

# INDUSTRIAL LAND POLICIES IN ÁLAVA

**Marisol Esteban Galarza**

Departamento de Economía Aplicada. Universidad del País Vasco

**Irantzu Álvarez González**

Departamento de Expresión Gráfica y Proyectos de Ingeniería. Universidad del País Vasco

**M<sup>a</sup> Concepción Torres Enjuto**

Departamento de Geografía, Prehistoria y Arqueología. Universidad del País Vasco

This article analyzes the industrial land policies in Alava (Basque Country, Spain). In the first section, we present the current theoretical approaches underlying the design of policies for industrial land and subsequently we measure the actions of the various agencies that manage this type of land in Alava. Finally, we give you a sneak peek at the preliminary results obtained through the GIS (Geographic Information Systems) Alavamap.

Land development for economic activities has been a classic action within the policies of socio-economic development of a region by public agencies since the 1950's in Europe. The theoretical approaches this policy is based on are innovation, governance, and sustainability.

The regional systems of innovation make up the theoretical discourse that has inspired regional development policies in OECD countries since 1980. The unequal distribution of infrastructure and agencies in the territory that promote innovation in the regions, as well as companies with highly technological content and innovative human capital significantly explains the socio-economic status of a region. Aware of the strategic value of innovation in reducing regional disparities, the European Commission promoted various programs to support regional innovation policies. One such policy is aimed at providing the territory with the necessary infrastructure for the development of industrial activities (business and technological parks, etc.) and to capitalize on the territory's active role due to its economic and locational specificities. It was in this context of negotiations between national governments, regional governments, and representatives of the European Union that the concept of governance was forged.

Governance is defined as the ability to undertake agreed actions between different public and private institutions in a defined geographical area with the aim of promoting local development. In the Basque Country, governance is quite complex because the Historic Territories Law (Law 27/1983 of November 25) legalized the coexistence of the competencies of the municipalities with the provincial governments and the Basque government. This

law has led to the current institutional density in core subjects such as land for economic activities. This situation requires coordination, participation, and evaluation by the agencies involved.

Socio-economic development in the regions has to be sustainable, understood as a balanced territorial development between the economic, environmental, and social sectors. Applying the concept of sustainability in land management is linked to urban and territorial planning. In this respect, a certain balance should be maintained between residential land and land for economic activities and the use of rural land for urban development should be avoided to the extent that already developed land that is not operational can be re-used (industrial, railway, and port wastelands). Moreover, managing industrial parks in a sustainable manner and designing environmental management tools to enable the multi-enterprise scale of an industrial park to be dealt with would be a desirable step forward. Joint management (collection, recycling, and disposal) of the companies' waste in an industrial park, public transportation, and ride-sharing in private vehicles are some of the services that have been implemented leading to subsequent savings in costs and improvement of the environment at some industrial parks.

In Alava, different government agencies have implemented policies for innovation, employment, and territorial cohesion that have come to fruition in the sale of land for economic activities. They are:

- Provincial Government of Alava through the Alava Development Agency (ADA).
- Basque Government through Sprilur and Alava Technology Park (PTA).
- City of Vitoria-Gasteiz through Gilsa.
- Local-Regional-European institutional agreement: CEIA.

Through the *Alava Development Agency*, the Provincial Government of Alava (DFA) has been conducting urban planning and industrial land management since 1991. These tasks relating to the sale of land are enrolled in the context of the policy of promoting economic and territorial cohesion of the provincial institution. ADA policy has been based on the sale of land at an affordable price which has managed to help industry take off along the A-1 Madrid-Irun (Iruña de Oca, Salvatierra, Asparrena) and south of Alava (parallel to the A-68, from Lantarón to Lanciego). This allocation of land for economic activities has been widely accepted because there is hardly any available land left and because it has managed to partly compensate for the disparities in the distribution of population and companies in the territory. However, it would be a good idea for the ADA to diversify the types of sales for the future. This transition in the service offered would come from expanding the sale of industrial parks to business parks as it began to do with the sale of turnkey buildings in Iruña de Oca. This diversification of the sale of land for economic activities by the ADA must be a commitment to quality and less intensive in the consumption of land. Indeed, Alava is the historical territory that has the most land in the Basque Country. Faced with an acute shortage of land in Vizcaya and Guipúzcoa, Alava has land available for economic activities because it had a late industrialization and urban planning process and because it has less rugged terrain.

The Basque government carries out its land policy for economic activities in Alava (as it does in Vizcaya and Guipúzcoa) through the agency Sprilur. Sprilur was created in 1995 as a public company under the Department of Industry, Commerce, and Tourism of the Basque Government in order to continue and expand the work previously carried out by the SPRI

since 1982, managing the Industrialdeak program (industrial parks). Its function is to plan, coordinate, and design all of the effective re-development strategies of the public sale of land, industrial buildings, and offices of the Autonomous Community of the Basque Country, ensuring the existence of land in sufficient quantity and quality at competitive prices in order to encourage the establishment and expansion of all types of economic activity.

Together with the ADA, Sprilur is one of the largest land brokers. 1,074 jobs were created in Alava from 1982 to 2008 at Sprilur's business parks (Industrialdeak and its own industrial parks) which represents 6% of the total jobs created in the Basque Country in this agency's parks. Sprilur's actions in Alava have probably had less impact than in Guipúzcoa and Vizcaya from a standpoint of renewing the industrial landscape and the sale of quality business parks. The starting point in Alava was a paradigmatic industrial urban development along with the abundant raw material of land.

Conceptually the "Industrialdeaks" are business parks that deserve a more detailed commentary due to the model of governance they have promoted. The percentage of funding per Industrialdea, which takes the form of a corporation, comes from the three institutions with expertise in land and, in general, is as follows: SPRILUR (Basque Government) with 51% (the majority share) and the rest divided between the Provincial and City Government or district council variably. In fact, inter-agency collaboration with government agencies (Provincial governments, City governments, Regional Development Agencies) and private agencies is one of Sprilur's objectives. This objective reflects the interest in sharing resources, planning urban management, and encouraging the creation of business areas on a local and regional level. This model agreement has been widely accepted and is virtually unique in comparison to other areas of coinciding public activity between the Basque Government, Provincial Government, and City Government.

On the other hand, the sale of land as an instrument to promote innovation is managed by the Alava Technology Park (PTA) located in Miñano (Vitoria-Gasteiz). This park brings together the highest concentration of businesses in Alava on the forefront of technology and innovation, R&D units, technological centers, and highly qualified staff, providing a privileged environment for the exchange of knowledge. It is one of the main pillars of the regional science-technology-company system in Alava to promote interaction in a specific geographical area and a solid foundation along with the technological parks in Zamudio (Vizcaya) and Miramon (San Sebastian) for the formation of intelligent territory in the Basque Country. With 3,400 jobs at 115 companies and a turnover of 769 million euros (on 12/31/2009), the Alava Technology Park can claim to be fully consolidated.

The analysis of the sale of land for economic activities by public brokers in the Alava has the support of the GIS Alavamap managed by the Alava Development Agency (ADA). The total volume of land in Alava by municipalities include Vitoria (54.6%), Legutiano (10.8%) and Salvatierra (6.8%) in 2009 (according to the data from Alavamap). The municipalities of Ayala, Llodio, and Amurrio near Bilbao, whose industrialization and morphology is linked to Bilbao's industrialization are a small percentage (0.8%, 4%, and 3.5% respectively). The lack of land in Llodio and its rugged terrain which is typical of the industrialization of Vizcaya is worthy of being pointed out. On the other hand, there are several municipalities where the volume of the total land is very limited (less than 1%) such as Bernedo, Elburgo, Lapuebla de Labarca, Okondo, Armiñón, Ayala, Berantevilla, Campezo, and Zuia. In most

of these municipalities, the locational pattern corresponds to scattered companies without actually forming an industrial park.

The distribution of square meters per worker shows that there are higher levels of land use intensity (less than 2 m<sup>2</sup> per worker) in Vitoria, Llodio, and Amurrio. It is in these three municipalities where the largest companies with the largest number of workers are located. The greatest concentration of land is located in the city's most industrial and central sections where the cost of land is higher. Small and medium-sized companies predominate in the rest of the municipalities. In this regard, Salvatierra and Legutiano stand out with 6.8% and 10.8% of the industrial land in Alava and only account for 1.5% and 5.8% of the jobs respectively. Alava's capital continues to collect agglomeration economies unlike the municipalities in their immediate area of influence where the supply of services for businesses and the population are very limited.

The conclusions we have come to are as follows:

- The challenge of governance in the planning and management of industrial land remains a current challenge. Even though different land management companies gained the valuable experience of working together, they would have to join efforts in order to validate methodologies for innovative land management that integrate geo-economic knowledge and sustainable practices.
- The innovation that GIS's represent in the management of industrial land requires regular updating of the information which encourages their use. On the other hand, GIS's facilitate the coordinated management of waste from businesses and locational decision-making within the business park (internal transport routes, location of information centers, maintenance and security needs, etc.). On a broader level they allow for medium-term regional strategies to be defined that bank on the comparative advantages of each region.
- The application of best practices in forecasting and responsible use of land resources at the various levels of decision-making (local, regional, and national) both from the public and private sector should be viewed in the context of the new culture of the territory. It would be advisable to introduce mechanisms to shorten the procedures for recovering land developed by public agencies when it is not used for its intended purpose in order to ensure the effective use of public resources invested in the development of that land.
- The sale of industrial land, improved accessibility via highways, the provision of knowledge and transportation infrastructures, together with the strong economic growth that has occurred in Alava, supported by a strong innovation policy has resulted in the attenuation of interprovincial socioeconomic contrasts. Neutralizing the high concentration of employment in Vitoria and strengthening the network of remaining villages in Alava is an objective to further develop.