IMPACTS OF THE GLOBAL CRISIS IN THE ARCHAEOLOGICAL SECTOR. THE SPANISH CASE

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1. **INTRODUCTION**

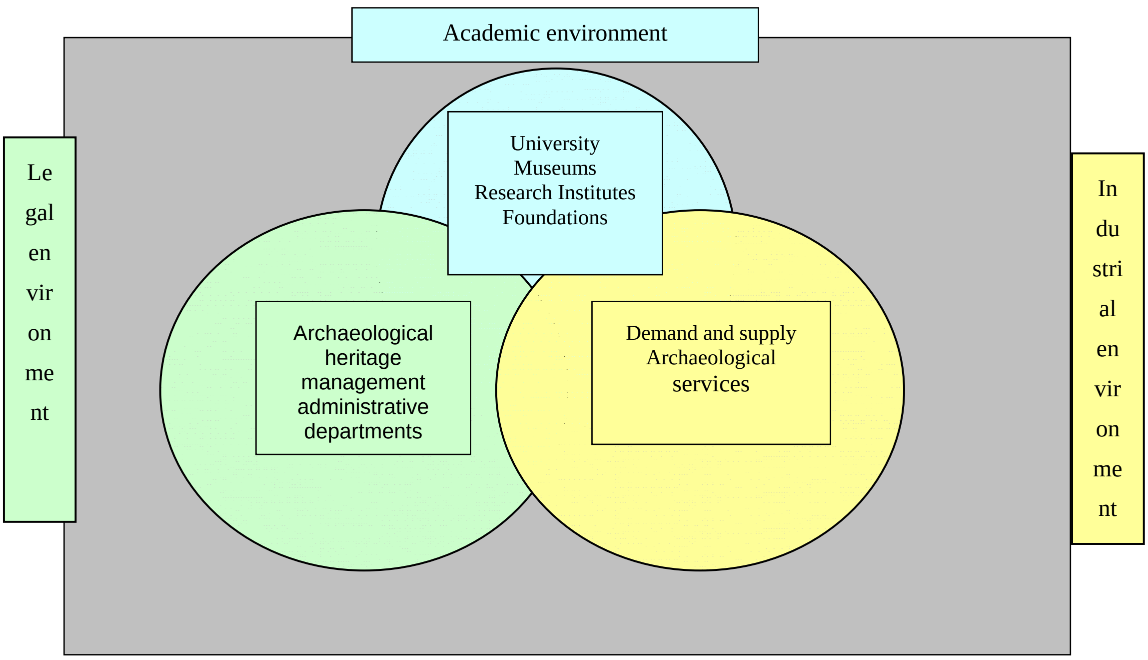
The purpose of this paper is to realize an approximation to the impacts of the global crisis in the Spanish Archaeological Sector. This is a part of a major initiative that aims to analyze and systematize information about this sector. The Heritage Laboratory has been working on a research line entitled Socioeconomic of Heritage. Currently we have been developing an empirical study about the new business generated in the nineties related to the Spanish archaeological heritage management, with particular attention to the emergence, the structure and development of this "niche" of market, examining the relationships between actors and institutions involved in the generation of knowledge and innovation processes.

This study is carried out with the intention of contributing towards increasing the knowledge of this sector, by carrying out an empirical analysis promoting discussion about the actual situation of the archaeology (in Spain) and mitigate the effects of the crisis. We are working on a real problem, that is the description of the sector and the impacts of the global crisis connected to the need to protect and manage archaeological heritage.

So far, we haven't got quantitative data to identify the consequences of the crisis but we have designed some activities that are being developed to measure these effects. In this paper I am going to present the preliminary results.

2. THE OBJECT: SPANISH ARCHAEOLOGICAL SECTOR

The Spanish archaeological sector is composed of heterogeneous agents with different interest and objectives that we classifying in three main environments: legal environment, academic environment and industrial environment.



Main agents and environments of the Spanish Archaeological Sector
Own source

Legal environment. Is formed by government institutions at international, national, regional and local level. These institutions develop three basic activities: are regulator players, are responsible of the management of the heritage; and demand archaeological services.
Academy environment. Is formed by research bodies, universities, museums and foundations; these are institutions that realize activities linked to the conservation, production and transfer of archaeological knowledge.
Industrial environment. In Spain was developed a commercial activity that offer archaeological services.

To collect information about the Spanish archaeological sector we developed the following research method.

4.1 SEARCHING FOR DATA OF SPANISH ARCHAEOLOGICAL SECTOR

First of all, we have to keep in mind doesn't exist official sources in Spain that offer us systematized data about the archaeological sector. This is our main difficult because we have to invest a lot of resources and time to collect primary data. This is the first empirical study based on the Spanish context

The empirical research phase was focus on the industrial environment and the legal environment because they develop the major archaeological activity in this context. The methodology was carried out in two sequential parts:
1) Exploratory Qualitative Phase. Data has been collected from secondary sources and from exploratory interviews.

- Secondary sources: A review of archive material and the **literature** on management of archaeological heritage and commercial archaeology. We explored a series of references from other countries that explore the commercial archaeology (USA and UK).Analysis of documents on Spanish archaeological heritage legislation.

- Exploratory interviews have been carried out to different agents involved in the archaeological sector (executives from archaeology companies, to professors from Departments of Archaeology in some universities, to archaeological researches of public research bodies, to responsible for the management of archaeological heritage in regional governments and to archaeological associations).

2)Quantitative Phase. This phase of the study was based on gathering primary socioeconomic data.

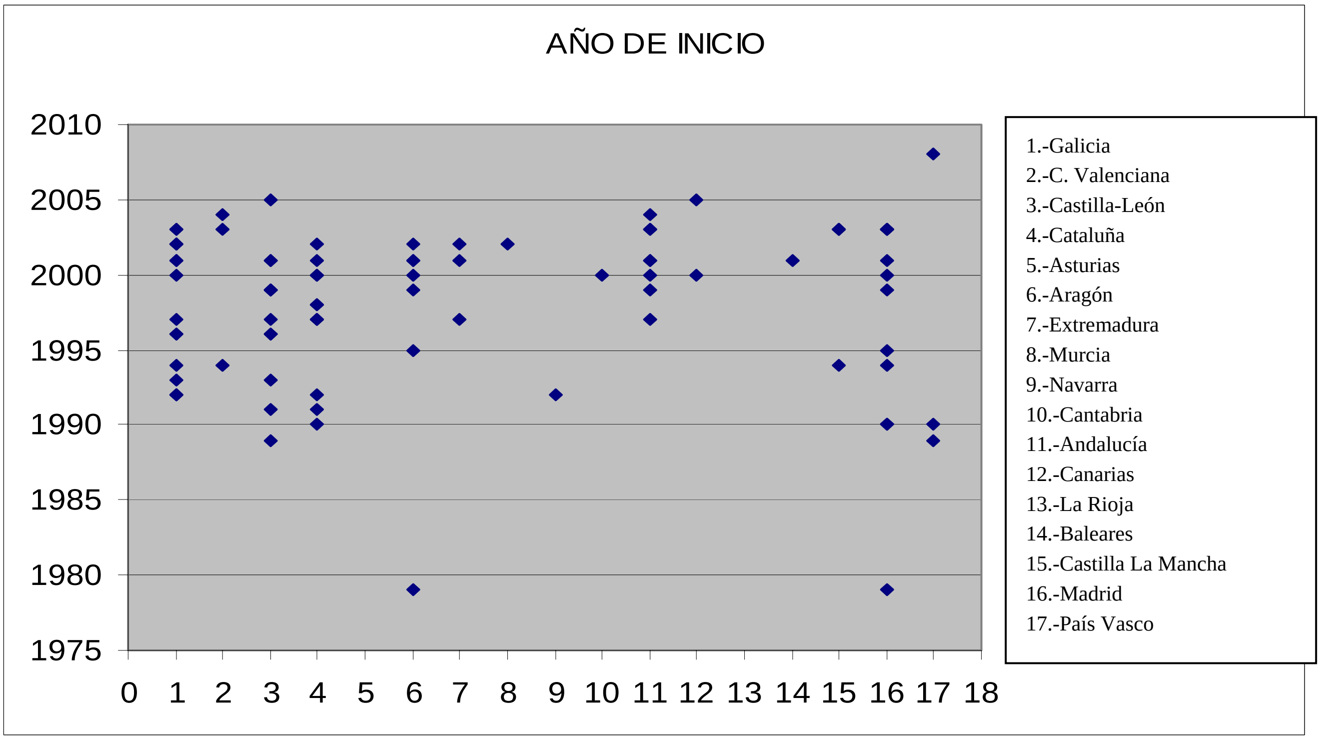
- We identified and located archaeological companies in the Spanish context to create a **database** and develop an approach to **social and economic** characteristics.
- We carried out a **questionnaire to the regional archaeological heritage departments** in Spain, to collect information about the structure and the work of these departments.

- At this moment, we are developing the first **questionnaire to archaeological companies** carried out in Spain**.** The questionnaire is structured in different parts and include a block about the **Impacts of the crisis in the sector:**
    - We are collecting data about the volume of archaeological activity, the economic activity and some questions about opinions, attitudes and behaviours

4. SOME PRELIMINAR RESULTS

Spanish archaeological sector, as we know it today, is set in the early nineties, after the publication of the Spain's Heritage Law in 1985. Is from this moment when the archaeological departments were structured in the central government and in the regional departments and the regional legislations were developed.

The requirements established by law couldn't be developed by the government. This situation le to the privatization of this activity, creating a new niche of market in the early nineties: the commercial archaeology.



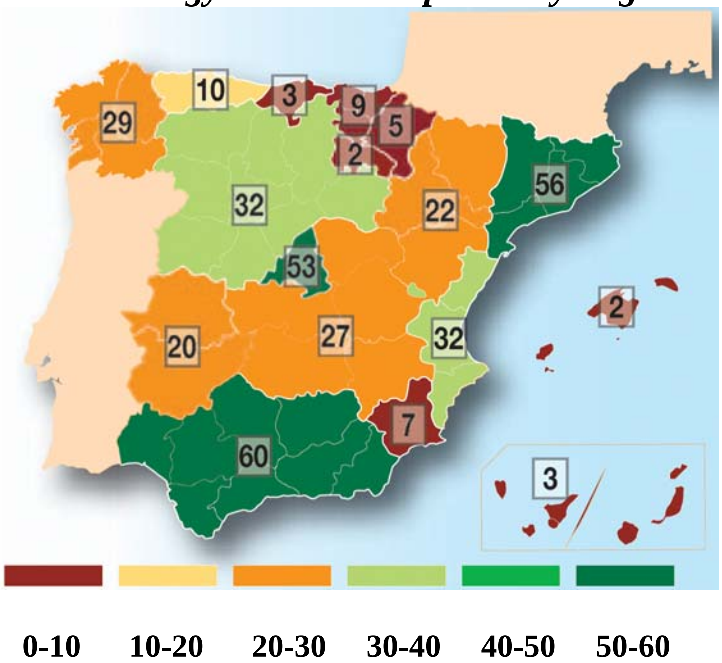
Date of constitution of the archaeology companies (by region)

Source: Own elaboration

The Spanish Commercial Archaeology doesn't have more than twenty years, this means that it is an immature sector and the companies are small, usually formed by of one owner or two partners with an employee in a permanent position and eventually contract personal depending on the demand. Until recently the archaeological offer was quite generic but now it begins to specialize and the companies diversified their services; growing, acquiring experience and creating value.

The concentration of these companies is different by region, in the next figure we can observe the distribution of the 372 companies registered in Spain.

Archaeology Service Companies by Region

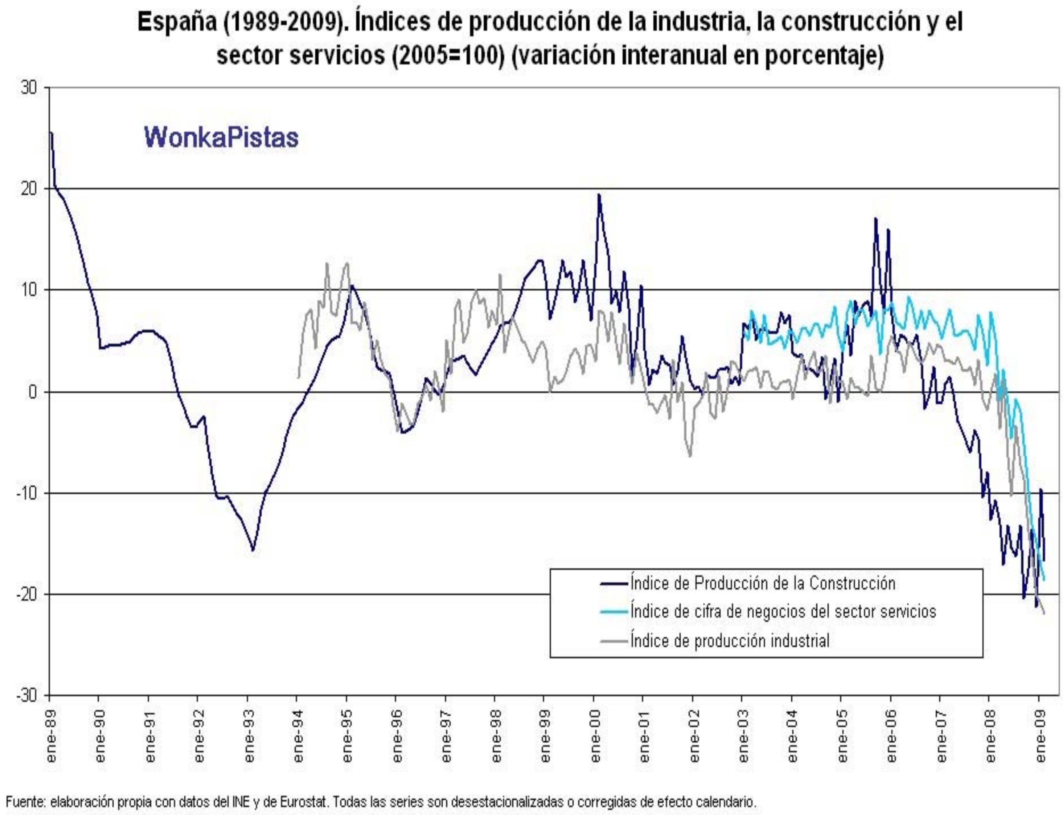


Number of Spanish Archaeology Service Companies by Region
Source: Own elaboration

As we can observe green regions are the areas that have the largest number of registered companies. This means that Andalusia, Catalonia and Madrid have between 50 and 60 archaeological companies. Comunidad Valenciana and Castilla León have between 30 and 40 companies. Secondly, the orange regions have between 20 and 30 companies, is the case of Galicia, Castilla La Mancha, Aragón and Extremadura. Finally, the yellow and red regions have less than 10 archaeological companies, it is the case of Asturias, Basque Country, Murcia, Navarra, Cantabria, Canarias, La Rioja and Baleares.

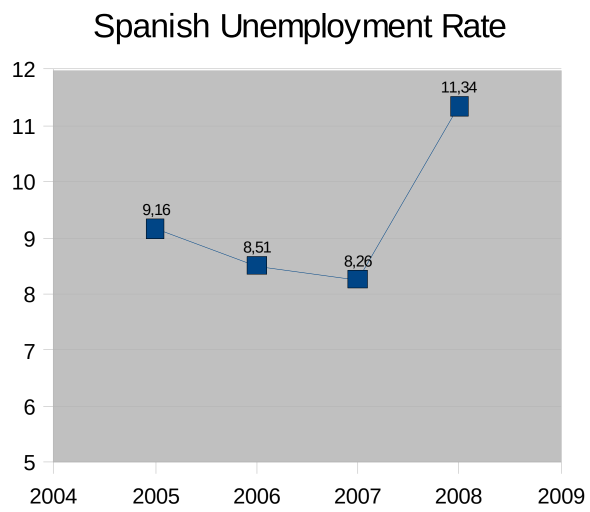
But this growing process of commercial archaeology stop in 2007 as a consequence of the global crisis.

The global crisis began in 2007 due to a rise in mortgage in the United States, with major adverse consequences for banks and financial markets around the globe. The crisis worsened dramatically and quickly in 2008. The Spanish economy has been particularly vulnerable because its development in the last decade had been responding to a constructing boom.



In this graphic we can see that the construction sector (navy blue) had a high growing from 1994 to 2007, surpassing the level of production of the industrial sector (grey) and surpassing the production of the service sector (blue) during 2006. However, since 2007 the construction sector began to fell down until now below the service sector (blue) and instrial sector (grey). This fact had a lot of consequences because a lot of people and companies was working related to this activity.

The Spanish economy –and its labour market– suffered badly in 2008. Unemployment affects 11% of the economically active population.



Source: National Statistics Institute

In June 2007 recorded the lowest unemployment rate in the Spanish democracy, but since this moment the unemployment rate start a hihg growth.

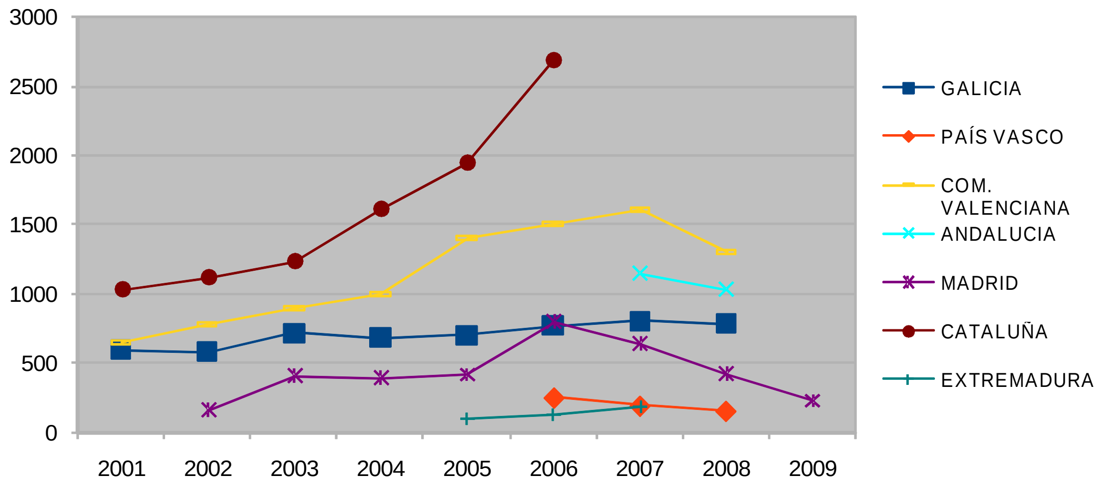
To try to mitigate the catastrophic effects expected of the crisis, the government introduced a funding program called “Plan E”. This strategy includes different courses of action to develop the economy system and employment. In relation to the construction sector, the government are investing a lot of resources in the revitalization of the public construction, to decrease the effects in terms of job destruction. For this reason the crisis in this sector is not as deep as might be expected, but the prospects are not positive.

However, there are differences in the crisis effects by regions, and the effects in the archaeological sector are differents by regions. The construction sector pushed the Spanish economy until 2007. But much more in some regions than others, so the crisis has different effects, the worst affects to regions where the construction sector was more important.

The effects will be stronger in the Mediterrean regions (Catalonia, Comunidad Valenciana, Murcia), Andalusia, Madrid and Extremadura than in the north of Spain (Galicia, Asturias, Cantabria and Basque Country. The north of Spain do not depende largely on the construction. Furthermore, in the northern regions there are big rates of ancient population, that demand less housing and therefore the effects are minor.

We have take into account that Spanish archaeological sector depends of the constructing sector. For this reason the trends in constructing sector is affecting in a similar way to the archaeological sector. The major activity of the commercial archaeology is based on intervention services, which involve the archeological methodology demanded by a company (in the construction or engineering sector), the government or a private client, when their work have an impact on the territory that could harm Cultural Heritage elements that are protected by the law. At this moment an archaeologist is contracted to assess the viability of the action. For these reasons the effects of the crisis are affecting deeply to commercial archaeology, especially in the regions that have a important constructing sector and an important growing of archaeological activity as Catalonia, Comunidad Valenciana, Andalusia, Madrid and Extremadura. However, in regions as Galicia and Basque Country the growing process of the archaeological sector was lower and the crisis effects are lower.

The volume of archaeological activity by region. This data are provided by the regional heritage departments of Galicia, Basque Country, Comunidad Valenciana, Andalusia, Madrid, Catalonia and Extremadura. As we could see in the next figure the series are incomplete, but we can imagin what is the actual situation in the sector.



Volume of archaeological activity
Source: Own elaboration (data facilitated by regional heritage departments)

This figure reveals some information about de evolution of the volume of archaeological activity. In general terms, we can affirm that this market had been growing from 1990 until 2006-2007.

- The region of Catalonia have a high density of activity surpassing the 2500 actions in 2006. From 2001 to 2006 the volume of activity had been growing, but we don't now what is the situation actually. Through the qualitative information we can imaging that the activity have been decreasing because of the crisis.
- The region of Comunidad Valenciana develops a growth period between 2001 to 2007, surpassing the 1500 actions in 2007. In 2008 this trend change and the archaeological activity started to decrease.
- Is very important the Andalusia’s archaeological activity that exceeding 1000 actions per year, but we have only data from 2007 to 2008, it could be very interesting to know what happened before, but actually we can see that the activity is decreasing.
- In the Galicia case, the activity has remained stable during the period studied (2001-2008), with an increasing trend around 700 actions per year. In 2008 we observed a stalemate, that means, the slight increase stops and the volume of activity stabilizes.
- Madrid had been growing from 2002 to 2006 with a special branch in 2006 with 800 actions, but from 2006 to 2009 have been decreasing to 400.

- We don’t have time series in the Basque Country, we have data for the period between 2006 to 2008, the volume of archaeological activity has been declining, but this case presents a specific idiosyncrasy because the data that we analysed belong to the regional department, but in this region a large volume of activity is developed by “foral” departments.
- Finally, we have data about Extremadura from 2005 to 2007; during this period the archaeological activity had been growing but we don't have data for 2008.

Although the dynamics in these cases are different, we observe a clear trend change in the Spanish regions, the number of permissions of archaeological activity was decreased in a lot of regions. It could be explained due to the decline of the building activity in Spain. Spanish economic growth in the last decade had been responding to a constructing boom.

4.CONCLUSIONS

So far, due to the labour of government, we believe that these impacts are not as deep as expected in 2008. This could be because so much of the demand for archaeological services in Spain comes from the public work. During 2008 the administration has been working with the budgets approved by mid 2007, we expected the reduction of the budgets will be more pronounced in 2009. However, may have reduced the demand for private services archaeology.

But the prospects are not positive, we expected that the evolution of the archaeological activity could be worst in 2009 and in 2010, is for these reasons that is very important establish strategies to mitigate the effects of the global crisis in the archaeological sector.

As a working strategy to improve the Spanish archaeological sector and mitigate the effects of the crisis, it could be very interesting redirect the archaeology activity towards prevention activity (assessment, management, sustainable cultural tourism, territorial planning and so on), rather than focusing almost exclusively on the corrective interventions, as until now. This change in trend towards a real cultural resources management could reorient the archaeological activity and break down that deep dependence on construction sector.