

CHARACTERIZATION OF THE ASTURIAN COUNCILS THROUGH ITS PARTICIPATION IN THE SOCIAL ECONOMY

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The term “Social Economy” has been a widely discussed, throughout history there have been various terms that have come to refer to entities that are not framed either in the public or private sector capitalist as third sector, third system, solidarity economy, among others. However, despite all these denominations attempt to describe similar realities, the delimitation of the field of activity has not always been the same, may differ from one approach to another and even within the same approach, this definition can change over time or in the region where used.

In recent years the social economy has become very important in the economic development of the regions, due to the characteristics of the component entities, which significantly influence magnitudes as economic performance, the ability to create jobs and increased social welfare. Evolution has been linked to the growing interest of researchers, governments and supranational organizations such as the European Union, to analyze their importance in the regions and implement policies to strengthen this sector.

Given the importance of Social Economy Sector (SES henceforth) in economic, social and environmental and extensive academic discussion on its definition, recently approved in Spain Social Economy Act, according to which, this sector comprises cooperatives, worker-owned companies, mutual societies, placement companies, special employment centers, fishermen’s associations, agricultural processing companies, foundations, associations and singular entities created by specific rules governed by the principles laid down in this Act, however, of according to the principal activity and function of entities can be divided into two sub-sectors, market sector and non-market sector. The first group consists of all the entities listed above except the last three, belonging to non-market sector.

Despite its importance, there is little statistical information on the SES, being so far difficult to have regular reports which show in detail the main macroeconomic aggregates and their level of development. This difficulty is increased if the objective is to conduct regional analyzes because they are constructed as the national and regional accounts, the figures for this sector are scattered in the different sectors of the economy, and hence the difficulty in measuring them.

As in other Spanish regions, in Asturias, the SES has a strong representation, data released by the Directorate General for the Promotion of Social Economy and the European Social Fund and the various industry-related records, in 2005 there were a total of 5,088 companies, of which 952 (18.7%) correspond to the sub-market. Despite the smaller representation of the latter sub sector have a strong impact on the economy and employment creation. Thus, the total of 12,052 direct jobs SES, more than half (67.4% specific) correspond to this market sector. This strong performance is due mainly to the presence of cooperatives and labor companies in the region.

The aim of this paper is to characterize the various councils of the Asturian community from the point of view of their participation in the Social Economy. Since it is considered that the spatial perspective is essential in economic studies, is to conduct a study to consider such optics. In order to carry out this study, a double analysis is performed using one-dimensional and multidimensional approaches. From the first, are determined coefficients for describing the Asturian from its specialization and location in the same companies in different industry groups. From the multidimensional perspective, the municipalities characterized by analyzing its economic structure in relation to its participation in the Social Economy.

The statistical information required to perform this study is extracted from the satellite accounts of the Social Economy of Asturias from the information obtained in the register of cooperatives, register and official publications of the Ministry of Labour and Immigration. For the analysis of the whole social economy, have taken into account all the entities included in the Law pertaining to the market economy, namely cooperatives (213 companies), labor companies (497 companies), mutual societies (2), agricultural processing companies - SAT (33), fishermen's associations (2), special employment centers - SEC (52) and integration enterprises (2). Additionally, a comparative analysis between cooperatives and labor companies is done, because these are the two types of entities most important market sector, this importance is reflected in economic terms (with a production share of 78.3% in the total market sector) and employment levels (which reaches a weight of 67.4%).

Initially we analyze the existence of a relationship between the activity undertaken by the company and its location, by conducting an analysis of variance, which shows that the activity is framed in a company's Social Economy Sector is influenced by its geographical location. However, to make this case analysis on cooperatives and labor companies, it follows that there is no such influence. This contradictory result may be that within the Social Economy Sector includes fishermen's associations and agricultural processing companies, which given its special character "skew" the results.

The sectoral study of the localization and analysis of their level of specialization in the various regions, provides information of particular relevance to **making political and economic decisions**. In recent years there have been many empirical studies on this subject, among which Beyers (1991), Beyers and Lindahl (1996), and Shearmour Coffey (1997),

Henderson (1997 and 2003), Ingram (1998) and more recently, Alonso et al. (2004), Desmet and Fafchamps (2005), Gaigne et al. (2005), Polese and Shearmur (2004 and 2006), Rubiera (2005) and Terral and Polèse (2006).

The location and analysis of sectoral specialization can be made from different variables such as the number of entities, the volume of production or employment. Specifically, here has taken this last variable, given its importance in the economic and social development of the regions. In addition, there is extensive empirical literature that analyzes the location of economic activities from employment, as Lemelin and Polèse (1993), Davila (2004) and Angoa et al. (2009).

Subsequently, we analyzed the specialization councils in certain areas and the location of production activities in them. In regards to the whole Social Economy, the location quotient analysis reflects the importance of the councils of Corvera de Asturias, Mieres, Oviedo, Soto del Barco and Coaña in the primary sector, the municipalities of Vegadeo, Peñameñera Alta, El Franco, and Ribadesella in industry, the municipalities of Morcín, Allande, Aller, Cabrales and Villaviciosa, in the construction sector, and finally, Amieva, Cabranes, Piloña and Carreño in services. The councils of Morcín, Aller, Taramundi, Muros de Nalón, El Franco and Nava have a higher degree of specialization, along with Gijón, Oviedo, Avilés and Valdés.

Since information is available from quite varied economic Satellite Accounts of Asturian Social Economy, and by using the multivariate technique of Principal Components Analysis, such information has been summarized into a smaller number of variables containing much initial information about the behavior of the SES in each of the Asturian councils. So much for the social economy as a whole, as for cooperatives and labor companies separately, we have selected two major components.

Specifically, information is available on several magnitudes intermediate: consumption, Compensation of employees, Property income paid, Social benefits, GFCF, Capital Consumption, production, Property income received, Other transfers received Secondary sector, Tertiary sector and Employment,

In relation to the interpretation of the factors retained in the case of SES, the first component is mainly composed of the variables related to the sectors of activity and secondary services, the level of employment and economic variables related to the latter, as employee compensation and social benefits. Furthermore, the second component is related to economic variables pertaining to the production account (intermediate consumption and production).

Once the number of principal components analysis is performed factorial matrix. In order to facilitate interpretation of the components was carried Varimax rotation. As regards the SES, the first component is directly related variables relating to secondary sectors and tertiary employment levels, wage earners and social benefits, and other economic variables as GFCF, property income paid, other current transfers received and capital consumption. While the second factor is positively related to variables referenced in the national accounts, production accounts: intermediate consumption and production, in addition to the property income received.

Also, a classification has been made according councils factors retained by graphic analysis of the factor scores rotated. Thus, we can distinguish a first group of municipalities, consisting of Gijón and Siero, presenting more dynamic, as they have an important weight in all variables considered (factors 1 and 2). A second group is formed by those councils that are

characterized by having a greater say in the actual economic variables (factor 1) and lower in production (Factor 2), such as Oviedo, Avilés, Tineo and Cangas de Narcea. A third group consists of Llanera and Valdes, who despite having a low representation of variables associated with the first component (such as Employment, Compensation of employees and Social benefits), reflecting high levels of output and intermediate consumption (Factor 2). The other municipalities show a lower weight in the variables in itself economic and production (Factors 1 and 2).

The definition of the components after applying the rotation shows in the case of cooperatives, a first factor consists of purely economic variables. The second component consists of variables relating to employment and participation in economic sectors. Moreover, in the case of labor societies, shows that the first component has a high relationship with the variables related to employment, economic sectors and most economic variables except the property income received, intermediate consumption and production.

The graphical analysis of the factor scores shows for cooperatives in the municipalities of Gijón, Siero, Valdés Avilés and highlights the importance of the variables included in the two factors considered. Furthermore, Cangas de Narcea, Llanera and El Franco and show a greater weight of the variables that we call economic and employment lower and fewer companies in the areas of secondary and tertiary activity (Factor 2), this behavior is opposite to that shown in Oviedo and Tineo, in which are located a significant number of companies in these sectors with high employment and less weight of economic variables.

Moreover in regard to labor societies, councils Llanera and Gijon have a high participation of the variables that define both components. Furthermore, Oviedo, Avilés, Mieres, Langreo and Laviana are councils in firms located in them have a high participation in strictly economic variables, but less weight than those related to production. Moreover, the councils of Tapia de Casariego and Somiedo show lower participation in all economic variables identified and a high weight in the magnitudes relating to production.

Finally, and according to all the indicators determined above, is characterized Asturian municipalities.