of commercial archaeology is based on intervention services. When the development projects of construction companies, of the government or or private clients impact on the land in ways that could harm cultural heritage elements that are protected by law, archaeological companies are contracted to assess the viability of the action. The crisis is having therefore a strong effect on commercial archaeology, especially in those regions with a large construction sector and which have previously experienced an expansion in archaeological activities, such as Catalonia, the Community of Valencia, Andalusia, Madrid and Extremadura. In regions such as Galicia and the Basque Country, where the archaeological sector had been less developed, the effects of the crisis are less marked.

The following figure shows the volume of archaeological activity by region, using data provided by the regional heritage departments of Galicia, the Basque Country, the Community of Valencia, Andalusia, Madrid, Catalonia and Extremadura. Some information is still missing, but the situation of the sector is quite perceptible. Basically, the archaeological market grew steadily from 1990 until 2006-2007, but has since stagnated or declined, due to the effects of the economic crisis.

Fig. 6. Volume of archaeological activity.
Source: Own elaboration (data provided by regional heritage departments)



– From 2001 to 2006 the volume of archaeological activities grew steadily in the region of Catalonia, especially after 2003, and by 2006 it had surpassed 2500 actions. We have no quantitative data on the current situation, but the qualitative information we have obtained indicates a decrease in activity due to the crisis.

– Also The Community of Valencia experienced a period of growth from 2001 to 2007, rising steeply in 2005, and surpassing 1500 actions in 2007. In 2008 this trend changed, and archaeological activity began to decrease.

– A large amount of archaeological activity is carried out in Andalusia, more than 1000 actions per year. We only have data for the years 2007 to 2008, and it would be interesting to have figures from before this period. This said, the figures indicate that activity is decreasing.

– In the case of Galicia, archaeological activity has remained stable during the period studied (2001-2008), with an increasing trend of around 700 actions per year until the levelling observed in 2008.

– The Madrid region has experienced growth from 2002, reaching a peak of 800 actions in 2006. This has since decreased to 400 in 2009.

– In the case of the Basque Country, the available data for the years 2006 to 2008 shows a decline in the volume of archaeological activity. The Basque case is however specific, since the data that we analysed comes from the regional departments, whereas a large volume of activity in this region is carried out by the provincial departments.

– Finally, data on Extremadura from 2005 to 2007 shows that archaeological activity grew during this period, but we do not have any data for 2008.

Although the dynamics vary from region to region, the trend in archaeological activities appears to have changed in 2008. After a period of intense growth in the case of the Community of Valencia, and a period of moderate growth in Galicia, the volume of archaeological activity in these regions began to decrease in 2008. The downturn began earlier in the case of Madrid, as in the Basque Country. For Catalonia and Extremadura we do not have enough data at present to account for the situation. I am currently gathering information, both qualitative and quantitative, in order to identify and characterise temporal trends in archaeological activities for the whole of Spain.

6 Conclusions

While these results are of course still preliminary, we can see that the global economic crisis is affecting archaeological activity in Spain. Following years of steady growth that culminated in 2006 or 2007, a change of tide begun to be felt. From then on a downturn began, with a reduction of archaeological activities more pronounced in some cases and in some regions that in others. More information will soon be collected to complete the series. We will also need to seek and analyse (as yet unavailable) data on the impacts of the economic crisis on the two other sectors of Spanish archaeology, the academic and the regulatory.

So far as the commercial archaeological sector is concerned, its dependence on the construction sector was discussed. The downturn in that major sector of the Spanish economy has led to considerable unemployment, but also to a dwindling of demand for archaeological intervention services, with a reduction in activities that could pose a threat to cultural heritage and therefore also a reduction in measures to evaluate and prevent these threats. Measures recently taken by the government with regards to construction and unemployment have served to alleviate the impact of the crisis. This is also the case with archaeology, where much of the demand for its services comes from public works. During 2008 the administration still worked with the budgets that had been approved in the middle of 2007, before the crisis. It can be expected that the budgets for 2009 will show a more pronounced reduction. In any case, the outlook is not positive, and we can expect that the evolution of archaeological activity will be worsening in 2009 and 2010.

With regard to the current economic crisis, it seems that the majority of the companies are feeling its effects through a reduced demand for services. 62.3% of the companies state that they have detected a reduction in the demand for services from the public sector, and 77.4% state that they have also noticed this in the private sector. In general terms, 79.2% believe that the economic crisis is having a negative effect on the development of their companies. We therefore believe that it is very important to establish strategies aimed at mitigating the effects of the global crisis in the Spanish archaeological sector, especially the commercial sector. For example, it could be of considerable interest to redirect archaeological activity from the almost exclusive focus it currently has on corrective interventions in the field towards more widely defined prevention activities, such as assessment, management, sustainable cultural tourism, territorial planning and so on. Such a change in trend towards a real approach cultural resources management could serve to reduce the profound dependence of Spanish archaeology on the construction sector, and give it some new orientations.

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