

# Barcelona Activa Local Economic Development Strategy

**WORKING FOR A MORE LOCAL ECONOMY**

**EXECUTIVE SUMMARY**

**BOOSTINNO INNOVATION ACTION PLAN**



**Ajuntament de  
Barcelona**



**Barcelona  
Activa**

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# 1. The context: socio-economic inequality in the districts and neighbourhoods of Barcelona

Economic development in Barcelona is unequally distributed among the 10 districts and 73 neighbourhoods that make up its territory. If we take a sample of indicators of socio-economic development, we observe that the city is divided into two groups of areas; one group formed of the **six districts with lowest economic dynamism**, representing 62% of the city's population: **Nou Barris, Sant Andreu, Sants-Montjuïc, Horta-Guinardó, Ciutat Vella and Sant Martí**; and **another made up of the four districts with the highest economic dynamism**, representing 38% of residents in Barcelona (**Sarrià-Sant Gervasi, Les Corts, Eixample and Gràcia**).

The districts with lower economic dynamism - despite representing 61.8% of the entire city population, **have just 45% of the collective disposable household income of Barcelona**. Moreover, they account for 70% of the unemployed, around 70% of people with a low level of education and over 70% of people attended to by social services.

The following table summarises the main socio-economic indicators by District. As you can see, the level of disposable household income and level of education is inversely proportional to the rate of unemployment and people attended to by social services. Therefore, the higher the disposable household income, the higher the level of education and the lower the unemployment rate and the percentage of people attended to by social services in the districts and neighbourhoods.

**Table 1. Summary of Socio-economic indicators by district**

District	Disposable household income (2016).	Unemployment rate (16-64) (March 2018)	% people attended to by Social Services (2016)	% university education or CFGS (NVQ) (2016)
Ciutat Vella	86.9	8.9	8.7%	29.0%
Eixample	119.3	5.6	3.8%	40.2%
Sants-Montjuïc	79.1	7.2	5.4%	24.1%
Les Corts	136.0	5.6	3.5%	41.2%
Sarrià-Sant Gervasi	182.4	3.8	1.5%	49.2%
Gràcia	105.4	6.0	4.6%	39.8%
Horta-Guinardó	79.2	6.9	5.5%	22.8%
Nou Barris	55.0	9.7	7.0%	13.3%
Sant Andreu	74.5	7.7	4.7%	21.1%
Sant Martí	87.1	7.6	4.7%	24.8%
BARCELONA	100.0	7.0	4.8%	30.0%

Source: Produced by the Department of Studies at Barcelona City Council's Manager's Office for Economic Policy and Local Development, based on data from the Technical Programming Office at Barcelona City Council.

The inequality of wealth between these two groups of districts is not a one-off, and what is more, the differences in income have increased since the crisis in 2008, meaning that the distance between the district with the highest income (Sarrià-Sant Gervasi) and the district with the lowest (Nou Barris) has increased. Between 2008 and 2016, five of the districts with the lowest disposable household income have seen their income decrease in relative terms, while three of the four with the highest disposable family income have seen theirs improve.

## 2. Towards a local economic development model

The new local economic development model is based on five conceptual elements:

1. **From homogeneity to heterogeneity:** It requires the substitution of the vision of Barcelona understood as a whole when it comes to generating economic development, for a vision which takes into account the needs, as well as the opportunities, in each of the districts and neighbourhoods it is made up of. It goes beyond socio-economic inequality to incorporate into this vision the distribution of **assets for economic development** and the **opportunities for generating economic activity rooted in the area**.
2. **A plural local economy:** the new model of local economic development boosts the plural economy, incorporating **the social and solidarity economy as well as the traditional paradigm**. Likewise, economic activity in the districts and neighbourhoods must be compatible **with and respectful** of the other human activities (social, cultural, civic) or needs of the residents (housing, use of public space) as well as **generating a balanced economy**, that avoids creating negative externalities such as gentrification.
3. **An economy at the service of the people**, that **puts the residents at the centre**, as economic activity has a direct impact on the lives of the people around it. This means **changing the role that the municipal administration has traditionally played**, making it one in which the administration also acts as a facilitator of third-party processes and adapts its intervention in accordance with the needs and potentialities of the diverse territories.
4. **The distance between the public and public services:** The approach of local development policies aims to **minimise the distance between the general public and public services**, with the **interpellation of new sectors of the population and socio-economic actors and offering actions**, services, and programmes that adapt to their needs and expectations. Thus, it aims to break down possible barriers originating from a threefold distance from public services - physical, methodological and communicative - and commits to creating policies in collaboration with the general public, through co-decision and co-creation.
5. **Three tiers of intervention for territorial rebalancing:** to generate an economy that contributes to reducing the breach of socio-economic inequality between territories, to the extent possible in accordance with municipal powers. Three tiers of intervention are devised:
  - **First tier of territorial intervention: the city and its composition.**

- **Second tier of territorial intervention: 6 districts with socio-economic indicators below the city average.** Nou Barris, Sant Andreu, Sants-Montjuïc, Horta-Guinardó, Ciutat Vella and Sant Martí.
- **Third tier of territorial intervention: 21 city neighbourhoods and sub-neighbourhoods.** Almost all of them are located in the six tier 2 districts. These areas are classed as “especially vulnerable”.

## 3. Goals

The principle objectives of this strategy:

1. To generate a coherent and coordinated framework for intervention in each area.
2. To design and implement new projects and initiatives that revitalise the economy in the districts and neighbourhoods and promote quality employment, helping to combat insecurity.
3. To acknowledge and involve the socio-economic actors in the territories, promoting networking and the generation of public-private-social-community synergies.
4. To contribute towards making the services of Barcelona Activa more local, more comprehensive and better adapted to the needs of the people and the different socio-economic agents at a territorial level.
5. To provide the territories with the resources to develop the programmes and actions designed in the territory itself.

## 4. New Measures

### 4.1 DISTRICT ECONOMIC DEVELOPMENT PLANS (EDP)

The EDPs are a **5-year roadmap on the subject of economic development**, with the aim of generating balanced, sustainable economic activity that is rooted in the territories, and which is being launched in the six districts of Barcelona whose socio-economic indicators are below average (second tier of territorial intervention): **Nou Barris, Sant Andreu, Sants-Montjuïc, Horta-Guinardó, Ciutat Vella and Sant Martí.**

The annual cost of each EDP is between 1 and 2 million euros.

Each EDP is approved through a **coordination process** with districts (technical team and advisers) and the other relevant players in the territory’s social and economic ecosystem: first- and second-level social organisations, community plans, retailer associations, employment networks, companies and

cooperatives, among others. The monitoring and execution of these plans is also done in cooperation with these agents, establishing spaces for coordination and spaces for accountability.

## 4.2 NEW FUNDING TOOLS

1. **Programme for the socio-economic momentum of the territory, “IMPULSEM EL QUE FAS” (WE DRIVE WHAT YOU DO).** This is a call for subsidies for competitive concurrence, which evaluates the best projects according to the criteria specified in the terms and conditions. The purpose to this programme is to provide economic support for new or existing projects seeking to improve the neighbourhoods’ economic situation. The percentage funded could be up to 80% of the total budget of the project, with a maximum of 50,000 euros.
2. **Collective funding project (Matchfunding) “CONJUNTAMENT” (JOINTLY).** This project aims to provide support to socio-economic projects via a new route that combines public funding with collective funding, or crowdfunding, in the following areas: social, educational, agro-ecological, consumption, exchange of goods and services, mobility or culture. For every Euro that a third party brings to the participating projects, the City Council matches the amount up to a maximum determined by project.

## 4.3 LOCAL TECHNICAL TEAMS

To create local economic development, a qualified technical team is essential to achieve this goal, Barcelona Activa has formed new local teams:

1. A new Operational Department, with a team of 3 people in charge of projects and districts.
2. Eight technicians for local economic development actions in the districts: with the aim of identifying the specific socio-economic needs of each district, facilitating the search for tailor-made solutions and participating in the relevant governance areas.
3. **Five technicians for local economic development actions in the neighbourhoods:** for the neighbourhoods in a situation of particular socio-economic vulnerability: Ciutat Meridiana-Torre Baró and Roquetes, Bon Pastor-Baró de Viver and Trinitat Vella, Besòs-Maresme, Sant Pere, Santa Caterina and Raval sud; Poble Sec and La Marina.

## 4.4 NEW LOCAL SERVICES OR PROGRAMMES

As a result of this territorial approach and within this framework of co-production of responses, the strategy foresees the deployment of a **set of new actions driven by Barcelona Activa** in the form of services or programmes:

1. **Defence Points for Labour Rights:** Service for employment information and advice for people in work and/or employers, with the aim of combating employment insecurity, identifying cases of rights violation and promoting a quality labour market.

2. **District Economic Activity Help and Information Points (PAEs): Information, advice and mentoring service for economic activities in a territory**, with the aim of promoting and driving more local, sustainable, high-quality economic activities.
3. **Training in community impact: Training programmes for improving the employability of groups with special difficulties**, co-produced with the socio-community fabric of the neighbourhoods.
4. **Programmes for the revitalisation of vacant ground floor premises**: with three different models
  - **Local Local. Low Official Protection (Ciutat Vella)**: Programme for the revitalisation of empty premises **owned by the municipality**, to make them available for local commerce and sustainable, plural economic activity. This action aims to fight gentrification and the dominance of one economic culture in the district.
  - **Installing economic activity in empty ground floor spaces**: it devises a category of grants for the installation of new economic activity in vacant (**privately owned**) ground floors in neighbourhoods affected by commercial desertification or gentrification processes. In 2018, 120,000 euros will be distributed in grants of up to 10,000 euros, to finance, for a maximum of one year, the rents of these economic activities.
  - **Activation of vacant premises in Trinitat Nova (Nou Barris)**: programme for identifying empty commercial premises in the neighbourhood of Trinitat Nova. Its ultimate aim is the economic revitalisation of the neighbourhood. It offers a geo-localised inventory of vacant premises and a call for grants for the installation of new economic activity of up to 10,000 euros.
5. **Ready commerce programme: Customized business advisory programme** with the aim of promoting local commerce within the framework of the district's economic development plans. It includes **12 hours of personalised expert advice** to improve the participating businesses.
6. **Service for socio-economic help for the Pakistani and Bengali community in Ciutat Vella: Economic revitalisation service in various languages** to advise on the subject of entrepreneurship, business and employment in the **Pakistani and Bengali communities in the neighbourhoods of Raval-Sud and Gothic-Sud**, with the aim of improving knowledge of businesses run by people of foreign origin and promoting their involvement in community life.
7. **Services or inter-cooperation spaces**:
  - **Ciutat Vella Resources Bank**: a service for pooling infrastructural resources and services in the Ciutat Vella District with the aim that the social and cultural organisations of the territory can make use of them in community or socio-educational events.
  - **Industrial Village Besòs: The refurbishment of an 800 m2 industrial space** in the Bon Pastor polygon, which will be converted into a warehouse by the organisations of the district of Sant Andreu. The objective is to create a space for social use, as well as carry out

construction and repair work and training in the spheres of activity that the organisations work in.

#### 8. New singular spaces for local development:

- **Nou Barris Activa:** a new 470m<sup>2</sup> municipal facility in the Nou Barris District for economic and employment promotion with the aim of bringing the available resources to the residents of the district. The offer is focused on the needs of the territory, with the following services: space for job-seeking, labour guidance service, defence point for labour rights and economic activity help point.
- **Co-working space that gives back to the territory in Horta-Guinardó:** situated in the neighbourhood of La Clota, it will offer spaces at affordable prices for the development of entrepreneurial activities which give back to the territory. It will provide capacity for between 30 and 60 initiatives and will have office spaces, a professionally-equipped kitchen and space for shared and collaborative workshops.

## 3. New governance model

The local strategy defines a new interaction model whereby a new frame of integrated, cross-departmental network of relationships is created to generate this economic development that is local and adapted to the requirements.

It is a model co-produced by the municipal Administration, the fabric of the community and the economic network.

This new partnership, of a public-private-social-community nature, means:

1. **A new role for Barcelona Activa in relation to the local development of the territory.** Based on the conviction that leadership must be shared, and that this leadership must be more flexible.
2. **The recognition and promotion of the community fabric:** organisations that are part of the community environment of neighbourhoods and districts play an important role in their local economic development.
3. **The involvement of economic agents:** it is very important to have the territories' business network on board, and to find ways to attract the maximum number of companies involved in the local economic development strategy.



## 5.1. LEAD GROUPS

Municipal space for coordination between local municipal development operators (Barcelona Activa, Department of Commerce, Department of Tourism and Events, Commissioner for Social and Solidarity Economy, Local Development and Consumption) and each of the city's districts. In this space information about available or necessary resources is exchanged, and the action of the different operators is coordinated, from a perspective of territory promotion. They are under way in the 10 city districts.

## 5.2. SPACES FOR CO-PRODUCTION AND CO-CREATION

Newly-created or existing spaces for the six districts with Economic Development Plans. The objective of the co-production spaces is to design and/or carry out specific actions that implement measures contained in the EDP in conjunction with the socio-economic ecosystem of the city.

## 5.3. NEW LOCAL SERVICES OR PROGRAMMES

Newly-created or existing spaces for the six districts with Economic Development Plans. In these spaces, the team from each District and Barcelona Activa report on the evolution of the EDP, encourage the participants to evaluate the results, and collect their feedback and proposals.

# 6. Time line

The period of execution for the **Barcelona Activa Local Economic Development Strategy** explained in detail in this document is two years. 2018 and 2019.

# 7. Budget

The Strategy's budget comprises four kinds of resources that allow the execution of the measures established in section 4:

	2018	2019
Local Technical Team	1	1
Funding tools	1.6	1.6
Economic Development Plans	9.25	9.25
New local resources and services	0.5	0.5
<b>Total (million euros)</b>	<b>12.35*</b>	<b>12.35*</b>

# 8. Monitoring and evaluation

## 8.1. MONITORING OBJECTIVES

Monitoring and evaluating the results of the various policies launched as a result of this territorialisation strategy should allow us to:

- Share results according to territory.
- Introduce new concepts and alternatives and confirm the suitability of the measures developed to contribute to the social and territorial re-balancing.
- Facilitate the accountability of the actions carried out and the possible introduction of changes.
- Achieve greater efficiency in the utilization of public resources
- Introduce greater transparency in the processes of local development.

## 8.2. INDICATORS FOR MONITORING AND EVALUATION

The indicators in this strategy are divided into activity and impact. The indicators of activity measure the degree of achievement of the objectives set out in the 2018-19 period.

1. **Strategy Activity Indicators.** These allow for the comparison of whether the new local development measures have been set in motion in accordance with the forecasts. They consist of indicators that allow the establishment of degrees of achievement based on each measure, and in accordance with objectives set for the period 2018-19.
2. **Territorial Impact Strategy Indicators.** The monitoring of territorial impact allows for the evaluation of whether the strategy fulfils the objectives set in the three tiers of intervention, in particular to verify whether the intensity of the economic development actions is greater in the 6 districts with lower socio-economic indicators and the 21 neighbourhoods in a situation of special socio-economic vulnerability.

## 8.3. SYSTEMS FOR MONITORING AND EVALUATION OF HIGHLIGHTED MEASURES

### 1. Monitoring and evaluation of the Economic Development Plans

Regular monitoring of these measures is carried out in the lead groups, that is, in the spaces for coordination between existing municipal local development operators in each district.

On the other hand, the more strategic, global monitoring of the EDPs is carried out in the accountability spaces that the plans themselves consider. In these spaces, the evolution of the EDP measures is reported at the end of the first semester and at the end of the year.

## 2. Monitoring and evaluation of the “Impulsem el que fas” call for grants.

For the first time, Barcelona Activa is incorporating a system for monitoring and mentoring economic promotion projects subsidised through a municipal grant. A monitoring system that presents three new features:

- 1- **A local development technician for each project:** who supports the projects as well as implementing a monitoring system on the part of the administration through project visits and a report on each visit.
- 2- Demand for creating **medium-term memory**.
- 3- **Training and knowledge exchange.** The organisations benefiting from grants can access training resources and share experiences related to their project with others.

# 9. From the Action Plan to Government Measures

Barcelona Activa’s participation in the Boostinno project funded by the European **URBACT** project has been defined in the elaboration of a Social Innovation Action Plan that includes the new local development strategy that Barcelona Activa has set in motion. This participation in the Boostinno project has allowed us to share and incorporate new knowledge and methodologies, in terms of social innovation in general and everything related to economic development policies, between the different participating cities and territories. We are now working towards the possibility of converting this Action Plan into a Government Measure, which is the municipal instrument for carrying out certain policies or actions in the city.