

COPIE 2. Integrated Business Support Services

Baseline Study

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Baseline Study

Introduction

The present COPIE 2 baseline study provides background on European Business Integrated Support Services, analysing the intervention of Structural Funds to support entrepreneurs in the process to start-up a business and the SMEs during their first years. This study has been completed with an overview of some members in COPIE 2: Czech Republic, Galicia, Extremadura and Asturias (Spain).

The methodology used for this Baseline Study is based in the existing Policies and Programmes in the European Union and taking into account the relevance of SMEs in their first stages and later survival, and at the same time focused on actions for getting an inclusive business integrated support.

The regional analysis includes the following items: Information about the regions, Structural Funds, and regional integrated business support services. Finally has been done a comparison between regions according to the regional business services provided .

The State of Art

Providing business support is already a major policy priority of the European Union. Business advisory represents large sums of money spent on supporting entrepreneurs and SMEs by the Structural Funds, but the most important question is if the defined measures allow the start-ups and the later survival of SMEs.

Sometimes, small businesses (SMEs) and Governments in many European countries complain that sources of business support frequently do not respond to the real needs of actual entrepreneurs and self-employment people, particularly those who face disadvantages in the labour market. Some actions and programmes had tried to solve this problem, but generally the provided options give as a result particular services.

Furthermore, one relevant data is the strategic importance given to small and medium size business in the European economy for the generation of wealth, contribution to development and improvement of the competitive advantage for business and regions.

Doing the analyse of the real situation for SMEs, self-employment people and business around Europe, we can conclude that they generally require more time to guarantee their survival and obviously consolidation in the market due to the initial investment, financial needs, unknowledge about the real functioning of the market, lack of experience and knowledge in management of the management team. This is much more serious when

disadvantage groups who have got intensive business advice before starting up their business, not find a continued support after that.

In this sense, it is shown in all Europe that business that have received supporting during first years and for its consolidation, improve their survival. At this time, we can give some good references in Europe, but the most important is the Small Business Act for Europe, which will be our reference till now.

The Small Business Act for Europe, reflects the Commission's political will to recognise the central role of SMEs in the EU economy and for the first time puts into place a comprehensive SME policy framework for the EU and its Member States.

It aims to improve the overall approach to entrepreneurship, to irreversibly anchor the "**Think Small first**" principle in policy making from regulation to public service, and to promote SMEs' growth by helping them tackle the remaining problems which hamper their development.

The Small Business Act for Europe applies to all companies which are independent and have fewer than 250 employees: 99% of all European businesses.

On 15 December 2009, the Commisison adopted a report which highlights the progress made in implementing the Small Business Act, both at EU and national level.

Regional reports

1. Galicia

1.1. Profile of the region

Galicia is one of the 17 Autonomous Communities that make up Spain. Galician territory covers the provinces of A Coruña, Lugo, Ourense, and Pontevedra. The government of Galicia has its own institutions: The Parliament, the Xunta and its president.

- The Galician Parliament is the highest representative body of the Galician people.
- The Xunta de Galicia is a collegiate body of government comprised of a president, a vice-president, and ten 'conselleiros' or ministers. Its government is located in Santiago de Compostela, which is also de capital city of Galicia.
- The current president of the Xunta de Galicia is Alberto Núñez Feijoo.

The Galician Superior Court of Justice is the highest court of law in the Galician judicial system.

Galicia is located in the northwest of the Iberian Peninsula, at the western end of Europe. The most notable geographical characteristic of Galicia is its coast, which features magnificent 'rias' (flooded river valleys) and made it an important spot for fisheries and maritime transports.

Area: 29,575 km²

Structure of the population

Total population: 2,794,796 (mainly concentrated in Vigo and Coruña)

Over the last few years Galicia has achieved a degree of convergence similar to the Spanish and European average social welfare index. The average life expectancy at birth in Galicia is 81.1

The population is distributed as follows: 36% (population between 20 and 44), 26% (population between 45 and 64), and 22% population over 65.

Unemployment rate: 13%

Foreign population: 152,422

Galicia has an extensive public education system for mandatory levels of schooling:

- Nursery school, ages 0 to 6
- Primary school, ages 6 to 12
- Compulsory secondary education (ESO), ages 12 to 16,
- Post-compulsory education from age 16 onward

Galicia also has three public universities offering graduate degrees and postgraduate training. According to data from Galician Statistics Institute, a total of 67,843 students enrolled in Galician Universities: 26,962 in the University of Santiago de Compostela, 20,134 in the University of A Coruña, and 20,747 in the University of Vigo.

Infrastructures

Overland transport

Galicia has an extensive road network, with nearly 80 thousand kilometres of roads connected to all points of the country. The northern and southern zones have highways connecting Galicia to the rest of Spain. There is an Atlantic coastal highway running from the northern tip down to Portugal.

Port infrastructure

Galicia has a total of 126 ports and harbour facilities, for fishing and shellfish harvesting, and also yacht clubs or marinas. The fishing sector, with a turnover of over 2.4 billion €, is one of the most important sectors of the Galician economy and generates a great deal of business for harbour facilities.

There are also 5 government-owned ports: Marín, Vilagarcía, Ferrol, A Coruña, and Vigo. The latter two are key points in international maritime transport between Europe, the Americas, and Asia. The port of Vigo has another competitive advantage: it is one of Spain's three Free Trade Zones. Visit the web page of the Vigo Free Trade Zone.

Due to their historical importance and strategic position, Galician ports generate a great deal of business activity associated with the transport of passengers and goods, including the loading and stowage of containers.

Airport infrastructure

Galicia has three international airports: Peinador in Vigo, Lavacolla in Santiago de Compostela, and Alvedro in A Coruña. AENA is the organisation in charge of administrating them.

Railways

In Galicia today, there are nearly 900 kilometres of railway lines used by RENFE and around 150 used by FEVE. The regional railway network transports passengers and goods between different points of Galicia and the rest of Spain and Portugal.

Concerning infrastructure, it is worth noting that the proximity to Portugal and the integration with it under the same Euro region allow shared use of Portuguese infrastructure.

Business land

There are a total of 213 business parks and 3 technology parks.

Economy

GDP: € 58,830 mill.

GDP per capita: 21.130 €

Exports: € 15,613.99 mill.

Imports: € 15,461.94 mill.

Foreign investment: € 22.54 mill.

Services is the branch of activity that has most driven economic growth: 45% of the aggregated growth of the economy is due to third-party private activities. However, the role of industry is also important. The most significant industrial sectors are:

- Production and distribution of energy (electricity, gas, steam and hot water)
- Textile
- Food, drinks and manufacture
- Motor vehicles and trailers represent

With respect to company creation, in 2006 nearly 7,000 companies were created in Galicia, 4.07% of the Spanish total, implying a substantial growth rate with respect to previous years.

The administrative structure

Since the admission of Spain in the European Union, Galicia, as a “convergence region”, has received Structural Funds and experienced a rapid economic growth which has helped to achieve higher levels of economic convergence at European level.

The income distribution has also converged among the Galician population (70% of income concentrates between the 50 and the 150% of Galician average income).

Nevertheless, at an internal level, the Galician economy has experienced a growing divergence between coastal territories (more developed) and inland provinces, specially the ones out of the A9 highway.

After the economic and financial crisis started in 2007, Galician unemployment has grown steeply, and has affected to some of the sectors that used to drive the regional economy (construction for instance), leading to a period of socio-economic decline.

Relating to entrepreneur’s phenomena, some studies point out several important characteristics: despite the widespread entry of women in the workplace, men continue to be in the majority; the percentage of young people is predominant; there are more initiatives which are undertaken by two or more people than individual projects; more and more immigrants opt for the creation of companies as a means of employment.

On the other hand the Galicia 2005 Annual Report “Global Entrepreneurship Monitor” (GEM) identifies the following socio-economic characteristics for entrepreneurs in Galicia: 60.7% are men, with an average age of around 40; the majority of entrepreneurs hold degrees, and the vast majority are entirely dedicated to their companies and run enterprises in urban areas (87%).

In Galicia there are a total of 205,906 companies according to Galician Statistics Institute data for 2007

65% of the active population in Galicia is occupied in the services sector, 18% belongs to industry, 10% to construction (note that this figure should be revised because has been severely reduced in the last months) and only a 8% relates to the primary sector.

The OECD includes Spain, and therefore Galicia, in the group of countries that pose not political or commercial risks.

1. Role of regional government in promoting start-up support and business consolidation

The Galician Regional Government (Xunta) offer most support to enterprises. Through their Councils, it administers various direct subsidies for the creation and development of business ideas. It should be noted that they also distribute economic aid through IGAPE.

The Provincial Government Offices have as their main objective in relation to entrepreneurs, to offer them assistance and information. These provincial entities channel all information relating to aid and subsidies and allow business persons access to the most important

thematic databases, thus providing them with the information required to make appropriate investments and aid to their projects.

2. Role of the municipal governments including local developing agencies in promoting start-up support and business consolidation

Local Councils provide support to enterprises via their Economic Development Departments. The services they offer are basically information and support to start-ups. This support mainly consists of training activities.

3. Role of the ESF Management Authority

The ESF Managing Authority (The Directorate General for Planning and Funds) is the body that exercises the powers delegated on the Galician government relating to economic planning and coordination of actions considered by the Structural Funds for the period 2007-2013.

All these actions are developed in the framework of the Structural Operative Programs for Galicia, namely ERDF, ESF and the European Territorial Cooperation: Spain-Portugal border, Atlantic area and south-western Europe and Interreg IVC .

4. Others

Galician universities: OTRI, SAE, etc.

Galician Business Confederation (CEG)

Business Associations

Chambers of commerce: PAIT, SLNE

Capital venture companies: XESGALICIA, UNIRISCO

Mutual guarantee associations: Sodiga, Afigal, Uninvest

Business Angels

A number of organisations collaborate and offer support to entrepreneurs from an inclusive point of view. A few of them are shown below (web references are provided):

http://www.convivemais.org/index.php?option=com_content&task=blogsection&id=5&Itemid=104

<http://www.inmigraciongalicia.org/gl/default.asp>

http://www.fundacioniniciativas21.net/todasgalicias/article.php?id_article=191

http://www.cogami.es/cogami/v09/es/galega_economica.asp

1.2. Structural Funds

For the period 2007-2013, the ERDF Autonomous Community of Galicia has redirected its development strategy to the promotion of factors linked to the Lisbon Strategy, such as:

- restoring the foundations for competitiveness
- increasing its growth potential and productivity
- strengthening social cohesion through research, innovation and the enhancement of its human capital

The Autonomous Community of Galicia has chosen to place development of the knowledge-based economy (research and development (R&D), the

information society and information and communication technologies - ICT), and transport and energy at the heart of its strategy for socially integrated, sustainable development. The ultimate aim is to reinforce the overall competitiveness of the region's economic system.

The ERDF operational programme is structured around seven priorities:

Priority 1: Development of the knowledge-based economy (R&D, information society and ICT) [around 8.5% of total investment]

With this priority, Galicia is choosing to become a knowledge-based society by creating new scientific and technological infrastructures, and by reinforcing the competitiveness through the promotion of R&D, business innovation and the dissemination of ICT. Particular attention is paid to the transfer of technologies and the improvement of cooperation networks between small and medium-sized enterprises, and between SMEs and other businesses, universities, colleges, the regional authorities, research centres, and centres of science and technology.

Priority 2: Development and entrepreneurial innovation [approx. 16% of total investment]

This priority aims to:

- introduce efficient environmental management systems for businesses
- encourage growth in the production structures of Galicia
- increase interregional competitiveness and help to attract foreign investment

This priority also focuses on promoting the growth of SMEs by developing their innovative potential in order to allow them to access new markets in the globalised economy.

Priority 3: Environment, protection of natural resources, management, distribution and treatment of water, risk prevention [around 22% of total investment]

Priority 4: Transport and energy [around 41.5% of total investment]

Priority 5: Local and urban regeneration (development) [approx. 10.4% of total investment]

As regards rural areas, priority will be given to the development of entrepreneurship among the population in order to counteract the rural exodus and increase the ability of these areas to adapt to the challenges of the globalised economy.

In the field of urban development, the essential aim will be to meet the needs of towns, in particular as regards their social and economic regeneration.

Priority 6: Social infrastructure [approx. 1.4% of total investment]

The creation of social infrastructure is essential in view of the ageing population and deruralisation. Five fields of action have been identified for this priority:

- the creation of education infrastructure and, more specifically, the construction and functional adaptation of non-university centres for education
- the creation of infrastructure for children under the age of three

- an increase in the number of shelters for women who are victims of domestic abuse
- the adaptation of existing education and training infrastructure to the new needs of society (ICT)
- the establishment of support centres for all disadvantaged groups

Priority 7: Technical assistance and the strengthening of institutional capacity [around 0.2% of total investment]

Many of these politics by the ERDF operational program are focussed on social inclusion and protection, gender equality, working conditions and non discrimination of employees rather than entrepreneurs, as it is also the case of the PROGRESS Program or the European Globalisation Adjustment Fund.

Funds from ERDF available for these areas in Galicia:

Priority Axis	EU Contribution	National Public Contribution	Total Public Contribution
Development of the knowledge-based economy (R&D + information society + ICT)	213.839.142	53.459.792	267.298.934
Development and entrepreneurial innovation	361.696.333	155.012.717	516.709.050
Environment; protection of natural resources; management, distribution and treatment of water; risk prevention	486.270.296	208.401.559	694.671.855
Transport and energy	857.426.391	454.372.393	1.311.798.784
Urban and local regeneration	231.503.939	99.215.976	330.719.915
Social infrastructure	35.707.210	8.926.805	44.634.015

Technical assistance	5.101.030	1.275.260	6.376.290
Total	2.191.544.341	980.664.502	3 172 208 843

*Note that only the lines directly related to inclusion and/or entrepreneurship are highlighted

On the other side, the ESF has established its operational program for Spain focusing on the following five priorities:

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

- Improving systems and strategies for lifelong learning within companies
- Improving qualification of employees
- Achieving steady and quality employment, specially for women
- Helping companies to improve their reaction to market requirements
- Fostering entrepreneurship

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

Priority 5: Technical assistance

Regarding the support for inclusive entrepreneurship, some specific actions are considered:

- Actions for diffusing the entrepreneurship culture, specially among women and young people
- Assistance to entrepreneur woman, specially in rural areas
- Creation of assistance structures for the provision of information and assessment for start-ups and consolidation of companies, specially focussed of disadvantaged profiles
- Education and qualification of enterprising support agents with special attention to ICT
- Reinforcing the level of competences and abilities of employees and entrepreneurs

- Financial support to entrepreneurs and social economy, specially focussed on disadvantaged groups

Funds from ESF available for these areas in Galicia:

Priority Axis	Budget
Fostering entrepreneurship and improving the adaptability of workers, employers and enterprises	107.550.544 €
To enhance employability, social inclusion and equal opportunities for men and women	107.550.544 €
To increase and improve human capital	125.475.634 €
To promote transnational and inter-regional co-operation	10.755.054 €
Technical assistance	7.170.036 €
Total	358.501.812 €

*Note that only the lines directly related to inclusion and/or entrepreneurship are highlighted

ESF/ERDF Funds in the field of start-up promotion and support for business consolidation

Many of these actions are focussed on equal opportunities and should aim to offset the difficulties for disadvantaged people to enter into a professional life and to promote themselves through the way of self-employment. Those policies would promote inclusive entrepreneurship through specific actions for every target group, considering the special needs that each one possesses. In particular, improving qualification and abilities which would make them competitive, and also attitudes towards social inclusion. This orientation could help raising the willingness of these target groups for self-employment and improve the chances of success for their entrepreneurial projects.

BIC Galicia alongside with IGAPE, has implemented a number of actions focussed on promoting entrepreneurship on the framework of EFS policies.

The “new entrepreneurs program” involves a number of actions whose aim is supporting the implementation of businesses plans, through education, assessment by specialised tutors and subsidies for start up projects.

Other actions carried out by BIC Galicia improve the general conditions in which society perform entrepreneurial attitudes:

- fostering entrepreneurial culture from the school and throughout the academic ladder
- providing information on business opportunities, thus promoting the creation of companies, especially small or medium-sized enterprises, in those sectors which offer the greatest impact and possibilities for development in the region.
- helping entrepreneurs to analyse the changes of success for their projects and to design them properly
- helping companies to became more competitive and innovative in the global market
- favouring the technological and organisational innovation and modernisation of companies.
- providing education on any aspect concerning the development of an idea from the project to the company and beyond (competitiveness of existing companies)

The successful implementation of new start-up support and business consolidation schemes in Galicia should be got with the next central challenges:

- Identifying what kind of factors are driving the exclusion condition for each target group.
- Detecting solutions to break away from the social conditions that constitute the barriers for inclusion.
- Identifying the key success factors for entrepreneurs and analysing every target group regarding the attitudes / abilities needed to achieve these key success factors.
- Adapting the support services to the specific needs of every target group.

1.3. Integrated business support services

Organizations giving support in start-up phase

The following organisations give support to entrepreneurs from a wide perspective. They mainly provide services at a regional level and different ways of collaboration are promoted.

1. BIC Galicia
2. C.I.E. Mans
3. BANG
4. AJE Vigo
5. Cámara de Comercio de Santiago de Compostela
6. Cámara de Comercio de Vigo
7. Cámara de Comercio de Orense

8. Cámara de Comercio de Ferrol
9. Cámara de Comercio de Pontevedra
10. Cámara de Comercio de Lugo
11. Cámara de Comercio de Vilagarcía de Arousa
12. Centro de Empresas e Innovación del Concello de Lugo (CEI)
13. Centro de Iniciativa Empresarial "Cie A Granxa" - Consorcio de La Zona Franca de Vigo
14. CEO
15. CIMO
16. Concello de Culleredo
17. CONCELLO DE MOS - ÁREA EDUCACIÓN, FORMACIÓN E EMPREGO
18. Concello de Vigo - Servizo de Asesoramento a Emprendedores/as
19. Confederación de Empresarios de Galicia
20. Confederación de Empresarios de La Coruña - CEC
21. Fundación CEL - Iniciativas por Lugo
22. Fundación Universidade de Vigo - Oficina de Iniciativas Empresariais - OFIE
23. Fundación Empresa Universidade de Galicia (FEUGA)
24. Fundación Universidade da Coruña
25. Mancomunidade da Área Intermunicipal de Vigo - Servizo de Asesoramento a Emprendedores
26. Instituto de Desarrollo de Caixanova
27. ITE Caixa Galicia
28. Universidad de Santiago - Uniemprende
29. Universidad de Santiago - Unirisco Galicia, S.C.R.S.A.

30. Consellería de Educación e Ordenación Universitaria
31. Consellería de Economía e Industria
32. Consellería de Traballo e Benestar
33. Servizo Galego de Igualdade
34. Fundación Galicia Emigración
35. Secretaría Xeral de Inmigración

Although there a lot of organizations giving business support, the level of provided support is basically focused in the start-up phase, being the support during first years of activity and during the process of growth and consolidation rarely treated in a concrete business process support. As a consequence the region does high efforts in start up phase, but the support is not the same in the next business activity phases.

The level of support provided has been valued at regional level (1 high level and 10 for not covered):

Provided support	Value
Start up phase	2
Supporting during first years of business activity	4
Support in process of growth and consolidation	4

There are a number of different **actions conducted to offer support to start-up entrepreneurs in Galicia** and some of them are explained below.

The European Commission collaborates with the member states in the development of different actions destined to improving the general

conditions in which SMEs perform their business activities. These actions are focused on:

- improving their access to information (for example, the Euro Info Centres network, which provides practical information concerning legislations and business activities in the EU)
- subsidising and creating financing instruments which provide guarantees, which in turn allow SMEs to obtain bank loans with greater ease (for example, the JEREMIE initiative, which started in March 2007 and aimed to provide financing for SMEs in less-developed regions, as is the case of Galicia)
- collaborating with the Member States in improving the financing framework and improving legislation and reducing administrative red tape for these companies
- promoting the development of entrepreneurial attitudes (for example, via initiatives such as the European Enterprise Awards, etc.)

On another way, the Spanish National Reform Program is based upon two principal objectives: to achieve by 2010 full convergence of per capita income and surpass the European Union's rate of employment. This will be achieved by means of different series of actions, one of which is the Enterprise Promotion Plan. This Plan covers a succession of administrative, financial, educational and labour-orientated measures designed to stimulate enterprise initiatives in Spanish society.

Within Galicia there exists a wide range of sources which offer support to enterprises and entrepreneurs, from basic information dealing with how to create a business plan, to how to channel investments or even how to gain financial backing in order to initiate a business project. A list of some of the most significant sources is given below:

Galician Institute for Economic Development (IGAPE), whose main objectives are:

- To “promote, drive and reinforce the economic activities which favour the balanced, integrated development of enterprises.
- To promote the creation of companies, especially small or medium-sized enterprises, in those sectors which offer the greatest impact and possibilities for development in the region.
- To favour the technological and organisational innovation and modernisation of companies. To promote the development of scientific and technological links between universities, research centres and companies.
- To support activities which create employment by the rational use of productive resources in Galicia.
- To provide information about markets and to favour the development of exportations via agreements with foreign companies.

It should be noted that many of the actions related to entrepreneurs are provided by BIC Galicia, which works alongside with IGAPE in the achievement of the same goals.

Most of IGAPE support actions are focussed on the following subjects:

- Financial support for investments (micro credits, entrepreneurs line, SME, etc.)
- Training, assessment and information for new business
- Promoting entrepreneurial culture
- Promoting competitiveness and growth
- Diagnosis and support for doing business plans
- Internationalisation

Department of Economy and Industry, Department of Labour, Department of Education and the Treasury Department

These departments administer a series of direct subsidies for the creation and development of business ideas, but also specific programs for developing an entrepreneurial culture.

They can distribute economic aid through IGAPE, and also non financial support is provided in many different ways through BIC Galicia (education, information, detection of business opportunities, etc.).

Provincial Government Offices: their main objective in relation to entrepreneurs is to offer them assistance and information. These provincial entities channel all information relating to aid and subsidies and allow business persons access to the most important thematic databases, thus providing them with the information required to make appropriate investments and aid to their projects.

Local Councils provide support to enterprises via their Economic Development Departments. The services that they offer are mainly information and advice to entrepreneurs, helping them start up their businesses. This support mainly consists in training activities.

Galician universities have their own advisory services for entrepreneurs and provide access to companies which provide support for business ideas.

- University of Coruña provides an incubator for technological business
- University of Santiago also provides an incubator for innovative and technological spin-off from university (UNINOVA) and its own venture capital firm (UNIRISCO)
- University of Vigo offers support and advice to entrepreneurial projects through OFIE (Oficina de Iniciativas Empresariales) and OTRI (for technology transfer)

Galician Business Confederation (CEG). CEG has an entrepreneur help desk which provides support to individuals who have a business idea which they wish to transform into a business project.

Business Associations Business associations have experts in giving advice to business persons on a one to one basis, offering the necessary information for starting an enterprise: from the legal procedures for start-up to aid and subsidies for which they may be eligible.

Chambers of commerce: they offer two principal means of support:

- Information, orientation and advice
- Start-up procedures, via Consultancy and Procedure Initiation Points (PAIT), where one can start a new company, opting to form a New Enterprise Limited Company (SLNE).

Alternative financing

Capital venture companies such as UNIRISCO (Universidad de Santiago and Local Council), mutual guarantee associations, such as Xes Galicia, Sodiga, Afigal or Univest as well as so-called “Business Angels” (individuals who invest as shareholders in companies which are not quoted on the stock market and who provide their experience, business knowledge and contacts) all constitute alternative channels of finance for entrepreneurs in Galicia.

Analysing the level of support provided according to business support services in start-up phase, accommodation and finance have the minimum score with 5 points from a maximum score of 10 points. The maximum score is for training with 2 points.

Provided support	Value
Training	2
Business advice	4
On line support services	4
Finance	5
Accommodation	5

Organizations and actions developed to give support to business during the first years of activity, growth and consolidation.

There are not specific organizations offering business support in first years of activity, growth and consolidation. Some of the last detailed institutions detailed are also giving support to business in their growth and consolidation phases.

It should be noted that, after the start-up phase, a number of different actions raise importance. A list of some of these actions is detailed below:

- Attendance and technical advice
- Coaching and mentoring
- Specific training for innovation
- Specific training for internationalisation
- Financial aid for growing companies

Analysing the level of support provided according to business support services during the first years of business activity, growth and consolidation, the minimum score with 5 points are for working capital and investment financing, staff recruitment and business cooperation. The maximum score with 2 points goes for diagnosis and business mentoring.

Provided support	Value
Diagnosis and business monitoring	2
Strategic, commercial and financial planning	3
Working capital and investment financing	5
Staff recruitment	5

Business cooperation	5
Dissemination, promotion and communication	4
Internationalization	3
Space: Offices	4
Space: Priced below market	3

The *new support lines* that should be incorporated are defined from the barriers identified through the work with entrepreneurs and the experts opinions. According to this information BIC Galicia propose actions which are stated, described and budgeted on the annual planning for the institution.

Another way of developing new support lines is engaging into European Projects for which BIC Galicia declares an expertise or a special interest based on synergies with current activities.

Tools (ICT or others) used during the process

BIC Galicia provides a complete training program for entrepreneurs on a blended learning basis. We offer an on-line platform, and our training programs usually combine on-line and on-site courses.

Technical advice for entrepreneurs and mentoring is mostly provided by interview, on a defined program basis, but spontaneous queries are also admitted by phone and e-mail.

BIC Galicia also provides specific software for developing business plans, analysing and simulating financial planning, exploring the degree of innovation, etc.

In the framework of a system designed to identify business opportunities, BIC Galicia has produce a series of publications on more than 200 different business. These publications describe how to build a company

on a specific sector or activity in Galicia. Other publications include MEMOFichas (on administrative and bureaucratic topics), procedures manuals, etc.

A business ideas data base offers more than 150 successful experiences narrated by their own developers: the entrepreneurs. This tool is intended to foster entrepreneurship culture through positive business experiences, and to identify a number of key factors for success.

BIC Galicia also plays a leadership role in the design and organisation of the annual Entrepreneurship Day, which is held every year as a way of celebrating and meeting up all the actors involved with entrepreneurship.

Specific services to do inclusive entrepreneurship

Considering the dissociated nature of Galician demography (driven by population ageing) and territory (divided between rural and urban areas), BIC Galicia tries to adapt all its tools and services to meet Galician society needs.

Our services are used among many profiles of entrepreneurs, but some of our beneficiaries perform specific profiles which vary widely depending on their origin (rural/urban areas):

- Unemployed
- Women
- Young people
- People over 50

Most of our services are specially focussed on these profiles. But being conscious of the importance of widening the inclusion character of our

tools, BIC Galicia has oriented a number of activities to additional disadvantaged groups.

As an example, we have included inclusive profiles in our “Business Ideas Database” some business developed by disabled entrepreneurs, young women, immigrants and entrepreneurs over 50.

We also have developed some ways of collaboration with institutions representing some target groups. Some training programs have been organised in collaboration with COGAMI (Galician disable confederation), SGI (Galician Service of Immigration), etc.

BIC Galicia has also a project of training courses (entrepreneurship and social capabilities) to be held in prisons.

Assessing and monitoring the services provided and results for beneficiaries

BIC Galicia mainly uses satisfaction surveys among their services beneficiaries. The results give them an idea about the utility and adaptability of these services for the entrepreneurs.

They also try to maintain an open discussion with their services users, and carefully listen to what they have to point out. Many of their activities involve a close dialogue with entrepreneurs (such as the interviews for the “business ideas data base”, the advising service for entrepreneurs, etc.).

The close contact with the entrepreneurs is one of most important sources of information that help them to design their services focused on *implementing new*

actions or improve the existing ones. Also, the satisfaction surveys contain an open field in order to collect any suggestion the beneficiaries might point out.

2. Czech Republik

2.1. Brief profile of the region

The Czech Republic is situated in central Europe, it is land locked and shares borders with Germany Poland Slovakia and Austria. It has some 10.25 million inhabitants 65% of whom live within an urban environment .Unemployment rose steadily during the 1990's and early part of this century but prior to the current global economic crisis had been on a downward trend falling below the EU average in 2006.

At the time of the agreement of its operational programme it identified the following critical issues to be addressed:

In recent years the Czech economy has strengthened significantly, with GDP growth reaching 6.1% in 2005 and 2006. GDP per capita is currently approximately 76% of the EU average.

Over the last decade, the population has shrunk by over 100 000 to 10.2 million, although there are recent signs of a reversal of this trend. Ageing of the population necessitates pension reform. At the same time, life expectancy is rising to European averages.

Although most citizens complete secondary education, there are a low proportion of university graduates. Moreover, the education system should be more adapted to labour market needs. Knowledge of languages, IT literacy and life-long learning in general need to be strengthened. Spending on human resources in the Czech Republic is lower than the EU average, amounting to 4.42% of GDP in 2004.

The recent strong economic growth has had a positive effect on the labour market, raising the overall employment rate above the EU average to 65.3%, (56.8% for women). In the 55-64 age group, the employment rate of 45.2% is over the EU average and still growing. Labour productivity has continued to increase, reaching approximately 68% of the EU average. Unemployment was 7.4% in 2006, below the EU average and falling. Unemployment rates decline sharply the higher the level of education attained.

However, in contrast to this increasingly encouraging situation, gender stereotypes persist and long-term unemployment is a problem, particularly among disadvantaged groups such as people with low or no qualifications and the Roma communities.

Cooperation between entrepreneurs and educational and research institutions is still a challenge, with research and development expenditure (1.42% of GDP) lower than the EU average. The country is experiencing a brain drain in some sectors. On the other hand foreign investment is high.

Regional disparities in unemployment are a significant problem, caused by structural problems and low worker mobility. The situation is difficult in the North-West and Moravia-Silesia regions, whereas unemployment is lowest in the Prague region, which also outstrips the rest of the country in development and affluence.

The Czech republic has not been immune from the global economic downturn, however evidence to date suggests that it has weathered the current economic storms better than much of the rest of Europe. The GDP

growth in 2008 was 3.2% faster, in real terms, compared to the West European countries where a significant economic slump was recorded and also compared to EU27 (by 2.3 %.). The Czech Republic's position among the EU countries continued to improve. According to preliminary estimate of the Czech statistical office GDP in the Czech Republic in 2008 reached 82% of level of the EU 27 countries.

The Administrative Structure

A top level executive power is represented by the Government of the Czech Republic. It forms a regulatory framework and is responsible for delivering a substantial part of policies. It consists of number of Ministries responsible with specific responsibilities and of Governmental Office which includes different advisory bodies, e.g. Governmental Council for Human Resource Development, for Non Governmental Organisations, for Roma issues, or for equal opportunities between women and men.

Some of the Ministries have established regional or local offices to deliver their policies locally. Thus Labour offices are established by Ministry of Labour and Social Affairs for delivering active labour policies (assistance for employers and unemployed) within the regions.

The Czech Republic consists of 14 regions (NUTS III) with their own government, office and representatives and their Development plans and strategies (mostly general with no specific actions in the field of Inclusive Entrepreneurship).

Regions were established in 2000, when central government passed some responsibilities to the regions and municipalities, e.g. part of health service, part of social services, secondary and primary schools (6-18 years), local infrastructure.

CR has 8 cohesion regions (NUTS II) which are responsible for management of their ESF Operating Programmes.

For COPIE's purposes, the most relevant Ministries are:

Ministry of Labour and Social Affairs (MoLSA) - responsible for employment policies, social exclusion, pensions, social benefits, family policy and using ESF in the area of HRD and employment excluding formal education (it is a Managing Authority for Human Resources and Employment Operational Programme – HRE OP).

These are sections and departments of the Ministry dealing with policies which are important for inclusive entrepreneurship:

- **Department of Social Services** – responsible for social inclusion policy and for managing part of HRE OP – priority axes Social Inclusion (including Roma issue)
- **Department for Active labour Policies** - Responsible for strategy and methodological management of Labour Offices and at the same time for:
 - a. Managing part of HRE OP
 - b. Priority Axes Adaptability by providing training and salaries for employees of declining companies and

c. For managing HRE OP intervention area of Equal opportunities for disadvantaged on Labour Market (similar to CIP EQUAL activities).

- **Department of ESF Management** which has overall responsibility for HRE OP, provides publicity and evaluation at the programme level and is directly responsible for managing Adaptability Priority Axes and Transnationality P. Axes (it allows support of transnational actions of all other Priority Axes).

Ministry of Industry and Commerce – responsible for policies connected with entrepreneurship. There are at least two departments with links to the inclusive entrepreneurship:

- **Department of Competitiveness** (former SME Dept.) – in cooperation with Czech Chamber of Commerce provided support for SMEs and self employed in the form of the network of information centers for entrepreneurs.
- **Department of management, Industry and Entrepreneurship**-responsible for management of ERDF OP

Ministry of Education, Youth and Sports – responsible for a separate ESF OP concerned with these areas

Ministry of Regional Development – responsible for coordination of all structural funds in the Czech Republic, Managing Authority of

Integrated OP – and provides funds from ERDF for some complementary actions.

Ministry of Finance – responsible for national budgets, taxes, fees and so on. It is relevant for tax reductions or tax holidays for start-ups...also for social and health insurance issues.

2.2 Structural Funds

The role of ERDF in supporting entrepreneurship

The European Commission approved on 3 December 2007 the operational programme "Enterprise and Innovations". This programme involves Community support in the Czech regions except for Prague within the framework of the "Convergence" objective.

The total budget of the programme is around EUR 3.6 billion and the Community investment through the ERDF amounts to EUR 3.04 billion (approximately 12 % of the total EU money invested in the Czech Republic under Cohesion policy 2007-2013).

1. The purpose and aim of the EU investment

In the future years, the economic and employment policies of the European Union should be oriented towards the amended Lisbon strategy.

The operational programme "Enterprise and Innovations" is the main programming document for the realisation of the policy for economic and social cohesion and an important tool for the realisation of the

strategy for the development of small and medium-sized enterprises for the period 2007-2013 in the Czech Republic.

2. The expected impact of the investment

The programme is expected to create around 40 000 new jobs. Gross domestic expenditures on Research and Development (R&D) in the business sector is expected to increase to 1.5 % of the GDP. The share of production in high-tech branches of manufacturing and high-tech branches of services of the business sector is expected to increase from current 7.5 % (in 2003) to 9.5 % of the GDP by 2015.

3. Priorities

The global objective of the operational programme Enterprise and Innovations is to increase by the end of the programming period the competitiveness of the Czech economy and bring the innovation performance of the industry and services sectors closer to the level of leading industrial EU member states. In the implementation of the operational programme, attention should be paid to ensure that the support provided goes primarily to small and medium-sized enterprises (SMEs) in line with the Community Strategic Guidelines.

Priority 1: Establishment of firms-93m euro

The priority includes interventions focused on creating conditions for establishing new firms and on supporting innovative firms. Attention will be paid to accessibility of appropriate financial resources including new pro-innovation financial instruments to facilitate starting entrepreneurs'

access to capital and thus broadening the opportunities to financing their business plans and submitted projects. Only SMEs will be beneficiaries of aid.

Priority 2: Development of firms-780m euro

Implementation of business development plans by competitive small and medium-sized enterprises which are prevented from obtaining external bank finance due to low levels of personal capital or due to their limited ability to provide a guarantee for a loan. Furthermore, the improvement of the technical equipment of firms by purchasing new modern technologies including information and communication technologies (ICT) will be supported.

Priority 3: Effective energy-286m euro

Interventions aimed at stimulating the activity of entrepreneurs in reducing the energy intensiveness of the production processes, reducing the consumption of primary fossil fuels and at supporting new entrepreneurs in activities leading to a higher use of renewable and secondary sources of energy.

Priority 4: Innovation- 800m euro

Support technical innovations (innovation of products and processes) and non-technical innovations (organisational and marketing innovation) in enterprises including the development of their cooperation with research and development institutions and the development of internal capacities for R&D and related activities, in

particular in SMEs in order to increase innovative activities and the number of enterprises that carry out their own research and development.

Priority 5: Environment for enterprise and innovation- 1267m euro

Stimulation of an environment that will encourage the establishment and development of innovative companies. It aims at creation of necessary infrastructure for innovative new businesses through provision of business incubators, to extend and increase the quality of cooperation between enterprises, educational and research and development institutions to support and to accelerate innovative processes in firms.

Priority 6: Business development services-247m euro

Development and delivery of quality consulting and information services for companies; this applies also to seeking new business opportunities and professional preparation for strengthening the position of the Czech industry in international trade. The support will also facilitate international marketing activities of small and medium-sized entrepreneurs and will stimulate the interest of the entrepreneurs in forms of collaboration to facilitate market access and negotiations with business partners.

Priority 7: Technical assistance-105m euro

Finance activities that are aimed at the preparation of the Operational Program, its management, implementation, monitoring, evaluation, publicity, and control.

The role of ESF in supporting entrepreneurship

The Czech Republic takes a three-pronged approach to maximising the benefits of ESF funding – improving training and innovation potential, activating the workforce including fight against unemployment and social exclusion, and special approach to human resources in Prague. This logic is reflected in three ESF operational programmes (OP) for the country, two thematic OPs on education and on employment, and a regional programme targeted at Prague.

Programme 1: Education for competitiveness- 2152m euro

This programme aims to enrich the Czech workforce by improving primary, secondary, tertiary and further education, encouraging life-long learning and promoting research and development in order to meet the demands of the labour market more efficiently.

Education will be improved by actions that:

Connect school curricula with labour market needs, stressing language and computer skills. Support to further training of teachers.

- Ensures equal opportunities for pupils with special educational needs, including integration and preventing social exclusion.
- Tertiary education and research and development will be strengthened by actions that:
- Make university-level education available to more candidates, while enhancing quality.

- Provide research and development workers with vocational training, better employment conditions and motivational tools.
- Strengthen the relationship between tertiary education and the private sector, for example by information exchanges between educational bodies and employers.

In addition, a comprehensive blueprint for further education and life-long learning will be drawn up, with the aim of promoting its far greater accessibility.

Programme 2: Human Resources and Employment- 2157m euro

The overarching objective here is to raise the Czech Republic's employment and employability levels to the average of 15 best EU countries, focusing on:

Increasing employees' and employers' adaptability by developing skills, introducing modern systems of human resources development in firms and unemployment prevention in restructured enterprises. Active labour market policies will focus on improving access to employment and the permanent integration of people looking for jobs; and on preventing unemployment, in particular long-term, and the unemployment of groups disadvantaged on the labour market. Systems predicting fluctuations in employment requirements will also be developed.

Promoting inclusion and combating long-term unemployment among disadvantaged groups. Fostering equal opportunities by better access to

the labour market. Special attention will be paid to socio-cultural groups like the Roma.

Improving the capacity, quality, efficiency and transparency of public administration and services. To reduce the administrative burdens on people and businesses. Promoting trans-national cooperation in the area of human resources development with different EU Member States.

Programme 3: Prague – Adaptability -128m euro

Prague's competitiveness will be increased by promoting an adaptable and efficient attitude towards human resources and by improving access to employment for all. This, in turn, will promote sustainable socio-economic development in the region, benefiting the economic development of the Czech Republic as a whole.

Three strategies will be deployed, aimed at: developing a knowledge-based economy, a more accessible labour market, and welcoming previously excluded groups into the workforce. The education system will be geared towards the acquisition of job-market skills.

2.3. Integrated business support services

The main organization giving support to businesses is Ministry of Industry and Trade of the Czech Republic. Ministry acts at national level. Support (counselling) to entrepreneurs is offered by Czech Chamber of Commerce, which acts also in national level with regional branches. Czechinvest - Investment and Business Development Agency provides

the services related to access to structural funds as for entrepreneurs in start-up as during the first years of activity.

Czechinvest is established by the Ministry of Industry and Trade and the cooperation Czechinvest, Mynistry and Czech Chamber of Commerce is very close. Czech-Moravian Guarantee and Development Bank provides assistance to small and medium-sized enterprises with the aim to enable them an easier access to financial capital, share their business risk and reduce their project costs. This organization works rather separately and their support is designed mainly for beginning entrepreneurs.

Although there are some organizations giving business support and they are focused in all phases of the business process, the high level of provided support could be better

Provided support	Value
Start up phase	3
Supporting during first years of business activity	3
Support in process of growth and consolidation	3

Entrepreneurs in **start-up phase** can take advantage of program Start which supports formation of businesses with max 10 employees. Program Start is part of Operation Program “Enterprise and Innovation”. This is one of the main instruments designed for beginning entrepreneurs but currently is stopped. That is one of the reason why the support in this area is insufficient.

Counselling to entrepreneurs is mainly offered by Czech Chamber of Commerce. There are a lot of small organizations providing paid services

for entrepreneurs in start-up phase in regions. Also some web portals are offering information.

Actions in start-up phase

Analysing the level of support provided according to business support services in start-up phase, accommodation and finance have the minimum score with 10 and 6 points, respectively from a maximum score of 10 points. The maximum score is for business advice, and online support services with 1 and 2 point, respectively.

Provided support	Value
Training	4
Business advice	1
On line support services	2
Finance	6
Accommodation	10

First years of activity, growth and consolidation: Counselling, Providing information, Providing state guarantees with allowances, Grants, subsidies from Ministry.

Value of services on this phase

Analysing the level of support provided according to business support services during the first years of business activity, growth and consolidation, the minimum score with 6 points goes for strategic, commercial and financial planning and the maximum score with 2 points goes for staff recruitment.

Provided support	Value
Diagnosis and business monitoring	4
Strategic, commercial and financial planning	6
Business management	3
Working capital and investment financing	4
Technical and management skills training	5
Staff recruitment	2
Business cooperation	5
Dissemination, promotion and communication	5
Internationalization	4
Space: Offices	4
Space: Priced below market	

The system to establish new supporting lines

1. Creation and development of present services and new services
2. Targeted marketing
3. Distribution services via regional branches and internet

Tools used during the process

- Face to face communication (seminars, consultations...)
- Internet based services
- Phone based services
- Database of answered questions

Assessing and monitoring services

- Number of clients (beneficiaries) using services
- Number of clients using services again
- Feedback from clients

- Number of complaints from clients.
- Internal/external audits

3. Extremadura

3.1. Profile of the region

Extremadura is an autonomous community made by two provinces: Badajoz and Cáceres. Its surface is 41.633 km, and it is the 5th autonomous community in size, with the two largest provinces in the state.

In the autonomous community of Extremadura, the competences of the regional government in themes of employment and jobs belong the department of Employment and Equal Opportunities (Consejería de Igualdad y Empleo).

Besides, this department has competences related with childhood and families, social services, migration, social assistance and equal opportunities.

The department is made up of the following bodies:

- General secretariat
- General direction of childhood and families
- General direction of social inclusion
- General direction of jobs

And the following autonomous organizations:

- Entity of women of Extremadura
- Public service of employment

The public service of employment (also called SEXPE) has its own general secretariat, the general direction of employment, the general direction of training for employment, eight manager's offices and an observatory of employment.

SEXPE has the function of implement the active policies for employment, administering, managing and coordinating the processes derived of those policies, specially with themes related with information, vocational guidance and labour mediation, the promotion of self employment and the development of the training for employment. All these functions are developed under the control, vigilance and tutelage of the Department (consejería) which SEXPE it is assigned to.

Focusing on **entrepreneurship and business creation advice**, it is remarkable **the program of Employment and local development agents**, subsidized and managed by SEXPE.

These agents are professional who work in local administration. They depend on these administrations, and their main mission is collaborate in the implementation of active policies of employment. In order to get that aim, they have the following duties:

- a) Communication, information and advice to companies and entrepreneurs about subsidies for the promotion of employment, to the creation of new business initiatives and to the improvement the competitiveness of companies. Likewise, they facilitate the access to that subsidies by the support in their procedures and proceedings.
- b) Spreading measures established by the Employment Plans of the regional government, and the specific ones from the SEXPE.

- c) Promotion of the participation and involvement of social, economic and institutional partners and the citizenship in the territory's socio-economic development.
- d) Promotion of entrepreneurship culture and spirit.
- e) Researching on the idle resources or those underused, which can generate business initiatives
- f) Spreading and encouraging potential opportunities of business creation among unemployed people, developers and entrepreneurs, likewise collaborator institutions
- g) Technical support in the beginning of business projects, in order to help them to be consolidated, giving advice and informing about the technical, economic and financial feasibility, likewise the launch plan of any business
- h) Support to business developers, once those business have been established
- i) Collaboration with market research and studies about business fabrics in the territory.

Structure of the population

Age distribution (chart 1): the 2008 population pyramid is throttled in the base, as a consequence of the birthrate's decline. This is because the strong emigration phenomenon during 60's and 70's in the past century. On the contrary, the generations who are between 25 and 45 years old (fertile ages) are dome-shaped. The rejuvenation of the population depends on these generations. In any case, the population is mature, with clear signs of ageing.

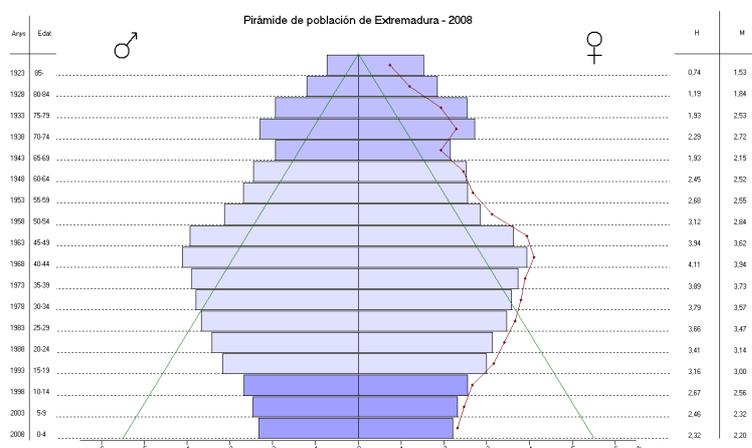


Chart 1. Population structure by quinquennial ages. Extremadura, 2008

Migratory flow: insider migrations. According 2006 data, Extremadura presents a negative balance of -203 people, less than the previous year, when it was of -1.386. The emigrations of people from Extremadura to other autonomous communities are mainly to Madrid, Andalucía and Cataluña.

Outsider migrations: the emigration of people from Extremadura to other countries was reduced in 12,65% from 2005. During 2006, 214 people emigrated abroad. (chart 2). People who came Extremadura from other countries in 2006 were 6.170, a figure that represents an increase of 12% since 2005. Most of them arrived Badajoz. This foreign people came from Europe (34,55%), America (30,3%), Africa (19,5%), and Asia and Oceania with a very low number.

	Europe	Africa	America	Asia	Oceania	Total
Spain	12.208	1.022	7.657	985	160	22.042
Extremadura	167	12	30	4	1	214
Badajoz	86	9	18	2	1	116
Cáceres	81	3	12	2	0	98

Chart 2. People from Extremadura who emigrate abroad. Source: INE, 2006

Infrastructures

The region is situated very close to Portugal, so it is in an important place to establish commercial relationships with the other country. Likewise, it is not very far from some main cities in the country, as Madrid or Sevilla. In fact, Extremadura is situated in the triangle composed by Lisbon, Madrid and Sevilla.

There are good road communications, and there are other infrastructures planned, as AVE (Lisboa – Madrid), the divided highway Extremadura – Portugal, and the future airport in Cáceres.

Economy

The biggest weight in the economic structure of Extremadura belongs to the services sector (57%). SMEs are the basic structure in our economy, and it is developing an incipient commerce with Portugal and with a high degree of tertiary elements, because of the environmental and cultural tourism peak, focused in rural spheres, traditionally based on agricultural activities.

The opportunities of market development are focused on tourism, commerce and food industry. There are other economic activities on the increase, as services to dependent people, and renewable energies.

Along the last 25 years, the region has experimented an important economic and social change: from being an essentially agricultural region - with lack of sanitary and social services, lack of infrastructures, education and activities of leisure and culture - to a region more developed, with a business fabric more and more diversified, and with more general services.

Many localities have industrial ground and areas, premises for start up, training for creating businesses, activities for promoting entrepreneurship culture in schools, and professional and free services for business advice, etc.

Nevertheless, we can not obviate that the current international crisis is also affecting our region.

The Administrative Structure

In Extremadura there are an important support to programs and services for promoting entrepreneurship, mainly from the regional government, with state or EU funds. The development of these programs used to be delegated to local administrations. At the moment, the region is doing an important effort to coordinate all the programs from different administrations and entities. These programs are related with entrepreneurship in general terms, not for inclusive entrepreneurship, which is a minority approach. The main activities related with disadvantaged groups aim to be employees, not self employment.

For instance, there are positive measures in the policies that promotes self employment, in order to increase the amount for disability people, but we have not specific training for the technical staff who give advice them. It would be very useful training about legislation, other existing services, gender equality, tools adapted for disadvantaged groups, and other skills for meet with people with specific circumstances and in risk of social exclusion. According with gender mainstream, it is necessary to be an important part of that training

Role of regional government in promoting start-up support and business consolidation

The role of regional government is essential. A part of the strategy is the creation of the Equal opportunities and Employment department. The regional government has subsidies to promote self employment and social economy, indefinite contracting, the improvement of the skills and training for the human resources, the promotion of entrepreneurship culture, etc. It also subsidizes the program of Employment and Local development agents.

Role of local government

As the regional government, *local government* has a key role in promotion and support to entrepreneurship. The proximity to citizenship gives these governments an exceptional

Likewise, it is the perfect scope to implement development processes, with the participation of social partners and citizenship. These processes must take into account the equal opportunities mainstream, to get fairer results. Employment and local development agencies are very important in this sphere, subsidized mainly by the regional government.

Role of the ESF Managing Authority

Our OP, as Managing authority, has objectives related with start up promotion and support.

Others

NGO and associations of disabled people, of drug-dependent people, federations, foundations, etc, has also an important role in the process.

They also develop programs and services aimed to labor insertion of people in risk of exclusion.

Nevertheless it is important to reiterate that their work is aimed to help people being employees, not self employment. Their funds come mainly from the regional government.

3.2. Structural Funds

There are many activities carried out by Operational Programmes, but those aimed with inclusive entrepreneurship are very few. The programs have the objective of being employees. The concept of “people in risk of exclusion” is another point to discuss, because there is no unanimity about it.

Extremadura has funding for entrepreneurship, but not specifically for inclusive entrepreneurship. See operational program for Extremadura 2007-13.

The ERDF operational programme is structured around seven priorities:

Priority 1: Development of the Knowledge Economy (R&D&I: Information Society and ICTs) (approximately 5.4% of total funding)

The primary objectives under this priority are to:

- contribute to increasing economic competitiveness through greater investment in R&D (encouraging involvement from the private sector in this);

- increase the effectiveness of the regional system of science and technology;
- increase the level of ICT use and develop ICT as a fundamental axis of the knowledge economy.

The strategic approach lies in the following:

- combining financial assistance for investment in developing human resources;
- boosting the training, mobility and ongoing learning of researchers in the area of research and innovation;
- increasing investments in R&D;
- promoting more private sector involvement in the technological innovation processes;
- developing innovation among traditional sectors in the region in which Extremadura has comparative advantages;
- developing new infrastructures, especially technology parks, thereby offering advanced services to companies;
- ensuring intensive use of ICT in public services, small and medium-sized enterprises (SMEs) and among the population.

Priority 2: Entrepreneurial Development and Innovation [approximately 18.1% of total funding]

The primary objective here is to safeguard existing competitive enterprises and to create favourable conditions for their expansion as well as for business start-ups and relocations.

- The strategic approach lies in the following:
- combining financial assistance for investment and promoting economic growth and competitiveness in Extremadura by stimulating a change from the traditional agricultural sector towards industrial activities of greater added value;
- encouraging business excellence;
- incorporating intangible elements as factors of competitiveness (e.g. quality and management systems, corporate image and design);
- modernising companies in traditional sectors;
- stimulating cooperation among companies;
- creating business networks.

Priority 3: Environment, Natural Surroundings, Water Resources and Risk Prevention [approximately 26.7% of total funding]

The strategic objectives here are to protect and preserve biodiversity, improve water infrastructures and waste management, prevent risks and control pollution.

The Programme also seeks to achieve the following:

- preserve the natural heritage, create natural spaces and consolidate the protected areas in Extremadura, notably areas included in the NATURA 2000 network;
- develop models for managing forest resources and the reforestation of degraded areas;
- ensure sustainable use of natural resources;

- supply enough quality water for the needs of the population and business activities (water supply and wastewater treatment);
- prevent waste generation, promote its re-use and stimulate recycling.

Priority 4: Transport and Energy [approximately 30.5% of total funding]

The specific objectives under this priority are to:

- improve transport infrastructure for better traffic flows through the road network and integrate Extremadura into the national communication network;
- promote and improve the communication network with neighbouring territories;
- promote accessibility within the region;
- encourage energy efficiency and the use of renewable sources, namely solar, thermal, photovoltaic, biomass and wind.

Priority 5: Local and Urban Sustainable Development [approximately 11.7% of total funding]

The main objectives of the priority are to implement new integrated urban projects for cities in Extremadura and to preserve its historical, artistic, natural and cultural heritage.

The Programme also seeks to:

- diversify tourism (eco-tourism, hunting, education, etc.) and improve the quality of tourism facilities and services;

- promote the cities as modern locations for economic development;
- encourage the preservation of historical, artistic, natural and cultural heritage in the cities in Extremadura;
- stimulate socio-economic research directed at improving the preservation and management of heritage.

Priority 6: Social Infrastructures [approximately 7.5% of total funding]

The strategic objectives are to guarantee access to education and health systems and to extend the welfare infrastructure and services to all members of society.

The Programme seeks to improve education centre networks, renew and improve existing equipment, improve health facilities and equipment, and consolidate the social service networks in Extremadura, making them accessible for all members of society.

Priority 7: Technical Assistance [approximately 0.1% 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.

Breakdown of finances by priority axis

Priority Axis	EU Contribution	National Public Contribution	Total Public Contribution
Development of the Knowledge Economy (Information Society and ICTs)	97 758 537	24 439 645	122 198 182
Entrepreneurial Development and Innovation	286 583 659	122 821 564	409 405 223
Environment, Natural Surroundings, Water Resources and Risk Prevention	423 856 251	181 652 677	605 508 928
Transport and Energy	450 211 311	240 561 588	690 772 899
Local and Urban Sustainable Development	185 156 279	79 352 692	264 508 971
Social Infrastructures	135 346 434	33 836 610	169 183 044
Technical Assistance	1 275 438	318 860	1 594 298
Total	1 580 187 909	682 983 636	2 263 171 545

On the other side, the *ESF* has established its operational program for Spain focusing on the following four priorities:

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

- Promoting entrepreneurial drive and the adaptability of enterprises, enhancing enterprise creation and business investment.
- Improve adaptability of the workforce through the promotion of learning permanent and continuous training.
- Promoting quality employment and job stability.

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

- Improving the employability of the population of Extremadura, specially with the groups with major in accesing to the labour market
- Promote the social integration of groups at risk of social exclusion
- Promoting equal opportunities and reconciling work and family life

Priority 3: To increase and improve human capital

- Increase of the performance of the education system through: systems reform education, recognition of students in basic skills and performance at all educational levels and coverage of all skill needs.
- Boosting investment in human capital from the early stages of training and developing human potential in research and innovation

Priority 5: Technical assistance

- Having strong administration, dynamic, modern and professional staff to increase level of economic development, expanding its capacity to implement policies
- Progress in improving the service offered to citizens of Extremadura, without losing sight references of effectiveness and efficiency, as principles that should govern any action of the Administration

Funds from ESF available for these areas in Extremadura:

Priority Axis	Budget
Fostering entrepreneurship and improving the adaptability of workers, employers and enterprises	76.050.085 €
To enhance employability, social inclusion and equal opportunities for men and women	67.624.205 €
To increase and improve human capital	106.061.387 €
To promote transnational and inter-regional co-operation	
Technical assistance	350.120 €
Total	250.085.797 €

ESF/ERDF Funds in the field of start-up promotion and support for business consolidation

These projects financed with ESF/ERDF Funds are very positive and necessities, because they revitalize the territory, opens new expectations and generate employment.

Nevertheless, its impact in the business creation is limited, even more in the case of people in risk of exclusion.

The successful implementation of new start-up support and business consolidation schemes in Extremadura should be got with the next central challenges

- The challenges in the activities of promotion of inclusive entrepreneurship come from the lack of a comprehensive point of view. We can not limit the advice we give to general terms. It is necessary an advice which takes into account the personal circumstances of the people, as well as their social and labour situation.

- That requires the design of itineraries adapted to every man and woman, and technical staff who has specific training, flair and attitude.

The SEXPE has developed a project of the Equal Initiative: AGREM, in the Axis of business adaptability. Also, the Extremadura Employment Public Service counts with the following assistance, financed by the ESF:

- Aids to promote self-employment. It consists of outright grants to unemployed persons who are going to establish a business as autonomous. The amount depends on gender, place of residence, if the unemployed comes from an ERE (Employment Regulatory File), returning emigrant or have disabilities to name a few variables.
- Aids to promote the social economy. There are two programs. One consists of aid to unemployed people who join as working members and grants to finance the costs of incorporation. The other program promotes aids for the recruitment of technical staff and managers. The amount on the incorporation of unemployed people as working members also changes by age, sex, disability, and so on.
- Aids for companies classified as R & E. Specifically financial subsidies, grants for giving support to management, technical assistance grants for the recruitment of highly skilled technical experts, grants and subsidies for permanent contracts and for cooperatives or worker-owned companies.

3.3 Integrated business support services

In Extremadura there are several entities that provide services to entrepreneurs in start-up phase and they continue doing during the first year of business activity. The most important are the Local Development and Employment Agents, Business Centres, Chambers of Commerce and there are some Programs directly focused on Entrepreneurship.

Although there a lot of organizations giving business support and they are focused in all phases of the business process, the high level of provided support is basically focused in the start-up phase or during the process of growth and consolidation. As a consequence the region does high efforts in start up phases and could be better for recently created business.

The level of support provided has been valued at regional level in Extremadura (1 high level and 10 for not covered):

Provided support	Value
Start up phase	2
Supporting during first years of business activity	3
Support in process of growth and consolidation	2

- One of the major networks, both by the wide range of services provided and the number of technical staff that is composed, is the ***Extremadura Local Development and Employment Agents Network***. This staff is contracted by local governments, where they develop its work, with a subsidy of 80% of SEXPE.

- **Promotion of Entrepreneurship.** Public venture capital company, which may participate in business projects with cash contributions or capital equipment. It has a professional staff who advises those who want to start-up a business initiative. www.fomentoemprendedores.com/

It also provides *NEEX Program*. This program is a software tool for conducting business plans through Internet, guided and supported by one advisor for giving support to the project. This technical staff is personal from other organizations and institutions working in the field of business advice (such as Chambers of Commerce, Job Centers, municipalities...). In this regard, it should be highlighted that 79% of the staff who gives support to business initiatives through the program NEEX are Agents of Employment and Local Development from SEXPE. <http://www.neex.org>

- **Program PROFACE.** Program to Promote Entrepreneurship Activities. Its management is entrusted to the Extremadura Public Service Employment for Entrepreneurial Development.

This program consists of **seven business centers** situated in seven different localizations of Extremadura. The entrepreneurs, preferably from the service sector, can be installed in these business centres temporarily and receive advice, administrative support and they can use computer equipment, furniture, meeting rooms as well as access to courses related to business management, social skills, management time, marketing... www.esi-proface.com

- **Chambers of Commerce of Badajoz and Caceres.** They provide business advice, often through *NEEX Program*.

Besides, there are a number of grants and subsidies for job creation and entrepreneurship by the Junta de Extremadura (subsidization of interest, self-employment, permanent contracts, repayable incentives for strategic activities for the development of the region, business consolidation programs...).

At the same time the public company *Market Development* provides training and support to companies in Extremadura with interest in Exports. www.fomentomercados.com

The scope of work changes in function of the entity or organization. For example, in case of the Agents of Employment and Local Development (AEDLs), they work for one municipality if the employment has relationship only with this municipality or they work for a range of municipalities in a community. However, from SEXPE they work to create networks and to launch joint projects. (The majority of the Extremadura is covered).

For Entrepreneurial Development, the scope is regional level, also for PROFACE, so the entrepreneurs can access to all these Business Centres from any localization in Extremadura.

There is a high level of collaboration between Agents of Employment and Local Development (AEDLs), and all of them are coordinated from the Extremadura Employment Public Service. At the same time, the Extremadura Employment Public Service establishes lines of collaboration with other agencies and organizations to optimise the

available resources. As an example, we could remember the earlier lines, where it was explained that the major size of staff who advises in NEEEX Projects are Agents of Employment and Local Development.

Analysing the level of support provided according to business support services in start-up phase, accommodation and finance have the minimum score with 5 and 4 points, respectively from a maximum score of 10 points. The maximum score is for training and business advice with 2 points.

Provided support	Value
Training	2
Business advice	2
On line support services	3
Finance	5
Accommodation	4

Regarding *Online support services*, besides the email that facilitates the resolution of doubts and accompaniment without people having to move constantly, the Junta of Extremadura through the public company Entrepreneurial Development, has the NEEEX tool, already commented in section 4.1. this document (and the majority of the staff who gives support to business projects are AEDLs). This allows the entrepreneurs to develop their business plan from home with the advice and support of business advisors.

Obviously, in some cases may arise problems, becoming less fortunately:

- the entrepreneur not performs well with the Internet

- the entrepreneur is reluctant to use it
- or Internet is not easily accessible, although all locations have an Internet Rural Center
- sometimes opening hours are not compatible with the time available to use this tool.

With regard to *business advice*, access to business advisor is easy since the majority of Extremadura is covered and in many cases with a flexible schedule.

As far as *training* is concerned, there is a big supply from the Training and Employment General Directorate of SEXPE (training focused with priority to unemployed people, employed people, training with recruitment commitment, focused on clusters, and training and employment programs...). Other organizations also provide training, such as PROFACE which offers training in entrepreneurial management, or the Market Development company with seminars for exports.

On *Financing*, by Board Extremadura exists one line for interests subsidization, investment refundable grants, recruitment grants, etc. Currently, the major funding problem lies in that banks do not loan easily even if they are subsidized.

Finally, thinking in *accommodation* there exists a supply of spaces but they are often concentrated in larger towns, something that in a large community as Extremadura sometimes require for entrepreneurs long journeys, which means that not everyone can benefit in terms of equity.

Analysing the level of support provided according to business support services during the first years of business activity, growth and consolidation, the minimum score with 6 points are business management, and with 5 points strategic, commercial and financial planning or spaces for business.

Provided support	Value
Diagnosis and business monitoring	3
Strategic, commercial and financial planning	5
Business management	6
Working capital and investment financing	3
Technical and management skills training	4
Staff recruitment	4
Business cooperation	3
Dissemination, promotion and communication	3
Internationalization	3
Space: Offices	5

This assessment has been made thinking only on the support provided from public organizations.

The *new supporting lines* should be defined in the process of designing policies, measures and tools, being essential to take into account the different needs, interests and demands of men and women and the inequalities that exist between them when they access to resources and benefits, with the aim of all of them can do it in terms of equity.

Specific services to do inclusive entrepreneurship

Specific services for inclusive entrepreneurship are scarce. Certainly, there are training and employment programs that are focused on the creation of enterprises by socially excluded people or people in risk of social exclusion. When the training phase culminated, at the time to provide them the business advice, they are usually conducted to general services.

Even in those programs, the staff is well trained in social work, social or entrepreneurial education... but they not always have complementary training adapted to the situation of these disadvantage grupes (drug addicts, women victims of gender violence, etc.)

Assessing and monitoring the services provided and results for beneficiaries

The evaluation of provided services depends on the unit or organization that offers and values the service.

Regarding the Extremadura Local Development and Employment Agents Network, this assessment is very positive thinking on the territory they cover, the implication they have on their work, flexible timetable and high range of services provided.

However, it is also true that define the competence profile of these agents is still a long way in which from SEXPE are working, providing them ongoing and updated training according to the many topics they cover. Furthermore, the SEXPE is now developing a management tool for each

local development and employment agent can systematize their daily work. Thus, it will be able to analyse their daily work in order to help them or reoriented their work in necessary cases.

Besides, this tool will allow us to analyse the policies and grants that SEXPE develop as well as grants, subsidies and projects implemented for Local Development and Employment Agents or other entities.

4. Asturias

4.1. Profile of the region

Located in the North-West of the Iberian Peninsula, the Principality of Asturias has a surface area of 10,604 km². 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.

Structure of the population

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.

Infrastructures

Communication Infrastructures

The Principality of Asturias has a network of almost 5,000 Km. of roads, dual carriageways and motorways, most of them toll-free. The La Plata Motorway links Asturias with the centre of the peninsula and the Cantabrian Motorway with Galicia to the west and Cantabria to the east. Oviedo, Gijón and Avilés are linked by motorway. This network was recently extended with the so-called “Mining-Town Motorway” connecting Gijón, Langreo and Mieres and the AS-II connecting Gijón and Oviedo.

The rail network runs along two axes: north-south, with a conventional gauge railway (RENFE), and transversally with a narrow gauge network (FEVE). A high speed line is under construction between Madrid and Asturias, and this will increase transport capacity of passengers and goods.

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. The expansion of the port of Gijón makes Asturias a region with a high capacity for intermodal transport.

Asturias Airport connects the region with major cities throughout Spain and other European cities. The airport is linked by motorway with the regional capital and main cities.

Besides the conventional industrial areas, Asturias has two sites with a high quality layout, environment and facilities, offering specific services for the establishment of innovative projects with a substantial technological component: the Asturias Technology Park and the Gijón Science and Technology Park.

Economy

Asturias is characterized by a diversified business environment in which numerous projects exist side by side that have been carried out in the last decade in the fields of information and communication technology, chemicals, plastics, and the automotive and capital goods industries; these have channelled the expansion of the economy into new areas of activity in which modern technologies and opening up to the outside world play a fundamental role.

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.

The services sector accounts for the highest levels of employment (68%), in contrast to the primary sector, that has seen a gradual drop-off in

employment down to 4.38%. The industrial sector accounts for 16.5% of employment, and the building industry 11,5%.

The availability of personnel for industry and the importance given to professional training allow the region to offer a plentiful, skilled workforce for future business investments.

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%.

As consequence of social and economic change experienced by the region in recent years it was necessary a change of mind together with a reorganization of the productive systems and their dependencies. This situation has given a relevant role for SMEs considering them the main source of economic support. This dynamism is the natural consequence of the active regional economic policy focusing on the SMEs promotion.

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.

Asturias's foreign trade in 2007 reached a figure of €8,067.81 million. Exports represents a coverage rate of 79.26%, almost 14 points over the national average.

The 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 ten Ministries. It is important to highlight 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.

1.- Role of regional government in promoting start-up support and business consolidation

With the aim of generating a dynamic and diversified business environment the government has tried to channel the expansion of the economy into new areas of activity... Simultaneously, by the political side Asturias has undertaken several actions to promote the entrepreneurship culture in every area of its society.

Therefore, as a continuation of the projects initiated by the Asturian government in 1990 –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 4th years.

A fruit dialogue between administration, business and trade unions ensured a good social and work climate which is reflected in different Agreements: 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 drivers in order to generate good opportunities for business creation, growing and consolidation of new business initiatives.

The main action lines of these Agreements are: active employment policies, industrial policy, training, health and safety at work.

2.- Role of municipal government in promoting start-up support and business consolidation

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, Business Centres, the European Business and Innovation Centre and the General Directorate of Self-Employment work together in a network to promote entrepreneurship and consolidation in the region.

3. Role of the ESF Managing Authority in promoting Entrepreneurship

The organization for the promoting of Entrepreneurship in Asturias is the General Directorate of Autonomous, which depends on the Industry and Employment Ministry, and they define and evaluate The Entrepreneurship Culture Promotion Program.

The ESF Managing Authority is the General Directorate of Professional Training, in the Science and Training Ministry and it has an important role getting funds in European Programs for the region, which are sometimes focused on Entrepreneurship, as an example the Equal Projects in priority 2 in the Equal Initiative between 2002-2007. As a result of these Equal Projects or other similar projects several business support actions were transferred to disadvantages collectives (women

entrepreneurs, young people, disabled people, unemployed, migrants) by the regional government, such as microfinance, and Women Entrepreneurs Academy).

4. Others

Moreover, there are another entities, such as Chamber of Commerce, Sectorial Associations, Social Economy Promotion Foundation, Trade Union, the University, non governmental bodies... providing an specific assessment on these issues.

4.2. Structural Funds

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 ERDF operational programme for Asturias is structured around seven 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 innovate 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.

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

The ESF has established its operational programme for Spain focusing on the following five priorities

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.

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.

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:

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

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

ESF/ERDF Funds in the field of star-up promotion and support for business consolidation

The principal programs cofinanced by these initiatives in the Promotion and Consolidation Self-Employment Principality of Asturias covers this fields:

- Employment promoting program through self-employment for business creation
- Assessment and accompanying self-employment
- Consolidation Program for the economic activity of self-employments
- Self-employment training program

Furthermore, there are another actions focused on starting –up business and consolidation process for SMEs financed by European Funds, developed in Business Centres, Local Development Agencies, Chambers of Commerce and other entities close linked to advising proceses.

The successful implementation of new start-up support and business consolidation schemes in Asturias should be got with the next central challenges

The expectations of outcomes for entrepreneurship in our region taking part in ESF/ERDF are the following:

- Promoting entrepreneurial initiatives and creation of feasible SMEs
- Giving the appropriate support to guarantee the survival of created business after starting-up
- Providing new programmes and tailor made services to promote growth and consolidation of SMEs

- Promoting a range of inclusive services focused in everyone, not only for specific or disadvantaged groups
- To promote job accessibility of unemployed people
- Adding to our regional policies best practices and experiences of the actions implemented and funded by Structural Funds in other regions

And at the end, making a contribution to the creation of wealth, employment and social welfare for the region.

4.3. Integrated business support services

Organizations giving support in start-up phase

The most important organizations giving support in start-up phase in Asturias are:

- **Business Centres:** They 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. In the majority of these Business Centres is offered accommodation in incubation and Technology Advance Services.

Asturias assumed the organization of the Business Promotion Services in June 2008 thanks to the Autonomous Ticket, being the European Business and Innovation Centre of Asturias the coordinator of this platform providing an IT tool. The objective is to check the progress of the entrepreneur business project and another tool to analyse the

feasible of their business plan. During 2008 a total of 41 entities, 90 technicians and 320 entrepreneurs have used this Autonomous Ticket Platform in Asturias.

Local Development Agencies, Business Centres, the European Business and Innovation Centre and the General Directorate of Self-Employment work together in a network to promote entrepreneurship and consolidation in the region.

- ***Local Development Agencies and Entrepreneurial Initiative Centers*** operate in a local area, so they are normally the first contact with entrepreneurs and SMEs with the following functions:
 - To promote the entrepreneurial spirit, encourage potential entrepreneurs and create added value in the local area.
 - To analyze the opportunities for developing business ideas in the area, and to act as the bridge between entrepreneurs, economic and social agents.

Their principal activities are advice and tutorial in the development of their entrepreneurial project, in collaboration with the Business Centre of its area (specially in the Autonomous Ticket).

- ***Other important organizations in start-up phase are Chambers of Commerce with offices in different municipalities, Business Associations and Foundations or the University.***

Although there are a lot of organizations giving business support, the level of provided support is basically focused in the start-up phase, being the support during first years of activity and during the process of growth and consolidation rarely treated in a concrete business process support.

As a consequence the region does high efforts in start up phases and could be better for recently created business and later phases.

The level of support provided has been valued at regional level in Asturias (1 high level and 10 for not covered):

Provided support	Value
Start up phase	2
Supporting during first years of business activity	4
Support in process of growth and consolidation	3

The most relevant action promoted in the region of Asturias is the **Entrepreneurship Culture Promotion Program**, as a result of the Agreement for Competitiveness, Employment and Social Welfare (ACEBA). In Asturias 2008-2011, and taking into account the conclusions and recommendations from the evaluation of the Entrepreneurship Culture Promotion Program 2005-2008, the currently second Program is defined as the continuation of the developed actions in Plan 2005-2008

In its point 5: To foster and give support to entrepreneurs, Chapter II (Economic Promotion), the ACEBA establishes as general aim the improvement of entrepreneurship in Asturias, defining a set of actuation lines to make this aim possible, focused on entrepreneurs and in the rest of asturian society.

These actuation lines are grouped in 3 higher strategical and central themes:

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

The highest reference element for the elaboration of the II Entrepreneurship Culture Promotion Program will be the evaluation from the Program 2005-08. The good practices collected, the suggestions and contributions given from the involved people, who had the best knowledge of this Program, were an important reference to improve the effectiveness of the second Program.

Between 2005 and 2008 4.949 enterprises were created in Asturias.

The need of one II Entrepreneurship Culture Promotion Program

The evaluation of the I Program made possible to identify the factors which made difficult the consecution of the some proposal aims at first, showing the weakness and strengths of the developed work at the same time, and it has identified new opportunities for the future.

Thanks to results and the added recommendations in the evaluation, it is possible to conclude that in Asturias, one significative advance was produced in entrepreneurship and business support during the last years, highly valued at regional level, from other Autonomous Communities and from international entities.

The highest valued actions at regional, national and european level, were the entrepreneurship promotion program at education level, and the Business Centres Network as one territorial reference for people who decide to start up a business. It is too, remarkable the Financial Bridge from CEEI for its capacity to guide entrepreneurs in their way to finance in one efficient and integrated system of business advising process.

The new actions for the new Program, are basically focused on:

- To promote a higher information, analyze, participation and monitoring of social agents who sign the ACEBA
- To be an effective leader and coordinator in the different policy structures and entities _ public and private- that at local, comarcal or sectorial level, work focused on the promotion of existing enterprises **in** Asturias, avoiding overlaps and reinforcing synergies.
- To include active actions to improve the equality of opportunities, specially in the creation of one specific structure for the female entrepreneurship support: the Female Entrepreneurs School
- To improve the internal communication channels top to down, defining one cross character organizative structure, and technical discussion round tables, teamwork and evaluation commissions.
- To reinforce the actions focused on growth and consolidation of entrepreneurs .

Analysing the level of support provided according to business support services in start-up phase, on line support services, business advice and accommodation have the minimum score with 5 and 4 points, respectively from a maximum score of 10 points. The maximum score is for training with 2 points.

Provided support	Value
Training	2
Business advice	4
On line support services	5
Finance	3
Accommodation	4

Organizations and actions developed to give support to business during the first years of activity, growth and consolidation

In Asturias, although there are a lot of organizations giving support to entrepreneurs and business in all phases, include during first years, growth and consolidation, not all of them works after the starting-up providing a real business advise process.

As a consequence of that the Entrepreneurial Culture Promotion Program has included as one aim and primordial working line, the survival and consolidation of recently created business through actions from the a follow up and advising long term of created business, the diagnosis and development of action plans for asturian SMEs.

Copie and other European projects, are a good opportunity to learn new policies and developed actions in other regions for solving this question.

Analysing the level of support provided according to business support services during the first years of business activity, growth and consolidation, the minimum score with 6 points are business management, and with 5 points are for staff recruitment and spaces. The maximum score with 2 points goes for diagnosis and business mentoring, strategic, commercial and financial planning.

Provided support	Value
Diagnosis and business monitoring	2
Strategic, commercial and financial planning	2
Business management	3
Working capital and investment financing	3
Staff recruitment	5
Business cooperation	3
Dissemination, promotion and communication	4
Internationalization	4
Space: Offices	5

Tools (ICT or others) used during the process

One good practise in the region is the Autonomous Ticket, which presents these advantages in the advising process:

- The entrepreneurs can develop their business plan using ICT tool and in directly contact with their business advisors.
- Business advisors can give recommendations directly to entrepreneurs, because they are using the same document.
- All entities which provides business advice are connected between them and with the General Directorate of Self-Employment

- It includes one common tool to advice a business project in all the region
- The General Directorate can know the number of real entrepreneurs, business plan developed and finished, the provided support and needs for starting-up a business.

Specific services to do inclusive entrepreneurship

A high number of European programmes developed in the region has given new ideas to do inclusive entrepreneurship, such us the Microcredits for women, which were later extended to everybody, and other actions focused on unemployed, young people, disable people, migrants...

Furthermore, the business centres and local development agencies have closed collaboration. Also, the Entrepreneurial Culture Promotion Program includes services oriented to social economy, disadvantages groups and conciliation actions.

Assessing and monitoring the services provided and results for beneficiaries

The Entrepreneurial Culture Promotion Program has established a process to follow up and analyse the qualitative and quantitative results of the Program in the region. It has been fixed the indicators that must be measured to control the results in relation to the aims, the time to develop this intermediaries controls.

The principal aim to control the results is focused on the reorientation of lines which are not given the waited results. There is also a final

evaluation to measure effectiveness, impact and usefulness of the Program.

The evaluation process will analyse also the impact on lessons learned and best practices identified, on identified needs and improve weaknesses.

The majority of Business Centres value their services and provided support with the directly contact with entrepreneurs during the process focused on the high quality of their services.

Conclusions

The main goal of this Baseline Study is to facilitate the start up business and their survival after this phase, providing entrepreneurs and business necessary tailor made services according to their needs.

It is really necessary to maintain our european and recently created SMEs, specially during first stages after their start-up, and obviously provide them support for growth and consolidation.

The most important needs between analysed regions are in the existing supports during first years of business activity, growth and consolidation

	PHASE:Value			
	Extremadura		Czech Republik	Asturias
Start up phase		2	3	2
Supporting during first years of business activity	3	4	3	4
Support in process of growth and consolidation		4	3	3

According to general services provided at regional level we can see their own needs and between them. Finance and accommodation, are considered such us necessary services. As a result, we can share their services looking for the best practices and experiences covering the lacks and needs in other regions.

	GENERAL SERVICES: Value			
Regional provided support	Extremadura	Galicia	Czech Republic	Asturias
Training	2	2	4	2
Business advice	2	4	1	4
On line support services	3	4	2	5
Finance	5	5	6	3
Accommodation	4	5	10	4

**COPIE BASELINE STUDY ON BUSINESS INTEGRATED SUPPORT
PREPARATORY QUESTIONNAIRE FOR REGIONAL VISIT**

**1. DETAILED COORDINATES OF THE MANAGING AUTHORITY &
REGIONAL THE EXPERT**

Details for ESF Managing authority	
Name of Ministry / department	
Address	
Postal code	
Town/City	
Region	
Country	
Website address	

Details of central contact Person within the Managing Authority	
Name	
Phone	
Fax	
Email	
Area of responsibility	

Details of the Regional Expert	
Name	
Name of organisation	
Address	
Postal code	
Town/City	
Region	
Country	
Phone	
Fax	
Email	
Website address	

Brief description of regional political administration structure (*Note: please provide a short description of the structure. Please briefly mention the number of departments, their key responsibilities and insert an organisation chart if possible*)

2. OVERVIEW OF YOUR REGION

2.1 Please provide a short description of your region, highlighting the key characteristics (*Note: we have suggested some sub-headings to help guide you*)

Location / population size and recent developments (migration, age distribution etc.)	
Strategic importance of the region	
Key business and employment sectors	
Short historic & economic overview (e.g. is the region through a period of economic growth or decline; tradition of business start-up promotion)	

2.3 Governance: briefly explain the decision-making and regulatory framework concerning the development and delivery of inclusive entrepreneurship promotion in your region (Note: please identify the different levels of governance using the sub-headings provided)

Overview	
Role of regional government in promoting start-up support and business consolidation	
Role of the municipal governments incl. local development agencies in promoting start-up support and business consolidation	
Role of the ESF Managing Authority in promoting start-up support and business consolidation	
<i>Other (Note: please add description for any other relevant bodies, e.g. planning authority if separate powers from region/municipality; community and voluntary groups/boards)</i>	

3. LINKS TO YOUR OPERATIONAL PROGRAMME

3.1. In which way do the ESF/ERDF Operational Programs cover projects of inclusive entrepreneurship promotion? Which are the topics and elements covered by this program (*Note: e.g. support for individual target groups, microfinance, integrated support...*)?

3.2. How much ESF/EFRE funding is available for these areas?

3.3. What are your expectations regarding the outcomes of ESF/ERDF funded projects in the field of start-up promotion and support for business consolidation in your region?

3.4. Where do you see the central challenges in successful implementation of new start-up support and business consolidation schemes?

3.5. Please describe your previous experience with ESF-/ERDF- funded projects in start-up support promotion and business consolidation (e.g. regional ESF, EQUAL etc.).

4. APPROACHES TO INTEGRATED BUSINESS SUPPORT SERVICES

4.1. Organizations giving support to entrepreneurs in start-up in your region. Are these the same organizations giving support to business during the first years of activity?. Indicate if they act at national, regional or local level and if there is any collaboration between them.

4.2 Value the level of support provided at regional level in the following areas (score 1 for high level and 10 for not covered)

- Start-up phase**
- Support during the first years of business activity**
- Support in the process of growth and consolidation**

4.3. Actions conducted in your region to offer support to entrepreneurs to start-up. Please explain on detail

4.4. Value the level of support provided to start-up in the following areas (score 1 for high level and 10 for not covered)

- Online support services**
- Business advice**
- Training**
- Finance**
- Accommodation**

4.5. Actions developed to give support to business during the first years of activity, growth and consolidation. What is the support in this phase?.

4.6 Value the level of support provided to business during the first years of activity in the following areas (score 1 for high level and 10 for not covered)

- Diagnosis and business monitoring**
- Strategic, commercial and financial planning**
- Business management**
- Working capital and investment financing**
- Technical and management skills training**
- Staff recruitment**
- Business cooperation**
- Dissemination, promotion and communication**
- Internationalization**
- Space: Offices**
- Space: Priced below market**
- Others: Indicate**

4.7. How do you establish the new support lines that should be incorporated?. Please explain.

4.8 Tools (ICT or others) used during the process

4.9 Specific services to do inclusive entrepreneurship

4.10. How do you assess and monitor the services provided and results for beneficiaries?. Identify the mechanisms and tools used.

4.11. Have the above been useful to implement new actions or improve existing ones?. Please, explain.

5. DETAILS OF REGIONAL TEAM WHO WILL BE INVOLVED IN THE DISCUSSIONS OF THE EXPERT'S INTAKE VISIT

5.1 Please provide your recommendations and contact details of the persons to be involved in the meetings during the expert's Intake Visit to your region using the table below.

PERSON A

Name:

Function:

Organization/department:

Email:

Tel:

Languages:

PERSON B

Name:

Function:

Organization/department:

Email:

Tel:

Languages:

PERSON C

Name:

Function:

Organization/department:

Email:

Tel:

Languages:

PERSON D

Name:

Function:

Organization/department:

Email:

Tel:

Languages:

Workplan

Integrated Business Support Services Group includes all support to entrepreneurs and SMEs, both in regard to the integration of the phases, and the offered services which must be geared to all entrepreneurs, with special emphasis on particular disadvantaged groups.

The aim of this group is focused on filling the gaps identified in the Baseline Study in each of the regions, through learning, sharing experiences and best practices between project partners, as well as other experiences that may arise in Europe the scope of the Working Group Integrated Business Support Services:

- To develop new guidelines on the definition of Regional Operational Programs of the Structural Funds for future rounds.
- To design an itinerary to support entrepreneurs in the implementation phase and during the first years of business, growth and consolidation.
- Implementation of best practices and experiences in other regions.

The Work Plan adopted by Asturias to carry out the leadership of the group "Integrated Business Support Services" will be implemented during the years 2010 and 2011.

Asturias provide the knowledge got from prior regional analysis and its own experience arising from the work already operating in the region under the Plan for the Promotion of Entrepreneurial Culture, in provided relevant support such as the self-employment ticket, advice and analysis of the feasibility plan, financial subsidies from start-up to consolidation

business. And changing good experiences that are operating in other regions.

To achieve these objectives it is required to contract one Expert for giving support in the continuation of this Project and to develop this Action Plan.

The Business Integrated Support Services Action Plan includes:

- **Interregional meetings.** 4 meetings performed after the signing of the agreement, initially scheduled two yearly and preferably coinciding with the carried out by other groups. The venue is determined with the final date and one of them will be hold in Asturias.

In each of these meetings will be fixed the targets to be met by each partner, taking into account their own lacks and identified best practices provided by others. It is also proposed that project managers appointed by each participating region to assist in every case, but with other regional agents to develop concrete actions with entrepreneurs and SMEs. These regional agents could be for this group business centers, social partners, government representatives, representatives from Structural Funds...

The 4 meetings will be defined, adjusting to the different phases of one business advice process, entities and systems to provide high quality and inclusive business support. These meetings are concreted in the following topics and dates.

1st Meeting: Identification of key players and methodologies.

1st half of 2010. 4th week of May (22-28 May)

Second Follow-up: 22-28 September

First follow up (on line or telephone): June 22-28

2nd Meeting: Tools, capabilities and services in the counseling process to facilitate the launch and subsequent consolidation of firms in an integrated process of business advice.

2nd half 2010. 4th week of November

3rd Meeting: Good practices and existing real cases

1st semester 2011. Week 1 March - Asturias.

4th Meeting: SWOT and recommendations to the Structural Funds for new calls for the Regional Operational Programs

2nd half 2011. Week September 4th

- **Regional meetings with regional stakeholders**
- **Regular contacts and continued work to carry out planned activities** between interregional meetings primarily through conference calls, video conference, mails and others...
- As closure of the project and to share the results, it will hold a **final joint meeting** between all partners.

Thus, all regions can improve and implement new policies by their own and through the knowledge of actions and services provided from the participants in this group to boost the entrepreneurship and business survival.