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THE GUGGENHEIM MUSEUM BILBAO AND BASQUE HIGH CUISINE: AN APPROACH TO THE TRANSMISSION OF KNOW-HOW*

The Guggenheim Museum Bilbao is becoming an important tourist attraction in the Basque Country. Additional tangible and intangible assets are also relevant to the success of the tourist industry. In this context, the aim of this article is to study Basque fine cuisine and to identify the mechanism of transmission of know-how. We should keep in mind that this territory contains one of the highest concentration of Michelin starred restaurants of Spain.

Key words: Guggenheim Museum Bilbao, cultural capital, urban tourism, fine cuisine, skills.

The establishment of the Guggenheim Museum in Bilbao has attracted considerable attention, both from European media and academics, and particularly from the American art press. In fact, Bilbao, the largest city of the Basque Country and a symbolic site of industrial regeneration, is experiencing a significant growth in tourism. Not known for its tourism potential before, approximately 1.3 million people visited the Guggenheim Museum Bilbao in its first year (October 1997 to December 1998), 1.1 million in its second (1999) and about 990.000 in its third (2000). The figures are representative of the Guggenheim effect.

The Guggenheim Museum Bilbao is the main pole of attraction for tourists (Plaza, 1999; 2000a). However, the stock of additional tangible and intangible assets is also relevant to the success of the tourist industry. Tourist capital exists in buildings, sites and location endowed with historical or cultural significance, sunshine, but also in the ability of the involved staff to make the visitor feel welcome. In this context, gastronomy is one of the most important cultural assets of the Basque Country. Fine cuisine produces a flow of services that are valued in both cultural and economic terms, which contributes to the production of future goods, including new cultural capital.

Not surprisingly, the history of the Guggenheim Museum Bilbao and High Cuisine are united from the very beginning. For Frank Gehry the restaurant *Zortziko* -

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with one Michelin star and Bilbao's top spot in Spain's Gourmetour Guide- became an important point of reference in his stays in the city. Furthermore, the Executive Chef of the Guggenheim Museum Bilbao Restaurant itself is Martin Berasategui, who has two Michelin stars in his restaurant in Lasarte. This attests to the nature of tourism Bilbao is generating. A significant portion of museum-attendees is concentrated in the upper end of the income scale and is, therefore, in a position to incur high expenses with the corresponding multiplying effects in the city. Interestingly, occupancy indices are considerably higher for the top end range of the hotels (85%), whereas the average level remains low (46.6%) (Plaza, 2000b). The aim of this article is to analyse the interaction between the Guggenheim Museum Bilbao and Basque high cuisine, making special reference to a qualitative approach and development of skills.

THE CITY OF BILBAO

Founded in 1300, Bilbao reached peak prosperity during the industrial revolution and remained Spain's northern capital of steel and shipping up until 1975, when the recession struck and turned it into a decaying backwater. Between 1979 and 1985 almost 25% of the industrial jobs in metropolitan Bilbao were lost and a relevant part of the economic structure deteriorated.

In the late 1980s, city authorities began to take the tourism industry seriously, as a source of job creation that could fill the gaps left by declines in older industries. Image policy was also planned to have a positive effect on the reputation of Bilbao as a business centre, with the principal aim of encouraging the local entrepreneurs' pride, undermined by both the economic crisis and the violence of E.T.A. (E.T.A. is a terrorist group that demands separation of the Basque Country from Spain).

Local leadership in the 1980s had very little experience in marketing the city that had few renowned cultural assets to attract leisure tourism (the Bilbao Museum of Fine Arts, the Archaeological-Ethnographic Museum, two symphonic orchestras, a theatre and two movie-theatres) and unpleasant weather (the annual rainfall is about 1,500 litres per square meter). Moreover, the city lacked a positive image as a consequence of industrial depravation and the terrorism of E.T.A.

Nor did the Basque authorities comprehend the tourism potential of the region before, either by improving the promotion of Guernica¹, the fine cuisine of the Basque region, its natural setting or even for its proximity to Pamplona, the city of the fiesta par excellence, made famous by Ernest Hemingway.

Nevertheless, the perception of tourism in Bilbao as something new is deceptive. Industrialised cities have always attracted visitors from outside their immediate region, due to business travel, retail, cultural and sport facilities, good cuisine, as well as the desire to see friends and relatives (Figure 1). Still, leisure tourism

¹ Guernica is the symbolic heart of the Basque nationalism. The Spanish Civil War brought Guernica fame as the Nazi bombers, on Franco's request, launched the first-ever saturation-bombing raid against civilian population. Picasso commemorated the massacre on a canvas that now hangs in the Reina Sofia Museum in Madrid.

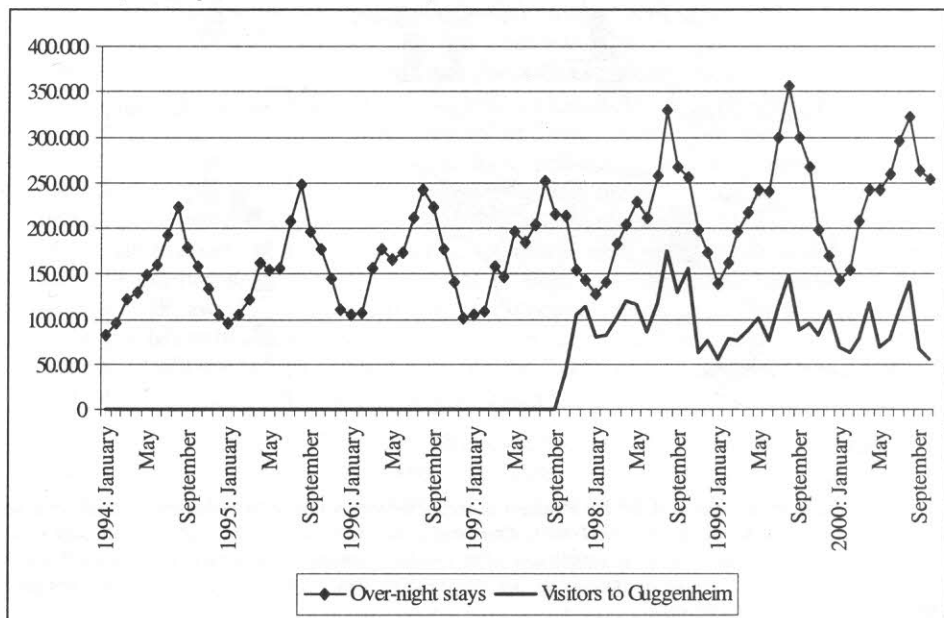
was only 8% of the total movement in 1996, whereas visitors who came for professional reasons (business and exhibitions in the International Fair Centre) constituted 60%.

Promoted by the Basque administration, Bilbao Ría 2000 -a public development agency- and Bilbao Metr poli 30 -a private-public partnership- Bilbao began developing ambitious projects such as the futurist subway system designed by Norman Foster and the new Guggenheim Museum. The plan also includes a transportation hub designed by architects Michael Wilford and James Stirling; a new airport by architect and engineer Santiago Calatrava; a vast waterfront development of parks, apartments, offices, and stores adjacent to the Guggenheim, designed by Cesar Pelli.

This program is being complemented by the Basque administration through the provision of financial aid, informative workshops, diffusion of corporate information for decision-making, courses and scholarships and specific support to professional training in the tourist sector. Paradoxically the culinary culture reaches the Basque administration itself, where more than 23 complete recipes hang from the official web site of the Basque Government (Starters, Meat, Fish and Desserts²).

Initial figures (Figure 1) show that the number of overnight stays in the Basque Country rose from the opening of the museum onwards.

Figure 1: Visitors to the Guggenheim Museum Bilbao and overnight stays
(January 1994-October 2000)



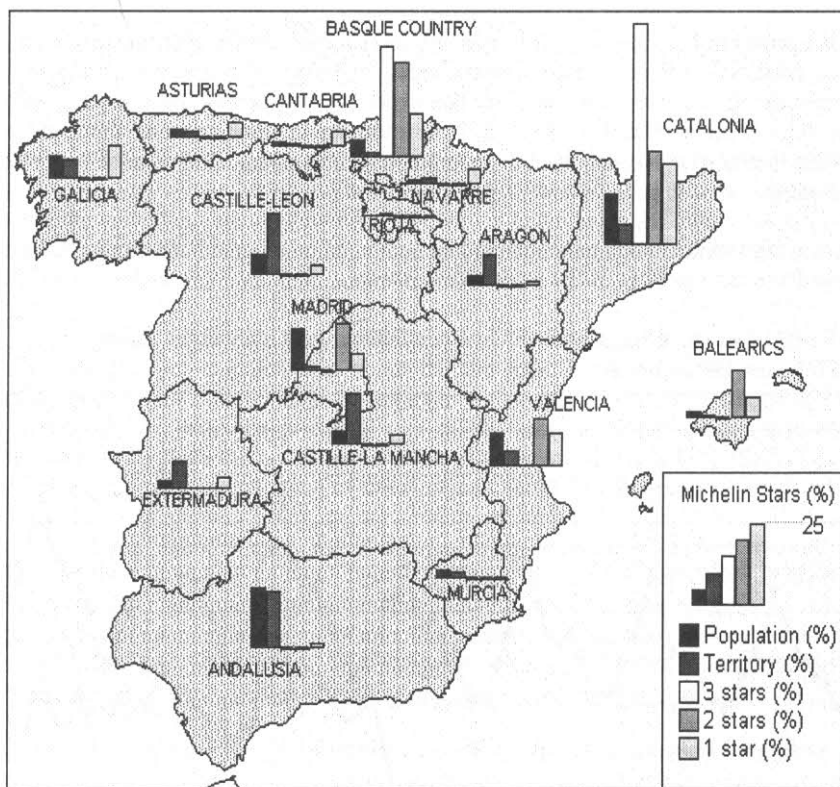
Source: The statistical data concerning the Museum is drawn from the Guggenheim Museum Bilbao, while the number of visitors to the Basque Country are drawn from the Basque Government's Statistical Authority (EUSTAT's Survey on Tourist Establishments).

² <http://www.euskadi.net/turismo/gastronomia/m51indice.jsp?idioma=ingles>

GASTRONOMY AND HIGH CUISINE: THE CASE OF THE BASQUE COUNTRY

Spanish fine cuisine is mainly concentrated in Catalonia and the Basque Country as it is shown in Figure 2. Surprisingly, the restaurants of the "Costa del Sol" - main destination of the tourists- possess very few high range restaurants.

Figure 2: Porcentual distribution of the Michelin stars in Spain (2000)



Note: **Michelin stars** are awarded for the standard of meals served. A three-star restaurant is considered to be exceptional: always eating extremely well, fine wines, faultless service, elegant surroundings, and correspondingly high prices. Two-star restaurants offer excellent cooking, wines of first class quality and more reasonable rates. One-starred restaurants are the best in their category. However, there are still expensive "de luxe" establishments.

Source: Michelin, 2000.

According to the Official web site of the Spain's Board of Tourism (TURESPAÑA, <http://www.tourspain.es>) "The Basque cuisine ranks first in the national cuisine despite the fact that its fame is relatively recent, but no one will argue

that it is a gourmet's paradise. ..(....). Of all the regional cuisines in the Peninsula, Catalan cooking is without doubt the most sophisticated, complete and richest apart from possessing most historical evidence. It is, in short, a privileged cuisine, because it developed at crossroads that have connected it throughout history with many other countries, such as France and Italy".

The concentration of Michelin stars attests to the quality of Basque high cuisine (Michelin, 2000). **Arzak**, with three Michelin stars, and **Zuberoa**, with two, benefit from the distinction of having been ranked among the world's 10 best restaurants by Patricia Wells³ in the International Herald Tribune and New York Times (Wells, 1996). **Arzak**, **Akelarre** and **Martin Berasategui** have been mentioned by FOOD & WINE within the context of the "20 Best Food Cities" (Hayes, 1998).

WHY THIS CONCENTRATION OF HIGH CUISINE CHEFS IN THE BASQUE COUNTRY?

This agglomeration of qualified chefs is favoured by a range of factors including:

- **Proximity to markets:** Firstly, statistics show that Basques spend more than twice as much of their disposable income on food as the citizens of the United States do, and spend a greater percentage of their time on cooking and eating too (Schoenfeld, 1996). Restaurants are often booked days in advance. As Stigler and Becker (1977) pointed out, the utility derived from the consumption of fine cuisine depends on the consumed quantity, as well as the ability to appreciate it, which in turn is a function of past consumption of high cuisine. Secondly, there is an important gastronomic tradition in the Basque Country. Not surprisingly, the first societies in gastronomy in Spain were founded there. Almost every citizen is interested in gastronomy and men cook for their families or friends in the hundreds of private culinary societies. By tradition, women were not allowed in the societies' kitchens until recently. Thirdly, business tourism -relevant in the Basque Country- attracts high spend, less seasonal sensitive visitors to the area. The existence of a niche market is of extremely high importance for the development of value-added cuisine. Due to the costly investment in recipe R&D, market size becomes a critical variable for the development of fine gastronomy.
- **Supplies of specialised labour:** The physical concentration of fine restaurants gives rise to locally concentrated and specialised labour markets. This cluster (community of inter-related activities) is characterised by strong links between the world of education -mainly hospitality schools- and the world of work. They bridge the gap of transition from education to work through the procedure of training. Furthermore, 200 of the chefs and 500 of the supporting staff who graduate every year from local cooking schools find work in the area's restaurants. The few chefs who do wander from the Basque Country run some of Spain's finest restaurants, including Madrid's **Goizeko Kabi**, with one Michelin star, and Seville's **Egaña Oriza**.

³ Patricia Wells can be reached on the Web at www.patriciawells.com.

- Low transaction costs: The restaurants operate near each other, and the frequency of interaction is very high. As a result, familiarity, trust, and social norms reduce the costs of interaction between the high chefs that improves innovative dynamics. Mutual trust is particularly important in the field of collaborative procedures and the actors describe a personal code of ethical behaviour, which remains essential for networking.

SKILLS AND TRAINING

High level chefs entrust the technical training to the university and the vocational training centres (Table 1), while the more specific skills are provided by "on the job" training. Employees perceive this individualised instruction as a reward, providing personal fulfilment and motivation to learn. However, the key question is: Can any protégé "skilled in the arts" replicate the know-how of their talented chefs elsewhere? Why don't the masters intensively protect their costly investment in recipe R&D and their market advantages?

Table 1: University studies and professional training: Number of students in the Basque Country in hospitality related fields (1988/99)

	Number of students
Professional training middle grade: Hostelry and Tourism	1.024
Professional training higher grade: Hostelry and Tourism	204
University studies: Tourism	1.452
Human nutrition and diet	213

Source: Basque Government's Statistical Authority-Eustat (2000) Teaching statistics.

How unique the cuisine is depends on the chefs and their performance: an average chef preparing *kokotxas* (tender hake cheeks) is in direct competition with a domestic restaurant with a comparable repertoire; thus, other things being equal, demand will be more price elastic than, say, for a *Arzak's kokotxas*. The latter chef has some monopoly power, which the former does not have, or do not have by as much. Every restaurant can prepare *kokotxas*, but only *Arzak* can cook *kokotxas* in a genuine *Arzak's* way. The comparison demonstrates that uniqueness has two sources: quality and the property rights for the artistic production. In economic terms, the degree of uniqueness is expressed by the elasticity of substitution in demand (Schulze, 1998). This uniqueness is a combination of natural talent and acquired skills. Masters' talent cannot be facilely reproduced and creativity is a highly elusive reality. Furthermore, because crucial knowledge is tacit, unarticulated, and partially unshared, locked in the head of the master, training "on the job" is possible and widely promoted by the chefs themselves.

These gastronomic microenterprises network in the field of culinary events and promotion of young promises. Prizes awarded to new talents, who frequently are their protégés (Comer y Beber, 2001), and interdisciplinary Congresses -with physicians, biologists, medical personnel, managers- are frequent practice among the chefs. Financial support for the events is provided by the regional public administration. It is important to stress that the Basque Government manages to promote co-operation in the development of hospitality skills because the fine cuisine business environment is richly co-operative (Plaza and Velasco, 2001). It is also easy to incentivise and reward the delivery of innovative services to this high value-added service. Public administration can even convince these gastronomic small enterprises to co-ordinate new calendars and culinary events (Russo, 2000). Without the adequate collaborative business environment, public support to co-operation is condemned to failure.

THE GUGGENHEIM MUSEUM BILBAO AND FINE CUISINE

The interaction between the Museum and the fine culinary sector is multiple, including:

- Market size increment: A portion of the Museum attendees is concentrated in the upper 30 percent of the income scale and incur expenses in Michelin starred restaurants and/or top spots in Spain's Gourmetour Guide (Plaza, 2000b). However, the Museum attracts more seasonal sensitive visitors to the area as it is shown in Figure 1.
- Increasing foreign language skills: The Basque language the chefs use to express themselves with might initially seem strange to visitors accustomed to the multinational ease of Paris, Rome, or Barcelona. Foreign language skills are very important if a large portion of overseas tourists speak a different language. They expect those working in tourism industry to speak at least English. High chefs are more fluent in French rather than in English. Due to the Guggenheim Museum, a rising generation of culinary leaders now regard language skills as an additional factor in their success. However, globalisation differs from homogenisation and fine cuisine is a language in itself.
- Publicity: The Guggenheim-link connects the Bilbao Museum to the United States market. Demand for fine culinary services increases more to the extent the Basque Country concerned articles are conducted through North American news agencies that enjoy a monopoly power world-wide (Plaza, 1999). As a result, Basque fine cuisine is becoming increasingly known in the USA market. Between the years 1996 and 2000 it has been mentioned at least 54 times at *The New York Times* so far.

CONCLUSION

Basque high cuisine is strongly embedded in the territory, anchored in both the entrepreneurial and gastronomic tradition, with intensive public support to network in the fields of promotion and training. In this context, the Guggenheim Museum Bilbao is having a positive impact on Basque fine cuisine due to the Museum's capacity for attracting tourists, although its increasing seasonal variations. The Museum's innovative

character is also intensifying the stream of creativity in both local arts as a whole and in fine cuisine in particular. Furthermore, **the Guggenheim Museum is creating a territorial brand that adds international value to the product.** However, we should raise the interesting question as to whether this gourmets' paradise may territorially expand and become really internationalised.

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Sažetak

GUGGENHEIM MUZEJ U BILBAO I VISOKA KUHINJA (KUHARSKO UMIJEĆE) POKRAJINE BASQUE: PRISTUP PRIJENOSU KNOW-HOW

Guggenheim Muzej u Bilbao postaje važna turistička atrakcija u pokrajini Basque. Dodatna materijalna te nematerijalna imovina vezana je za uspjeh turističke industrije. U tom kontekstu cilj ovog rada je da se prouči fina kuhinja pokrajine Basque i da se odredi mehanizam prenošenja know-how. Trebamo imati na umu da ova teritorija sadrži najveću koncentraciju restorana s procjenom kvalitete po Michelin sustavu u cijeloj Španjolskoj.

Ključne riječi: Guggenheim Musej Bilbao, kulturni kapital, urbani turizam, fina kuhinja, vještine.