

**COPIE ACTION PLANNING GROUP  
ASTURIAS BASELINE REPORT**

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## INTRODUCTION

Located in the North-West of the Iberian Peninsula, the Principality of Asturias has a surface area of 10,604 km<sup>2</sup>. Its borders are clearly defined by natural features: to the north, its 334 km. of coastline and to the south the Cordillera Cantábrica mountains separate the Principality from the central meseta, or plateau. The estuaries of the Eo and Deva rivers form the boundary lines separating the region from its neighbours, Galicia and Cantabria respectively.

The Principality of Asturias possesses 1,079,215 inhabitants, of which 52% are female and 48% male. 80% of the population of Asturias is concentrated in the central area of the region, economically the most dynamic. This concentration, accounting for 800,000 people, has given rise to the sixth Spanish metropolitan area, after Madrid, Barcelona, Valencia, Seville and Bilbao. The main municipalities in this metropolitan area are: Oviedo, the geographical and administrative centre; Gijón and Avilés, industrial and port cities, and Mieres and Langreo, in the industrial corridors of the rivers Caudal and Nalón. Rural and tourist activity predominates in the western and eastern areas.

After years of industrial decline in which Asturias has faced an increase of unemployment and a substantially reduction of its production capacity in traditional sectors. The turn of the century brought more positive change with the decline of agriculture and industry being matched by the transfer of these assets towards the construction and services sectors.

Asturias possesses two large industrial ports in Gijón and Avilés, close to each other with complementary facilities and docks specialized in steel and power-related traffic, solid bulk handling and general merchandise. Along with the historical presence of big companies, a determining factor in the industrial sector is the activity of a close-knit network of small and medium companies.

Of the 73,124 companies existing in 2007, 6% belong to the industrial sector, 14.7% to the building sector, 24.6% to commerce and the remaining 54.7% to services. In terms of employment the services sector accounts for (68%), in contrast to the primary sector, that has seen a gradual drop-off in employment down to 4%. The industrial sector accounts for 16.5% and the building industry 11.5%.

In terms of enterprise creation, the data in recent years has been positive: for the period 2000-2008 the number of companies has grown by 15.8%. This dynamism is the natural consequence of the active regional economic policy focusing on the SMEs promotion

The GDP of Asturias in 2007 reached a figure of €22,430 million, 2.1% of the national total. Regional GDP per capita was €21,200.

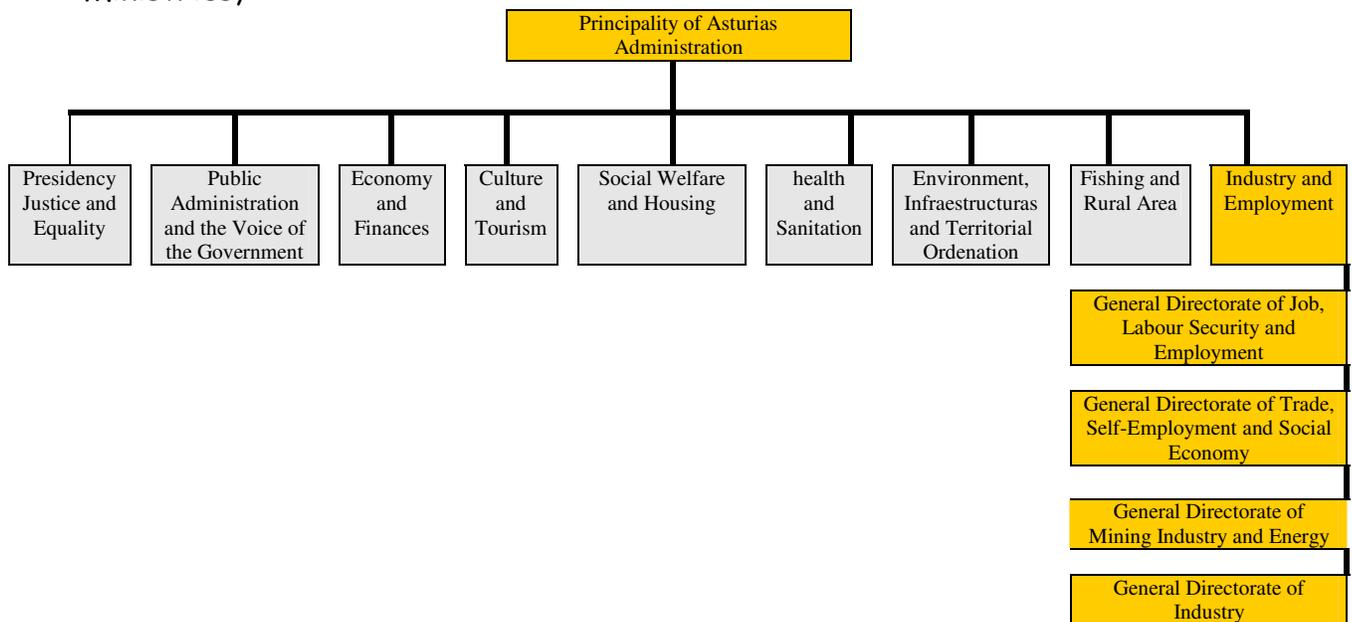
Asturias had at the end of third quarter of 2008 an active population of 501,100, of which 463,300 were employed, resulting in an unemployment rate of 7.5%.

## ADMINISTRATIVE STRUCTURE

The Principality of Asturias is one of the 17 Autonomous Regions of Spain. Its Statute of Autonomy, passed in December 1981, confers self-governing competences for numerous matters. The capital is the city of Oviedo. The region is divided into 78 municipalities.

The Junta General (General Assembly) is the legislative body of the Region, elects the President of the Principality, and possesses powers to guide and control the Governing Council. The Governing Council is the body responsible for regional policies and has executive and administrative functions.

The Administration of Principality of Asturias is organised in the following Ministries,



### 1. Presidency, Justice and Equality

Assumes the competences in the subjects of justice, public security, migration, equal opportunities, relations from the Board of Government

with the *General Assembly of Principality of Asturias*, and at the same time the functions of technical and administrative support for the *Presidency of the Principality*.

2. *Public Administrations and the Voice of the Government*

It has competences in , public administration, selection and training of public employees, information and communication systems, modernization of administrative processes and functions about the voice of the government.

3. *Economy and Finances*

Assumes competences in economic and budgeting fields, intervention and management of financial and tax system policies, economic analysis, statistics and heritage

4. *Education and Science*

Assumes competences in education field attributed to *Principality of Asturias*, and in the subjects of training, universities and innovation, research and technological development.

5. *Culture and Tourism*

Assumes competences in cultural promotion, linguistic policy, youth promotion, cultural heritage, tourism and sports.

6. *Social Welfare and Housing*

Its competences are in the subjects of social welfare, cooperation to development and housing.

7. *Health*

The competences in the health field are attributed to *Principality of Asturias*.

8. *Environment, Infrastructures and Territorial Ordination*

Assumes competences in environmental subjects, territorial ordination, road infrastructure, transport and maritime matters.

9. *Fishing and Rural Area*

Assumes competences in agricultural, farming, forest and fishing matters

10. *Industry and Employment*

This Ministry assumes the competences in industrial and energy policies, business promotion, trade and employment support, and the design and development of promotion policies and support for self employment and social economy.

It is important to note that the lead role for the promotion of entrepreneurship sits with the Ministry of Industry and Employment, whilst the management of ESF sits with the Ministry of Education and Science and the management of ERDF sits with the Ministry of the Economy and Finance. In both cases at regional level.

It is helpful at this stage to give a short explanation of how in practice these responsibilities are discharged. The information published in the BOPA (Principality of Asturias Official Bulletin) of the 31st July, 2008, gives the principality the responsibility for funds and to adapt the description of the responsibilities and duties of the entities in the Administration of Principality of Asturias taking part in Operational Programs of Cohesion Funds, ERDF and ESF, to the new EU regulation.

The responsibility for each Fund are units that develop the functions of intermediary bodies in each Operational Program ESF, ERDF, Cohesion Fund and EFF (European Fisheries Fund) as well as the Management Authority and the Paying Agency for Rural Development Program EAFRD (European Agricultural Fund for Rural Development). They are:

- The European Social Fund (ESF): The General Directorate of Professional Training. (Ministry of Education and Science)
- The European Regional Development Fund (ERDF) and Cohesion Fund: The General Directorate of Budgets. (Ministry of the Economy and Finance)

The Principality of Asturias has **78 municipalities** and their Town Councils are the administrative bodies closest to inhabitants. The local governments

give support to entrepreneurs through the Local Development Agencies, Entrepreneurial Initiative Centers and Business Promotion Services.

**Local Development Agencies and Entrepreneurial Initiative Centres** operate in a local area, so they are normally the first contact with entrepreneurs and SMEs with the following functions:

1. To promote the entrepreneurial spirit, encourage potential entrepreneurs and create added value in the local area.
2. To analyze the opportunities for developing business ideas in the area, and to act as the bridge between entrepreneurs, economic and social agents.

**Business Centres** offer expert business advice, training, premises and complementary services, providing advising and tutorial to those entrepreneurs interested in carry out their business ideas.

There are 13 Business Centres in the region and all of them take part of an Asturian Principality Public Business Centres Network called ACEPPA. The majority of these Business Centres offer accommodation in incubation and Technology Advance Services

## THE ROLE OF ESF IN SUPPORTING ENTREPRENEURSHIP

Asturias is a phasing-out region with a GDP per head of more than 75% of the EU-25 average but of less than 75% of the EU-15 average. It receives 98m euro of ESF funding from the national programme in which the promotion of entrepreneurship is priority 1.

Spain's ESF strategy seeks to foster employment stability and improve workers' adaptability. With schemes to nurture new businesses and strengthen lifelong learning in the workplace, the country intends to build on its growth and employment rates.

Furthermore, the strategy aims to improve opportunities and working conditions for groups such as migrants and women - with a view to integrating them into the workforce as well as helping them to get better, more qualified jobs. This involves courses, particularly training in ICT and organisational skills, to enable easier access and return to work, especially for disadvantaged groups. It also means persuading employers to establish more flexible working patterns to help parents balance the demands made on them by their employment and their family environment. Spain also plans to reform its education and training structures, investing more in research and innovation while doing more to encourage attendance at university and on vocational training courses. These plans are essential for the country: first, to compete in the global knowledge economy; secondly, to forge a skilled and inventive workforce - and ultimately to ensure healthy productivity and competitiveness.

The priorities for the ESF programme in Spain are:

**Priority 1: To foster entrepreneurship and improve the adaptability of workers, employers and enterprises**

Developing systems and strategies for lifelong learning within companies, complemented by other training and services for employees.

Designing and establishing new and more productive working patterns.

Developing specific employment, training and support services to assist restructuring in several sectors.

Helping independent workers and new business start-ups.

**Priority 2: To enhance employability, social inclusion and equal opportunities for men and women**

Modernising and strengthening labour market institutions and establishing proactive and precautionary measures in the job market:

Improving access to jobs and boosting the long-term development and employment of women and migrants. Setting up return-to-work courses for disadvantaged groups.

Promoting partnerships, agreements and initiatives by establishing networks among relevant organisations.

Improving the formulation, follow-up and assessment of policies and programmes.

**Priority 3: To increase and improve human capital**

Designing and rolling out education and training reforms.

Boosting attendance in education and lifelong learning.

Investing in research and innovation, especially at universities.

**Priority 4: To promote transnational and inter-regional co-operation**

Promoting partnerships, agreements and initiatives by establishing networks among relevant organisations.

#### **Priority 5: Technical assistance**

Programming management, information, external evaluations, seminars, studies and campaigns, etc.

**Spain's national ESF strategy is implemented through 22 Operational Programmes: three national programmes with around 60% of the total of ESF funding for Spain, and 19 regional programmes which will be allocated the remaining 40% of funds. Asturias receives about 1% of the total funds,**

**The ESF monies available to Asturias for the promotion of entrepreneurship are as follows:**

#### **OPERATIONAL PROGRAM 2007-2013 ESF-ASTURIAS**

The ESF monies available to Asturias for the Priority 1 (To foster entrepreneurship and improve the adaptability of workers, employers and enterprises) are as follows:

<b>Asturias.- Priority 1: To foster entrepreneurship and improve the adaptability of workers, employers and enterprises</b>				
<b>Code</b>	<b>PRIORITY ISSUES</b>	<b>TOTAL BUDGETED 2007-2013</b>	<b>EU CONTRIBUTION 2007-2013</b>	<b>Managing body</b>

62	Developing strategies and learning systems in business, training and services to improve employees abilities in their adapting changing process, to foster entrepreneurship and innovation	14.080.606,00	11.264.485,00	Training Service for Employment (General Directorate of Professional Training - Ministry of Education and Science)
63	Creation and dissemination of innovative and more productive working organizations	3.557.206,00	2.845.765,00	Employment Programs Service of Asturias (SEPEPA - Ministry of Industry and Employment)
68	Support for self-employment and business creation	17.786.029,00	14.228.823,00	Self Employment Service ... (General Directorate of Trade, Self Employment and Social Economy - Ministry of Industry and Employment)
Total Priority 1		35.423.841,00	28.339.073,00	

Source: Operational Program 2007-2013 for Asturias

The General Directorate of Trade, Self Employment and Social Economy participates in the priority 1 managing the 68 Code, Support for self-employment and business creation. The total budgeted for expenses in the

68 Code during 2007-2013 period are 17.786.029 € (80% from ESF and 20% from the regional government).

The next table shows this budget according to annually distribution.

Asturias. Priority 1.- Code 68: Support for self-employment and business creation	
YEAR	TOTAL BUDGETED
2007	4.235.175,78
2008	3.709.458,94
2009	3.161.019,23
2010	2.589.158,56
2011	1.993.158,56
2012	1.372.282,79
2013	725.775,36
Total	17.786.029,00

Source: Budget 2007-2013. General Directorate of Trade, Self Employment and Social Economy

## **THE ROLE OF ERDF IN SUPPORTING ENTREPRENEURSHIP**

ERDF funds are determined from Madrid, by the Ministry of Economy and Finance, with 143m Euro being invested in entrepreneurship and innovation measures the link with ESF measures to support entrepreneurship is an important one . The information published in the BOPA (Principality of Asturias Official Bulletin) of the 31st July, 2008 should make such links possible.

The Asturias Regional Operational Programme is structured along the following priorities:

### **Priority 1: Development of the Knowledge Economy (R&D&I: Information Society and ICTs) [approximately 9.3% of total funding]**

The primary objective under this priority is to foster public and private investments in R&D projects in order to safeguard existing competitive enterprises and to create favourable conditions for their growth. Special attention will be paid to the Information Society and to services and applications for citizens (e-content, e-government and e-learning). R&D infrastructure and projects will also be a major focus under this priority.

### **Priority 2: Entrepreneurial Development and Innovation [approximately 25.9% of total funding]**

The objective of this priority is to stimulate innovation, quality standards and entrepreneurial spirit across all sectors of the

economy, e.g. new and innovative financial engineering.

**Priority 3: Environment, Natural Surroundings, Water Resources and Risk Prevention [approximately 16.9% of total funding]**

This priority focuses on developing projects aimed at improving infrastructures for drinking water, water treatment and water distribution..

**Priority 4: Transport and Energy [approximately 19.9% of total funding]**

The aim here is to complete transport infrastructures, particularly railways, ports and regional and local roads.

**Priority 5: Local and Urban Sustainable Development [approximately 13.9% of total funding]**

The goal under this priority is to promote urban areas by addressing existing problems and developing the potential of inner city and suburban areas, thereby continuing the integrated development approach of the Community initiative URBAN (the URBAN acquis). Further goals include protecting and preserving cultural heritage in an effort to boost socio-economic development, and tapping into the potential of natural and cultural assets as a way of developing sustainable tourism.

**Priority 6: Social Infrastructures [approximately 13.9% of total funding]**

This priority targets support for children less than three years of age, and looks to provide more social infrastructures such as healthcare and educational facilities and centres designed for

social activities.

**Priority 7: Technical Assistance and Reinforcement of Institutional Capacity [approximately 0.2% of total funding]**

Funding has been allocated for technical assistance in implementing the Programme. This covers preparation, administration, supervision, assessment, information and communication, studies, evaluations and monitoring.

Financial and Technical information

Priority Axis	EU Contribution	National Public Contribution	Total Public Contribution
Development of the Knowledge Economy (Information Society and ICTs)	41 201 353	10 300 341	51 501 694
Entrepreneurial Development and Innovation	100 328 264	42 997 830	143 326 094
Environment, Natural Surroundings, Water Resources and Risk Prevention	65 502 685	28 072 581	93 575 266
Transport and energy	71 577 029	38 541 475	110 118 504
Local and Urban Sustainable Development	54 055 793	23 166 772	77 222 565
Social infrastructures	61 471 971	15 367 995	76 839 966
Technical Assistance and Reinforcement of Institutional Capacity	1 078 097	269 524	1 347 621

Total	395 215 192 158 716 518	553 931 710
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## JOINING THE SUPPORT UP

In an attempt to generate a more dynamic and diversified business environment the Asturian Government has tried to channel the expansion of the economy into new areas of activity, such as tourism, information and communication technology. Simultaneously, Asturias has undertaken several actions to promote the entrepreneurship culture in every area of its society.

As a continuation of the projects initiated by the Asturian Government in 1990 -1999 it was recognized that it was necessary to create an integrated program that will promote and support the development of entrepreneurship.

As a result of the dialogue between Government, business and trade unions a number of agreements were reached: Employment Institutional Agreement (2000-2003), Economic Development, Competitiveness and Employment Agreement (ADECE: 2004-2007) and the current **Competitiveness, Employment and Social Welfare Agreement (ACEBA: 2008-2011)**. These instruments of social dialogue are clear example of the understanding between key actors to generate stronger opportunities for business creation, growing and consolidation of new business initiatives.

Asturias has an overall strategy for the support of entrepreneurship: **The Entrepreneurship Culture Promotion Program**, developed in two stages: 2005-2008 and 2009-2012

The strategy for the support of entrepreneurship is the result of the Agreement for Competitiveness, Employment and Social Welfare (ACEBA) in Asturias 2008-2011, taking into account the conclusions and recommendations from the evaluation of the Entrepreneurship Culture Promotion Program 2005-2008, this second Program is defined as the continuation of the developed actions in Plan 2005-2008

The action lines are grouped in 3 priorities:

- The promotion of entrepreneurship culture
- The Program for Self-Employment Promotion and Consolidation
- Plan for the dissemination and communication of the Entrepreneurship Culture

The Initial outline of the programme below has not changed substantively.

· Asturias and Spain have undergone social, political, economic and cultural changes in the last ten years.

· As a result, entrepreneurial initiative has become a strategic factor in the economic and social development.

· Thus, it is essential for state government to promote the entrepreneurship culture in every area of our society.



· Both the design of training line and the program conception are pioneers in the way the treat the entrepreneurship culture.

·Therefore, and as a continuation of the projects initiated by the Asturian Government in 1999 it is necessary to create an integrated program that will promote and support the development of Entrepreneurship, and will establish objectives to be achieved in the next four years.

·The government of the Principality of Asturias wants to establish the priority goals and the basic guidelines for the development of the entrepreneurship culture promotion and support program.



· This program covers from the primary education through the consolidation of business projects.

· Particular aspects of this program have appealed to other countries and regions' regions

·The final report of a study by the group of experts, "Education for Enterprise", published by the European Commission in February 2004, quotes Principado de Asturias Government as an example of good practice in entrepreneurial training within the educational system.

· The entrepreneurship training is proposed in the Regional Strategies for Employment as a push for the development of entrepreneurs.

· This is a government program that brings together with a varied number of public departments.

The budget for this integrated programme for 2009 -2012 is divided into the following lines:

Educational programmes	3m euro
Intermediary bodies (business centres, incubators Technology centres)	9m euro
SME Consultancy Services	32m euro
Support for the social Economy	10m euro
Dissemination and communication	1m euro

## CONCLUSION

The strong lead by Government, the clear desire to engage with the key actors in substantive round table discussions and the integration of economic and social goals into the Entrepreneurship Culture programme each gives good cause for the belief that Asturias can work closely with other members of the COPIE Action Planning Group.

The ESF managing authority has a close working relationship the Ministry Of Industry which has the lead for entrepreneurship development. The Ministry itself clearly wishes to join up activities and to balance social and economic aims. Their desire to engage widely once again meets with COPIE's aims.

FADE the business membership organization has been fully engaged in the development of the programme, is clear about its role to speak up for business interests but is equally clear that the tripartite approach with government and unions has brought considerable benefits. It is fully committed to an active ongoing engagement.

The 2 unions CCOO and UGT bring a strong link to wider economic development activity and both see the support of entrepreneurship as part of a general drive towards stronger economic wellbeing and with the experience gained in the first programme 2005-2008 are likely to play an even more active role in the 2009 -2012 programme.

All parties are enthusiastic about the learning likely to be gained from COPIE but would also have much to contribute.