J. L. Sánchez Hernández[*], A. Nicolás Penela[*], J. L. Alonso Santos[*] & L. Moro Gutiérrez[**]

[*] Departamento de Geografía. Universidad de Salamanca. Facultad de Geografía e Historia

[**] Departamento de Psicología Social y Antropología. Universidad de Salamanca. Facultad de Psicología

jlsh@usal.es | adriannicolaspenela@usal.es | jlalonso@usal.es | moro@usal.es

# *Urban renewal, social innovation and alternative economic practices in intermediate cities: a case study from the Oeste Quarter (Salamanca, Spain)*

## I. ECONOMIC GEOGRAPHY, ECONOMIC PRACTICES, AND DIVERSE ECONOMIES

Until the early decade of 1990, economic geography was mostly focused on the study of processes related to the spatial distribution of production, circulation and consumption activities at the regional, national and international scales, along with the analysis of the impact of the different stages of capitalism on the morphology and articulation of the space economy (Sánchez, 2003). The school of political economy was the only approach that highlighted, during the 1970s, the social implications of those changes, particularly in the urban areas of Europe and the USA.

After the early 1990s, economic geography has developed new theoretical tools, like institutionalism and culturalism, that emphasize the imperative of considering norms, rules, values, beliefs, attitudes and social conventions for a more comprehensive understanding of the emerging (or declining) economic path of territories: "Indeed there has now emerged a strong consensus that it is simply impossible to explain the continuing advantage of some regional economies over others if we fail to take into account the ways in which firms' activities are culturally constituted" (James, 2007, p. 393).

The scrutiny of these intangible but crucial assets in the wider context of the contemporary knowledge economy has raised unprecedented efforts for untangling the basic processes that underpin the behaviour of culturally constituted economic actors (individuals, households, organizations). Interaction between these actors creates local-scale regularities that, in the framework of geographical proximity, explain the bewildering array of contingent regional fixes. The relational thought (Bathelt & Glückler, 2003) pinpoints actors (economic, but social and political too) as cornerstones for a new economic geography focused on examining the spatial implications of their behaviour and of the decisions adopted for accomplishing with their goals.

This proposal, based on the micro-foundations of economic activity, has opened an opportunity to research the daily and particular *practices* (Tickell y otros, eds., 2007; Jones y Murphy, 2011; Jones, 2014) which reproduce that institutional and cultural context for economic activity and shape its functioning. Jones & Murphy (2011, p. 367) define socioeconomic practices as "… the stabilized, routinized, or improvised social actions that constitute and reproduce economic space, and through and within which diverse actors (e.g. entrepreneurs, workers, caregivers, consumers, firms) and communities (e.g. industries, places, markets, cultural groups) organize materials, produce, consume, and/or derive meaning from the economic world".

The authors refer to the so-called *diverse economies* (p. 374) as a field where the practice approach has gained momentum in economic geography. The particular organizational framework of most of the activities labelled as diverse, the plurality of values they rely on, their ambitious goals and their mostly local and manageable (for the researcher) operation scale make diverse economies very suitable for a careful in-depth research process.

However, diverse economies have not been neglected in economic geography before the relational turn and

its focus on practices. Julie Graham and Katharine Gibson unveiled, since the late 1990s, a number of forms of economic coordination located beyond the market (self-supply, volunteering, bartering, cooperatives, community gardens, second-hand markets, domestic work, gifts… see Gibson-Graham, 2007, 2008 or Barnes, Peck & Tickell 2007). The authors, highly critical against capitalism, developed a strategy of participatory research to build communitarian alternatives at the local level: these politics of subject should identify and capitalize on the local capabilities to weave a network of exchanges that covers the whole needs of families and households, and not only the ones that may be calculated in monetary terms.

A number of collections (Leyshon, Lee & Williams, eds., 2003; Fuller, Jonas & Lee, eds., 2010; Zademach & Hildebrand, eds. 2013) include chapters about credit cooperatives, time banks, local currencies, barter networks, short food supply chains, farmers' markets, social companies or co-housing experiences; these contributions acknowledge the influential role of Gibson and Graham and explicitly argue that these are feasible and long-lasting arrangements, although they also concede the threaten of capitalism and its well-known ability to co-opt any new form of economic coordination and turn it quickly into a source of profit.

Therefore, the study of economic actors' practices (from individuals to the state) is spreading within economic geography and represents an opportunity to locate the growing research about diverse, different or alternative economies on a more central position within the discipline's concerns. Alternative economic practices are increasing their academic strength because they are flourishing in the real world, but also because they may be theorized and researched within a methodological, conceptual and theoretical framework that is commensurable with the rest of topics which constitute the traditional core of economic geography. In fact, this movement from periphery to centrality has been already recorded in the case of alternative food networks (Sánchez, 2009). Research about urban gardens, short food supply chains, organic food, consumer groups or farmers' markets, let alone fair trade or quality food schemes, overcrowd scientific papers databases. These publications follow a plurality of theoretical frameworks and rely both on quantitative and qualitative methodologies, as traditional research objects of economic geography do. It is likely, then, that some of the aforementioned alternative forms of economic coordination (at least, those ones which achieve greater social, economic and geographical extent and impact) might follow the same disciplinary path.

It is difficult to elaborate a closed definition of alternative economic practices. Literature on the topic does not even tackle with this task. Instead, the label encompasses a vast range of economic circuits (of production, exchange, consumption or finance) located either in the informal economy that operates beyond the formal laws (labour market, tax regulations) or in categories like the social economy (cooperatives, mutualities) and the third sector (foundations, non-profits), these latter mucho closer to the organizational patterns of conventional economy.

Méndez (2015) proposes four criteria for an empirical identification of alternative economic practices: (i) they are organized like networks of horizontal cooperation to produce and distribute goods, services, knowledge and information; (ii) they promote solidarity, social welfare and spatial justice; (iii) they are usually part of a larger strategy of social innovation; (iv) they strive to break, substitute or reshape the capitalist structures that currently dominate economy, society and polity.

Drawing on these elements, alternative economic practices might be tentatively defined as modalities of economic coordination (production, exchange, consumption or finance) whose participants subscribe principles of autonomy, reciprocity and democracy, promote non-competitive values (solidarity, sustainability, fairness or inclusion), and intend to remove, transform or go beyond the variety of capitalism which is hegemonic in their geographical setting. Two models of spatial organization are possible. First, practices operating at the local level with physical spaces where partners encounter themselves. Second, networked practices at the regional, national or international scale where there is no need for members' co-presence.

Some contributions (Martin, 2015; Richardson, 2015; Gil, 2017) have included in this category the so-called *sharing economy* (*Uber*, *AirBnB*, *Couchsurfing*, *crowdfunding*, *crowdlending*), which lacks interpersonal contact among users because it is based on digital technologies. Nevertheless, adding spatial organization as a methodological criterion for identifying and sorting alternative economic practices (Méndez, 2015 y 2016) opens space for the inclusion of geographical factors like the influence of density and agglomeration in the constitution of these practices, their contribution to shape local (micro)identities and their feasibility as vectors of a small-scale economy, more horizontal and based on the re-circulation of assets within the local level. Drawing on Miller's (2004, p.284) quotation of Tobler's first spatial law (*"everything is related to everything else, but near things are more related than distant things"*) it is pos-

sible to claim that closeness among actors may enhance complex processes of transformation in the structure and morphology of the geographic space. In addition, the social innovation processes that underpin these alternative practices usually render higher and long-lasting impacts in these local and close environments (Fontan, Klein & Tremblay, 2004; Van der Have y Rubalcaba, 2016).

Alternative economic practices may be scrutinized from two standpoints: sectorial (in-depth study of any specific coordination mechanism) and territorial (places these practices agglomerate due to the proximity dynamics across transformative actors). This paper goes for the second choice and depicts the transformations observed in the Oeste quarter, in Salamanca (Spain) as a consequence of the joint effect of neighbours' action and private initiatives.

Spencer (2015) has identified the main traits of several neighbourhoods in Toronto, Vancouver and Montréal which are specialized in creative industries. They are located in the boundaries of the central business district, in densely populated areas made of rather old buildings, and they are easy to reach via public transportation. Companies and workers may develop many face-to face contacts across different sectors and professions and a huge variety of private services and cultural or educational facilities is available. These conditions of high density of population, companies and buildings, along with an urban design made of small plots, encourage street walking, attract people to live in the area and give raise to casual encounters between people with different professions, either within working hours or beyond them. Spencer also finds a lower density of retail franchises and a higher rate of independent shops and foodservice outlets. These features endorse creative quarters with a strong identity and, at the same time, pull visitors from other quarters during and beyond working hours. Possibilities for social interaction and conviviality are thus maximized in these urban settings. All these conditions can be found at the Oeste Quarter within the limits raised by the smaller urban size of Salamanca compared the Canadian counterparts.

## II. THE OESTE QUARTER IN THE URBAN CONTEXT OF SALAMANCA

In December 2015, the population of Salamanca was 149,993 (Observatorio Urbano de Salamanca, on line). Its economic structure is absolutely dependent on services (90 % of employees, 2014). Within this heterogeneous sector, public administration, education (the city holds the oldest University in Spain, contemporary to the Sorbonne, Oxford or Cambridge) and social services accounted for 37 % of employees in 2011. The only counterbalance for this high dependence of public budgets is the tourism cluster (Cavaillès y otros, 2016), whose growth during the last two decades has rocketed Salamanca to the sixth position in the ranking of the most visited non-coastal cities in Spain, just behind Madrid, Seville, Granada, Córdoba and Santiago de Compostela (Urban Audit, 2014).

Proposals from these two engines of the local economy (university and tourism) have shaped some social and physical spaces related to creativity and alternativeness. The University of Salamanca regularly schedules cultural and scientific events not only in its own premises, but in some other venues and neighbourhoods as well. It also holds some critical students' clubs and some scholars are also engaged in practices like urban gardens, open source and knowledge platforms or the Common Good Economy (Felber, 2015). Regarding the tourism industry, the quest for new experiences for visitors has led to refurbish some derelict buildings and to some attempts to de-center the tourist flows outside the core area protected as World Heritage by the Unesco.

In such a context, the Oeste quarter has suddenly (and strongly) emerged as a catalyst of new proposals and activities that are reshaping its position and role in the mental map of the city's population. It is located northwest of the historic city (Fig. 1), just opposite the perimeter of the ancient wall. In addition to this centrality, is shows a high demographic and urban density: about 8,808 people live in the neighbourhood (5.6 % of the municipality), so it is the second most populated quarter of Salamanca, with the highest density (353 people per hectare, Fig. 2).

Apartment blocks including flats, retail outlets, and car space at the street ground account for 89.1 % of the buildings in the quarter (Table 1). Garage doors are too many (456 units, 9.5 % of Salamanca) and they are currently the key for the ongoing regeneration process. Houses and green spaces are scarce, on the opposite: none of the 34 parks mapped in the city (Gómez 2013) belongs to the Oeste quarter. Only the Carmelitas and the Oeste squares, and the small gardens in Gutenberg Street, break this landscape of narrow streets and high compactness (Fig. 4).

Population is rather ageing, with 40.4 % over 64 years old, a fact that explains the high rate of households with one single member (42.6 %). Fieldwork and interviews with the neighbourhood association (ZOES) report a large

number of flats hired by university students who come from different cities. This population smooth the ageing issue and raise the overall population to c.10,000. The two university campuses are very close to the quarter, and the reputation for coolness is more pervasive among the young population, two facts that explain the demand for flats in the Oeste.

Resident population is quite affluent in the quarter: they own 7.9% of the earnings subject to the tax upon personal income (IRPF) in Salamanca, which means €16,187 per person, clearly above the municipality average (€12,837). The share of companies located in the quarter (7.3%) also overcomes the population share, a remarkable figure considering the ageing problem. The vast majority belongs to the service economy (932 firms), with 307 retail shops, 187 producer services, 115 bars and cafés, 72 personal services and 64 activities related to education, culture and leisure. Just 49 industrial firms are located in the quarter, with some specialization in printing, apparel and light machinery.

The most prominent and distinctive features of creative neighbourhoods depicted by Spencer (2015) are salient in the Oeste quarter: vicinity to the functional and historical centre of Salamanca, dense and compact street pattern, high population density, economic diversity, no franchises nor foreign-owned companies, and high accessibility on foot or by public transport due to the surrounding avenues. Local actors have boosted substantial transformations on this urban scene.

## III. URBAN, SOCIAL AND ECONOMIC TRANSFORMATION PROCESSES IN THE OESTE QUARTER

The Oeste is no longer just one more of the 46 quarters of Salamanca. During the last five years, it has gained reputation in the media and among the local population. It is a relevant process because the public image of Salamanca has always been linked to -and dependent of- the old historic quarter developed around the Plaza Mayor, the two cathedrals, and the eight-hundred-year-old University.

The Oeste quarter is currently a hot topic on media (see "ZOES en los medios", on line), which recommend a visit for its familiar and cool environment, as an alternative or an extension of the most conventional tourist pathways in Salamanca. Three factors lie behind this transformation: urban interventions, social innovation, and, as a consequence of both, the opening of some alternative economic initiatives.

### 1. URBAN RENEWAL IN THE OESTE QUARTER

The Oeste is a quite recent quarter compared to the historic city. Figures 5 and 6 show that most of buildings were erected between 1950 and 1990, in the form of squared blocks with 3 to 8 grounds and many doors for garages. Streets are narrow and there are very few open or green areas. Urban landscape is thus ugly, so ZOES has launched a number of proposals to reverse or improve such a situation.

The most prominent in terms of transformative capacity and impact on the quarter's image is the Urban Gallery (Galería Urbana, on line), a yearly contest managed by ZOES. Young artists are allowed to paint their designs and pictures on garage doors, empty walls or shop's facades. About one hundred art works are currently displayed after the six editions of the contest. This is the newest artistic asset of Salamanca, included in the official Internet site for tourist promotion. A travel agency of the quarter offers guided tours for Spanish, European and even American visitors. For those who prefer to wander on their own, an app is available which suggests routes and explains the content and philosophy of every art piece.

Zoes en Verde (ZOES in Green) recruits volunteers, private companies and education institutions to counteract the lack of green spaces in the quarter. Neighbours are encouraged to plant small gardens around the few trees of the area, or to build street installations covered in flowers and plants. Many of these interventions are ephemeral, but others are not, as the Train Garden built in the Portugal Avenue to recall the former railway.

Quedamos y Punto gathers people fond of knitting to weave fabric, patchwork and woollen pieces that decorate streets (trees, windows, seats) during Christmas, Easter, Carnival or Halloween. The trees in the Oeste square, the main spot for community life, are usually covered with these handicrafts that have become an icon of the quarter.

Unfortunately, some proposals have failed, like the attempt to recover some derelict buidings (El Mirador and Diáspora) as infrastructure for the community (library, civic centre). These two icons of the quarter were finally demolished and an apartment building will replace them.

### 2. SOCIAL INNOVATION: CITIZEN INVOLVEMENT AND IDENTITY BUILDING

"Making Quarter, Making City" is the slogan of ZOES, and embodies their will to engage the Oeste neighbours

in the project of developing a fruitful social space along four main directions.

First, identity building. ZOES manages an impressive website that carefully explains the history of the quarter, describes its urban geography and architecture, and broadcasts its scheduled activities. An Internet radio (Radio Oeste), launched in 2016, and the Facebook page, are another complementary tools in that direction.

Second, support for local companies and small entrepreneurs. There is a protocol to persuade residents to buy in the quarter's shops; every new firm is honoured with a small party. There is an association of local shops that regularly cooperates with ZOES in arranging quarterly street markets of particular thematic fairs. ZOES also manages the Entrepreneur Breakfast to introduce firm owners recently settled in the quarter and stimulate cross-fertilization of new ideas and projects.

Third, social integration. ZOES offers free counselling to neighbours in fields like psychological consultancy, family mediation, legal advisory or housing renewal.

Fourth, educational and cultural proposals. Like most associations like this, ZOES schedules a wide array of courses for children, housewives or elderly people. But they also promote healthy lifestyles, materialized in sport events of the recently launched Health Fair, where Oeste businesses linked to health and well-being have adopted a common brand, Oeste Saludable (Healthy West).

### 3. New economic practices

In an improved urban and social setting, namely in the context of a very conservative city like Salamanca, the Oeste quarter has recently witnessed the flourishing of some entrepreneurial activities that do not fully fit the capitalist profit-seeking firm model.

Some of them meet the criteria for human-base companies (Valenzuela & Molina, 2013), that is, firms who carefully pursue fluid social relationships among their staff and are also aware of their social responsibility as economic and local actors. The Centro Óptico Social offers lower prices for low-income customers demanding glasses. La Salchichería combines bar, restaurant and art gallery and has fully recovered a rationalist building erected in 1943. El Caradura is a co-working space for artists managed by a theatre company settled in the historic quarter of Salamanca that is actually capitalizing on the creative atmosphere of the Oeste. A music studio (Arcane Planet) has also moved to the Oeste from its former peripheral location for the same reason. And this exciting environment has also pulled investment from outside the region, in the form of a copperplate workshop whose owner has explicitly stated that she came to Salamanca due to the reputation of the Oeste.

Some small firms are also alternative due to their ownership and management model (cooperative for social services), to their environmental commitment (organic food shops, environmental consultancy), or to their goals beyond profit (healthy leisure, reading)

Some other activities are much more alternative because they pay attention to the interpersonal and direct relationship between producer and consumer, because of their physical location, or because participation is restricted to Oeste firms; this is the case for street markets arranged in the Oeste square. The first time bank in Salamanca was opened in this quarter, by the way, and was not promoted by the local authorities, as in many other Spanish cities, but was launched by local activists. Finally, La Perrera is located in a garage and claims to be a free self-managed space for countercultural individuals and groups who want to develop alternatives to capitalism and enjoy a life far from market imperatives: the regularly schedule anticapitalist activities and get funding through a vegan restaurant.

## IV. THE NEW OESTE QUARTER: AN INTERPRETATIVE PROPOSAL

Transformative goals, networked organization, social innovation and local synergies meet in the Oeste quarter, an alternative urban space that resembles the creative neighbour concept coined by Spencer (2015).

According to Fontan, Klein & Tremblay (2004), a socially innovative action stems from the collective desire of solving a common problem. It always has a political dimension because it often implies a collective response to the lack of solutions from the part of public institutions. It also needs to create its own economic resources in order to be viable and efficient. From this perspective, the Oeste quarter closely resembles these requirements. The material resources involved come from neighbours' action and are generated by collaborative and non-profit mechanisms. The Oeste stands out in terms of the visibility and geographical concentration of its outcomes in the social, economic and urban aspects.

The aforementioned improvements in urban regeneration, in the development of an aesthetic and iconic imagery, and in the definition of some kind of differential identity through neighbours' mobilization in a variety of

directions cannot hide, however, that the actor network stretches beyond the quarter's borders (Fig. 7).

There is a sort of division of labour between the neighbours' initiatives coordinated by ZOES and the formal knowledge supplied from outside the quarter by its partner professionals and organizations. Three different levels are apparent: domestic, local and supra-local. Neighbourhoods bordering the Oeste quarter cooperate in the Entretrés association to bargain with local authorities about joint demands and concerns. The University of Salamanca acts as a consultant and will transfer knowledge to actors engaged in the development of alternatives and new proposals. Finally, outstanding organizations like the Fundación COTEC, focused on innovation, have recently shown an interest on the Oeste case and are prone to support its transformative dynamics.