

INNOVATION POLICY AND STRATEGY FOR TERRITORIAL DEVELOPMENT IN CASTILLA Y LEÓN

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The aim of this paper is to analyse the principal components of Castilla y León's innovation system, placing a particular emphasis on the transversal role played by financing as well as the body and results by sector and territory of the total financial aid administered by Ade, Castilla y León's Investment and Service Agency, destined to boost both R&D&I related activity and companies, as well as innovative enterprising initiatives, considered to be potentially one of the most promising future alternatives for Castilla y León's traditional productive base.

Key words: innovation, territorial development, territorial innovation systems.

I. GEOGRAPHY AND INNOVATION: SOCIO-INSTITUTIONAL NETWORKS AND NEW STRATEGIES FOR TERRITORIAL DEVELOPMENT IN SPAIN

The key issue in any innovation system, taken as a context in which the knowledge and technology generated are the result of social interaction with the environment, is not merely the existence of a number of actors – companies, centres for higher education and research, technology transfer agencies, chambers of commerce, business associations, etc. - but rather the capacity to create a certain type of associational relations, including certain physical and relation infrastructures providing a space for contact among the various agents, as well as for the work centres, consortiums or association models that provide the setting for innovation.

Geography's contribution to knowledge of innovation-based territorial development is relatively recent, but it does partially fill the gap referred to above, particularly in terms of the analysis of territorial innovation systems. This includes the theoretical and empirical identification of the socio-institutional networks, as well as the role played by local actors in the new economic spaces and territorial development in Spain in general. There has been a sharp rise in the number of case studies and although originally particular attention was given to the concentration of high-tech industries within the context of transformation –

crisis, restructuring and reindustrialisation – that existed in certain territories, in recent years analyses have tended to focus more on proving the link between organisational and financial impetus on a regional scale and innovation processes seen from the corporate perspective. Other studies have opted to focus on the socio-institutional aspects of innovation processes on a local scale, identifying those agents and networks created *ad hoc*, relating both corporate and social considerations, and - in what is probably the true contribution of geography – attempting to analyse the impact of these processes in each area, «*not only on their economic growth, but also in social, environmental and territorial terms*».

II. THE INSTITUTIONAL SUPPORT NETWORK FOR INNOVATION IN CASTILLA Y LEÓN: STRUCTURES, INSTRUMENTS AND RELATIONS

The research, development and innovation support strategy is based on the axiom that the generation, dissemination and transfer of knowledge falls mainly to local and regional initiatives that create and sustain the framework that guarantees the effectiveness of an entire innovation system – product, process, organisation and commercialisation. It provides support and backing for the system's agents, namely universities, technology centres and companies, through an institutional-administrative architecture and a carefully articulated network of socio-economic and institutional agents, public resources and policies, designed to boost the creation of innovative environments, understood to be those territories that are capable of generating innovation and learning through management and cooperation.

In the specific case of Castilla y León, building up a regional system for innovation depends on the capacity to effectively adapt the education offer to the demand for the training required for the creation and management of innovative business initiatives. Equally important are the regulatory considerations - namely acts, projects and plans -, and especially those that boost knowledge transfer systems and which, despite their somewhat passive nature, form a key part of regional policies aimed at promoting innovation. Another key aspect is the need to strengthen transport and communication structures and to create new industrial land characterised by its flexible nature that guarantees the smooth transformation of production systems as well meeting corporate demands for versatile structures, quality equipment and the right environmental conditions for the various sites. The apex of the entire system is based on two transversal elements that are absolutely crucial in boosting innovation: the regional science and technology system and financing.

III. FINANCING INNOVATION: INSTITUTIONAL AID PROGRAMMES TO BOOST INNOVATION IN THE REGIONAL FABRIC

In the case of Castilla y León, responsibility for much of the investment effort in general and innovation in particular lies with *Ade*, the regional Innovation and Services Agency. In addition to searching for investors, since 2006 this agency has been running series of programmes to provide aid for SMEs, based on technical criteria related to the projects' suitability and feasibility, as well as geographical considerations.

A look at the territorial impact of these actions clearly shows that the drive and technological intensity of the regional business fabric is generated almost exclusively in

industrial hubs where the concentration of tangible and intangible skilled resources favours the creation of numerous innovative initiatives. This is particularly true in Valladolid and in the cities and urban environments of Burgos, León and the other provincial capitals, where practically half of the total number of authorised investment projects are located.

Also worthy of mention are other industrial and service hubs within the region such as Miranda de Ebro, Aranda de Duero, Ponferrada, Medina del Campo, Benavente, Cuéllar, Briviesca, Ágreda, Ólvega or San Esteban de Gormaz. Rather than merely isolated economic hubs, several of these centres form part of larger rural spaces in which industry and services act as a boost for the local economy. In this sense, a number of other areas stand out for the project development capacity, namely those that border on the principal winemaking areas holding a designation of origin - Ribera de Duero, Rueda, Cigales, Bierzo and Toro-, or the meat and cured meat producing areas of El Bierzo and the Salamanca Mountains. Another rapidly developing space is Tierra de Pinares, which covers the municipalities in the south of the province of Valladolid and the north-east of the provinces of Segovia and Ávila (Medina del Campo, Cuéllar, Arévalo, Íscar, Olmedo, Nava del Rey, Portillo, Rueda). Furthermore, The pine forest regions of Soria (Navaleno, Duruelo de la Sierra, Covaleda, Vinuesa, Cabrejas del Pinar) and Burgos (Huerta del Rey, Vilviestre del Pinar, Quintanar de la Sierra), show a considerable degree of activity in the development of investment projects, as do several of the municipalities located in the Mountains of Palencia (Cervera de Pisuerga, Guardo, Aguilar de Campó) and León (Bembibre, Villablino, Toreno, La Robla, Cistierna).

CONCLUSIONS

Regional Government activity based on aid programmes similar to those mentioned and the availability of highly competitive sources of financing open to entrepreneurs through *Ade Financiación*, has not entirely solved the major structural problems facing the region's productive fabric. These problems include the geographical concentration of the population and industrial activity in the region's large cities, the lack of high and mid-high tech companies, and the concentration of regional innovative activity in a limited number of companies. Further drawbacks include the business sector's limited culture of innovation, insufficient interaction between companies and research centres in R&D&I activities, or the low number of mid and mid-high tech manufacturing sectors and patents exploited by companies or research centres in the region.

