

GIPUZKOAKO FORU ALDUNDIA

PROVINCIAL COUNCIL OF GIPUZKOA

Gipuzkoako
Foru Aldundia
Diputación Foral
de Gipuzkoa



ORAIN
GIPUZKOA

1. Social and economic context

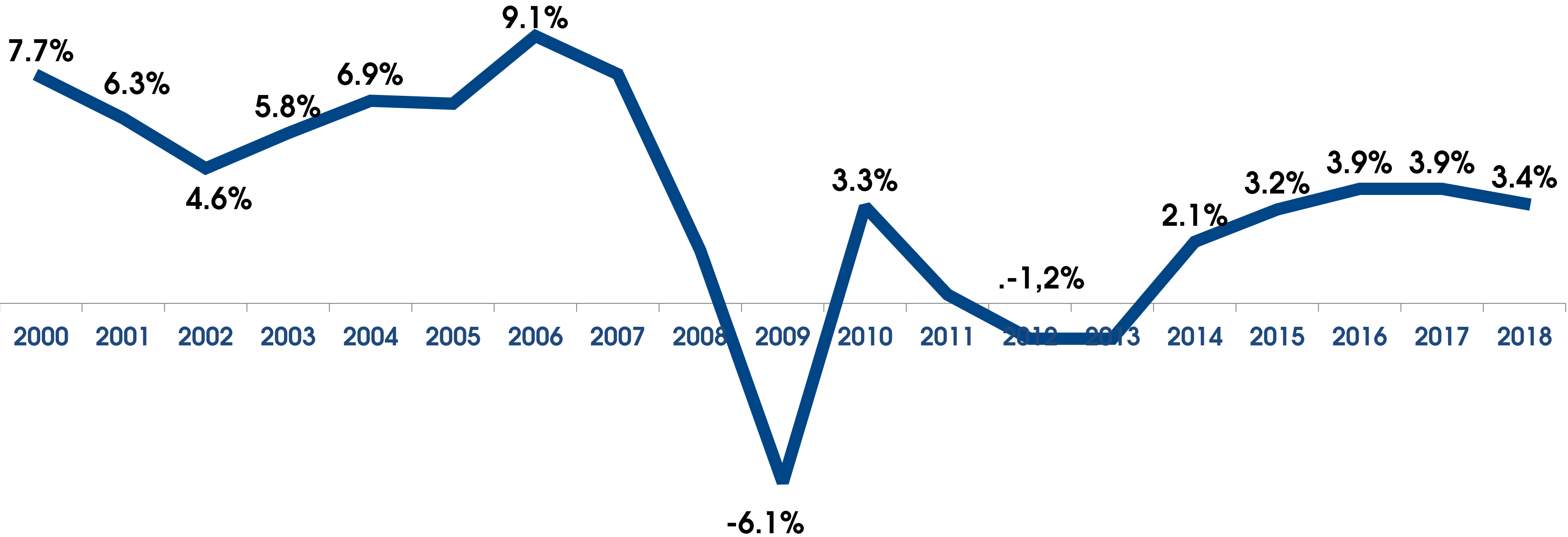


Gipuzkoa, an industrial territory



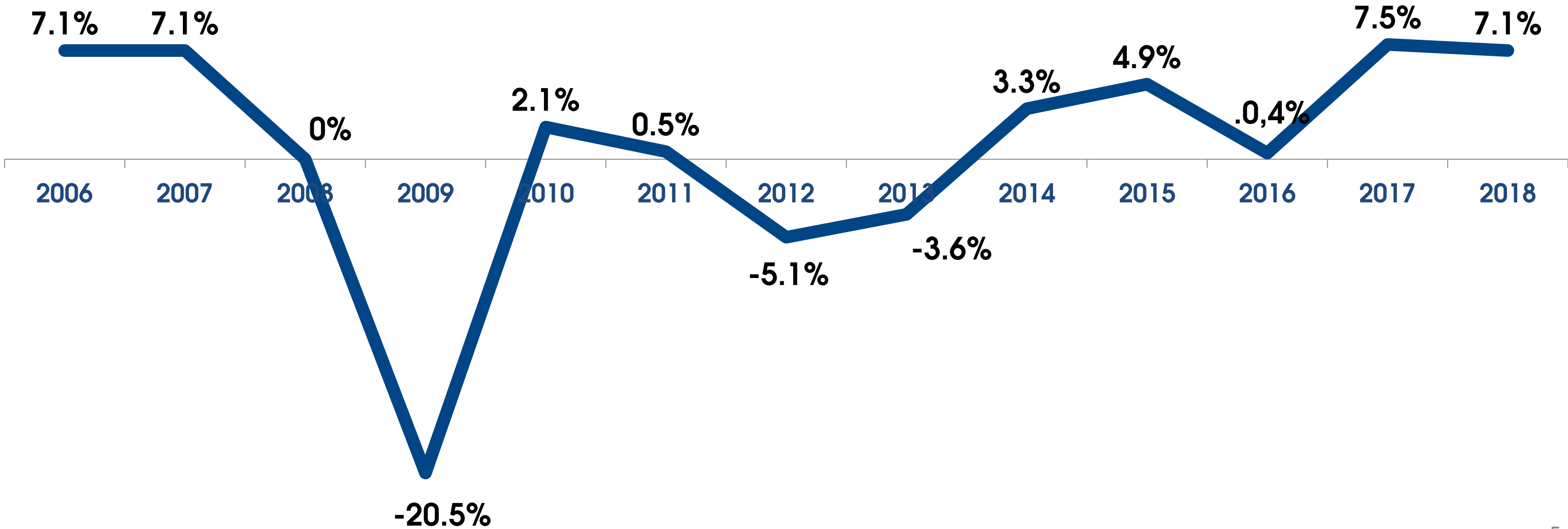
GDP Gipuzkoa

Source: Eustat



Sales

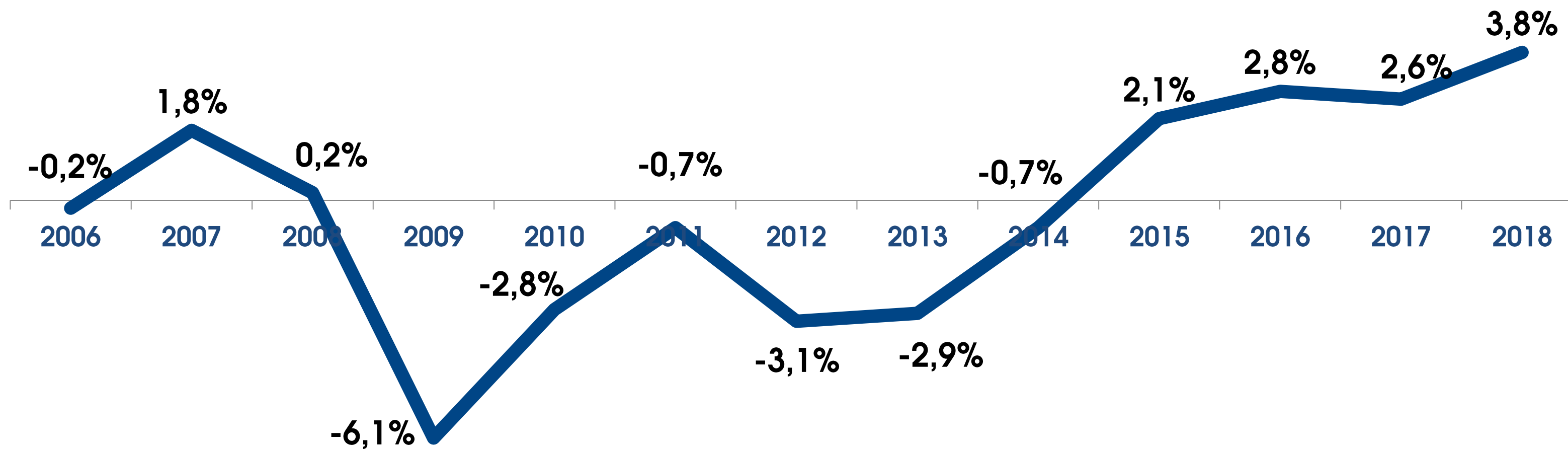
Source: Treasury (2018/11)





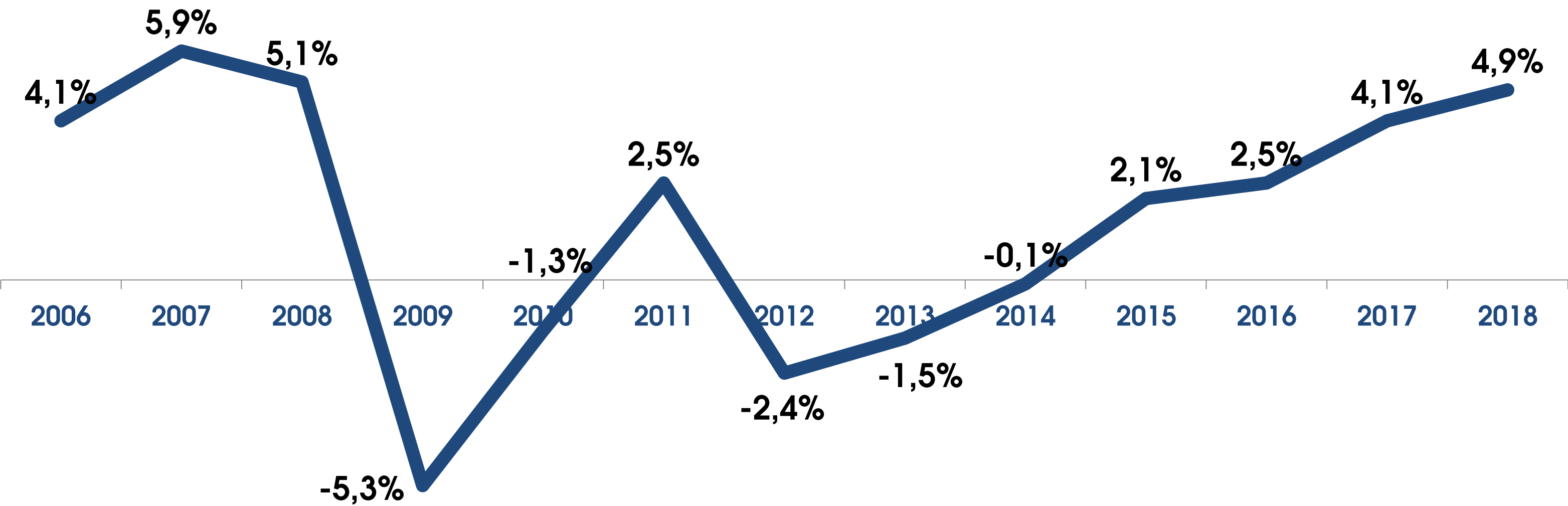
Employment

Source: Treasury (2018/11)



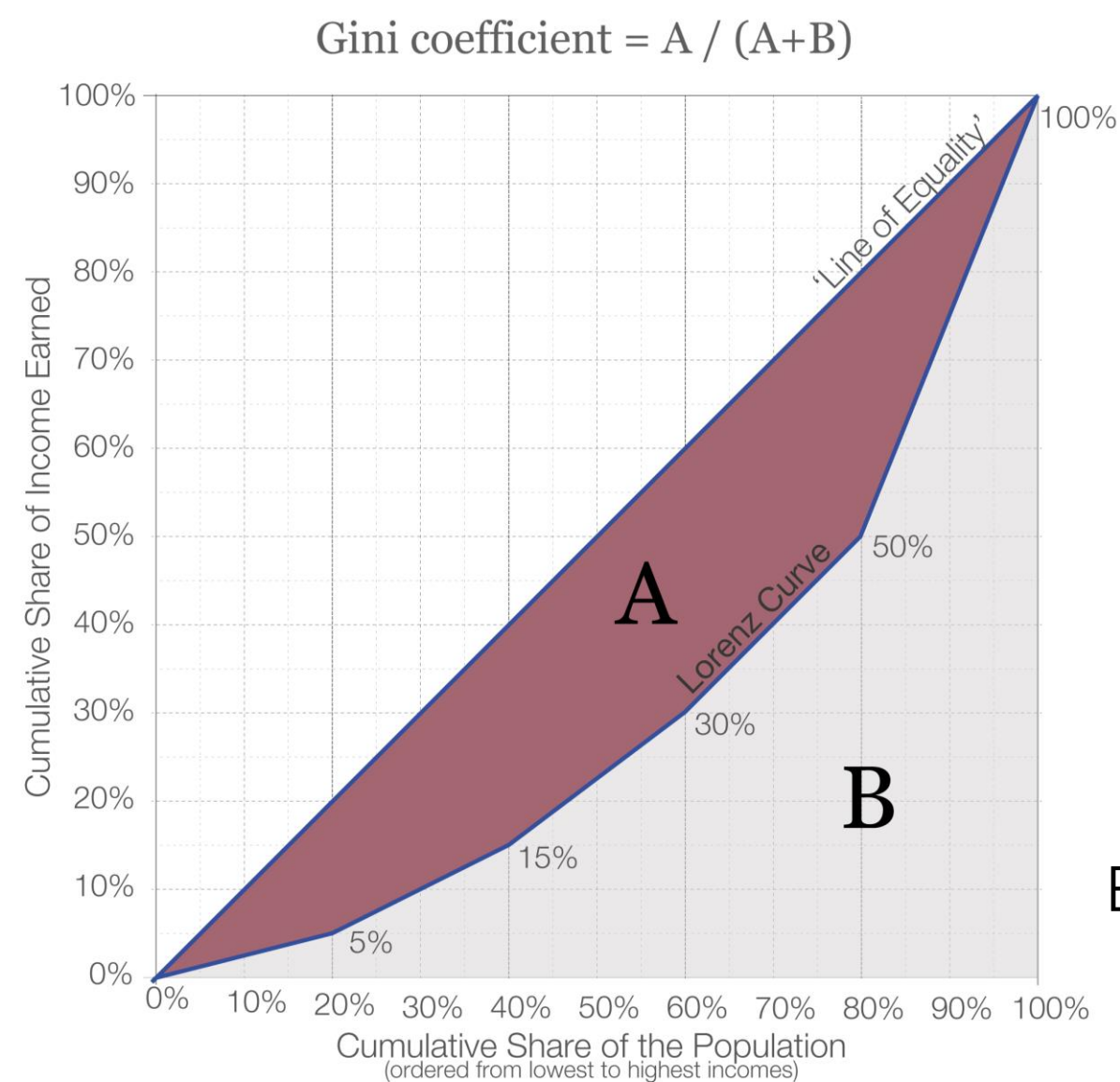
Salaries

Source: Treasury (2018/11)

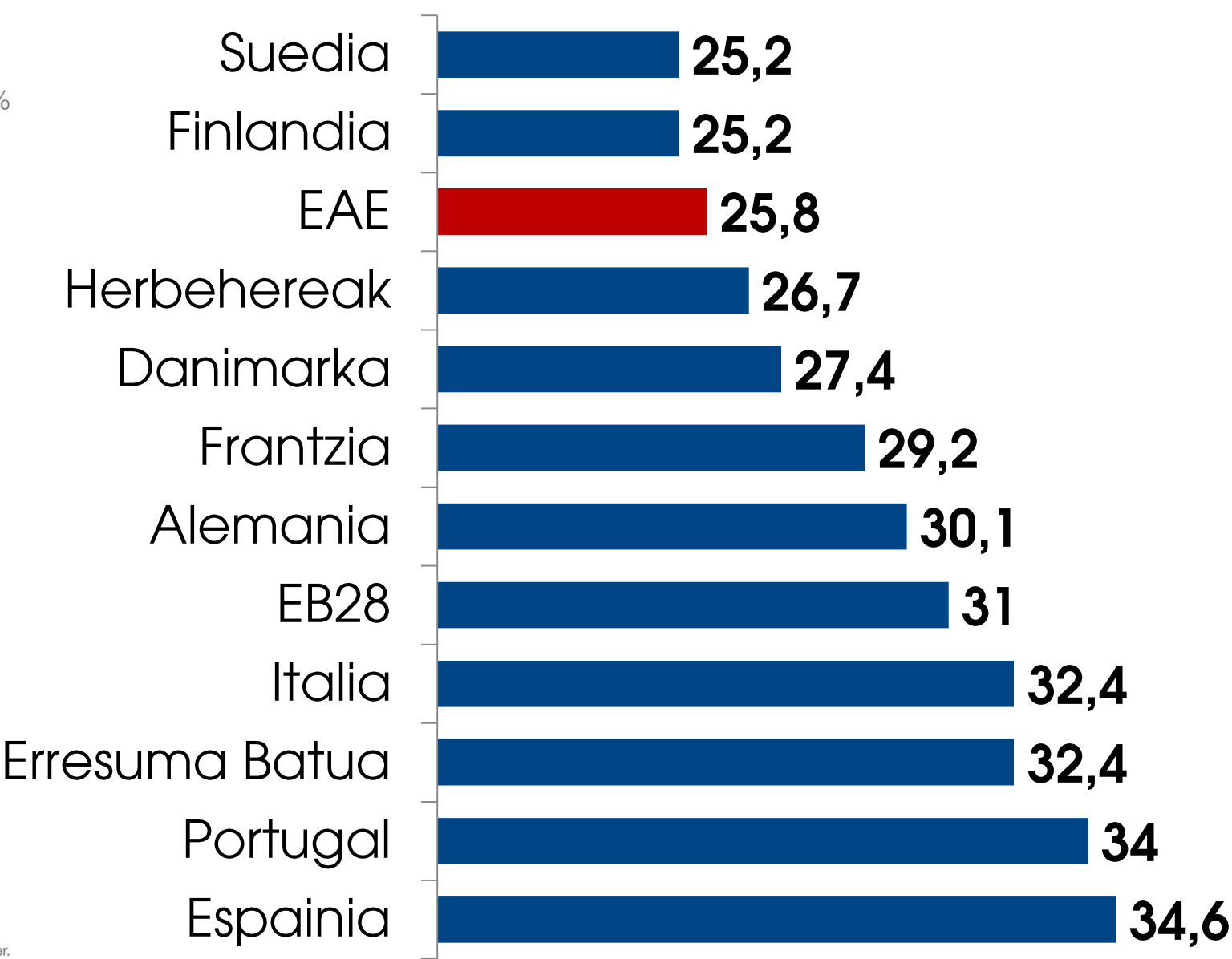


GINI coefficient

Source: Eustat (2016)



This visualization is available at [OurWorldinData.org](https://ourworldindata.org). There you find research, visualisations and more visualizations on this topic.



Industry in GDP



GIPUZKOA

27.6

SPAIN

17.9

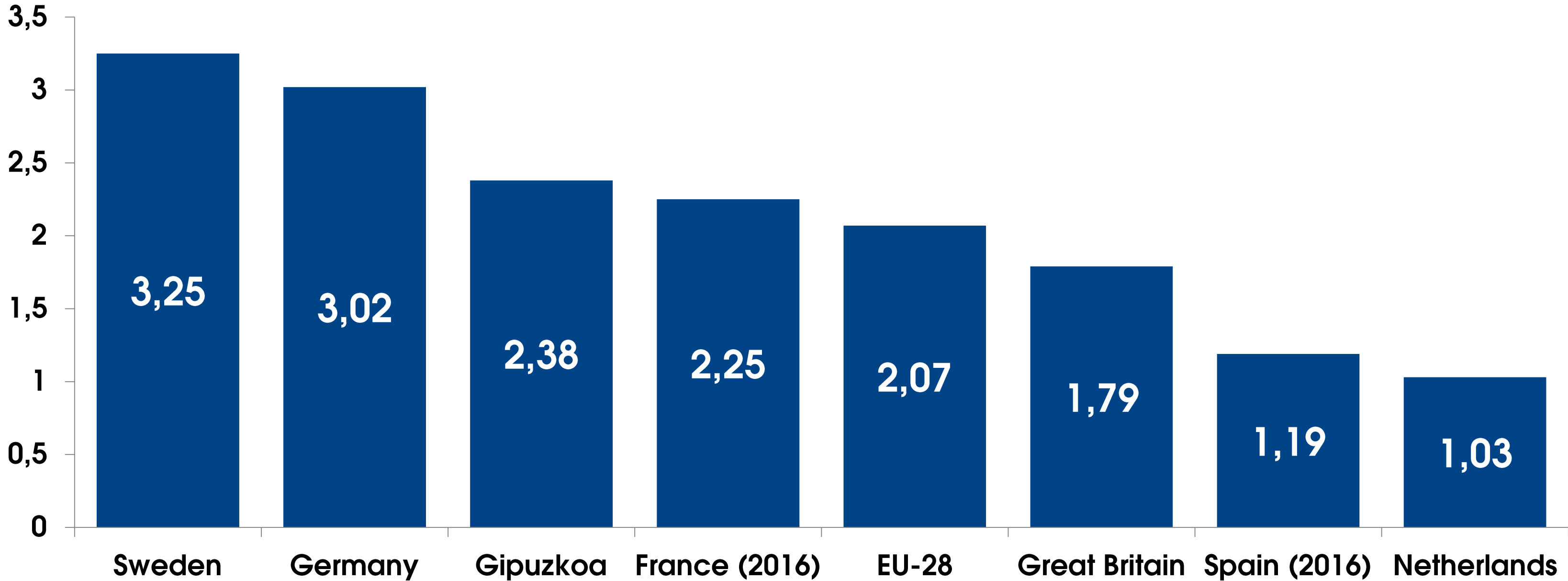
EU-28

19.3

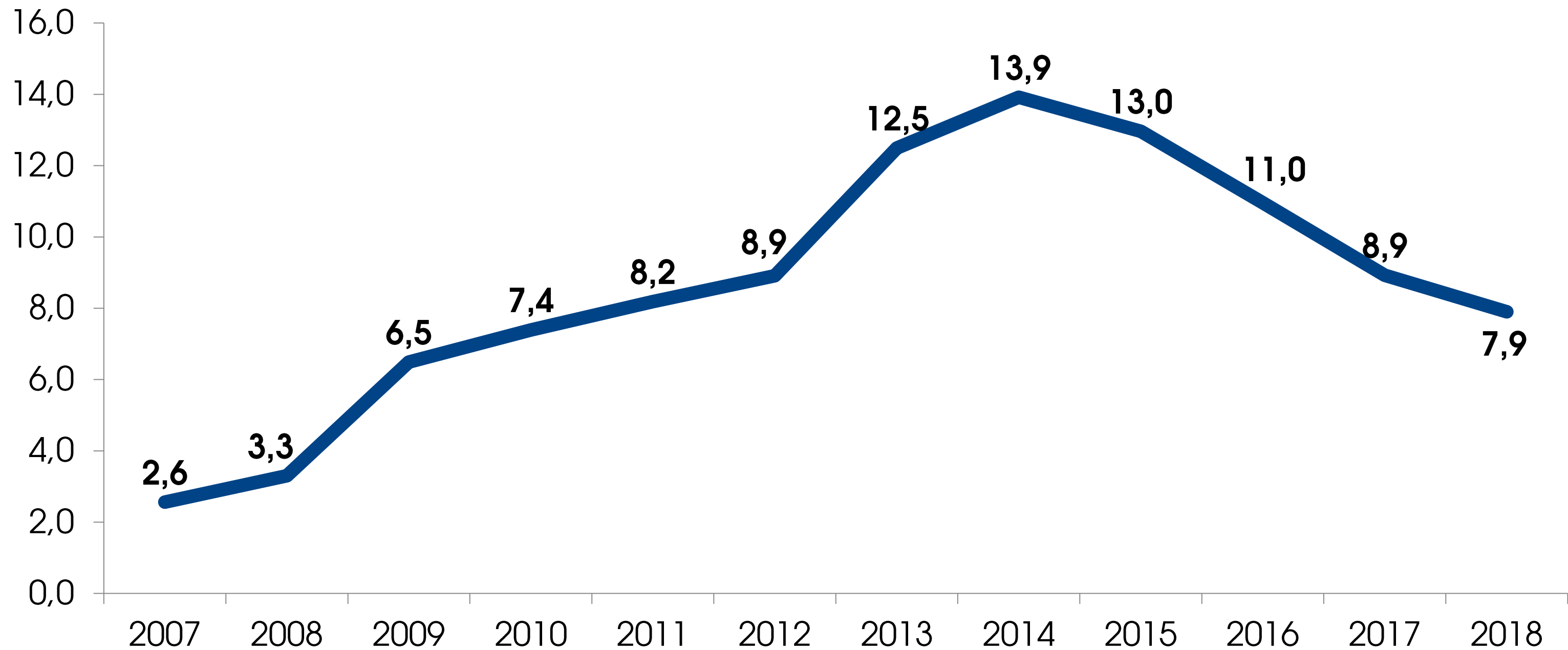
Exports in GDP



R&D/GDP ratio (2017)

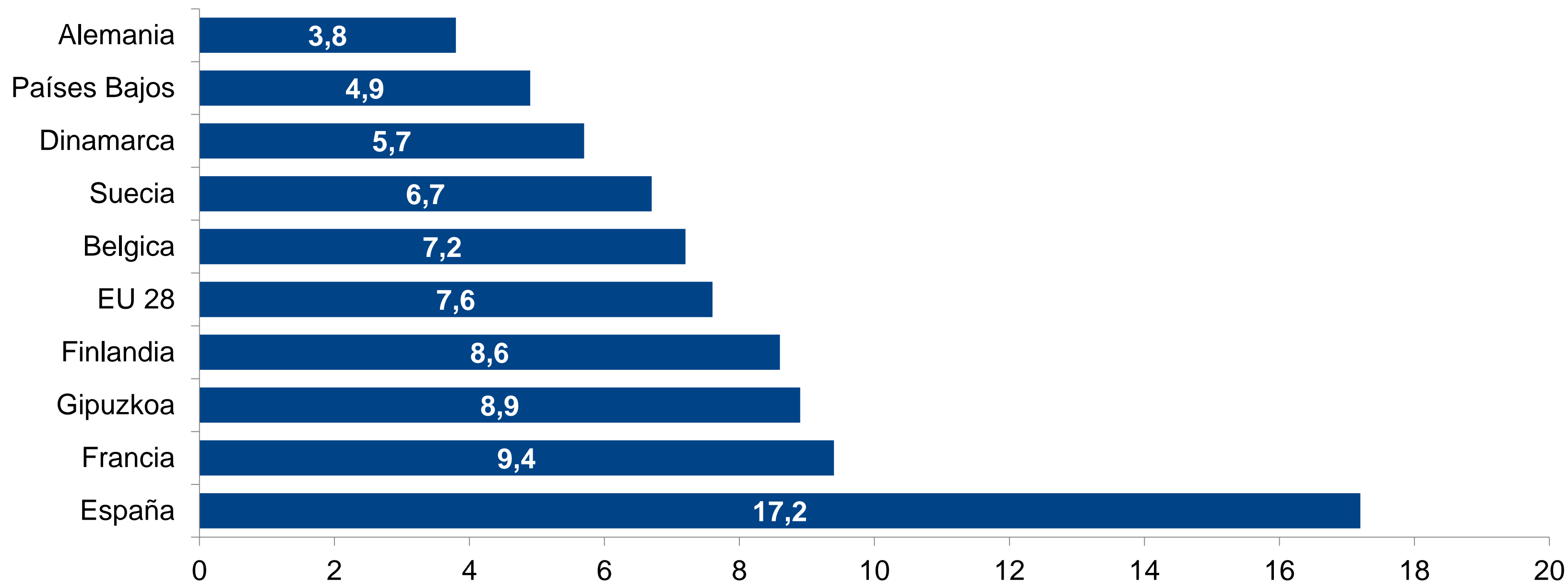


Unemployment rate





Unemployment rate 2017



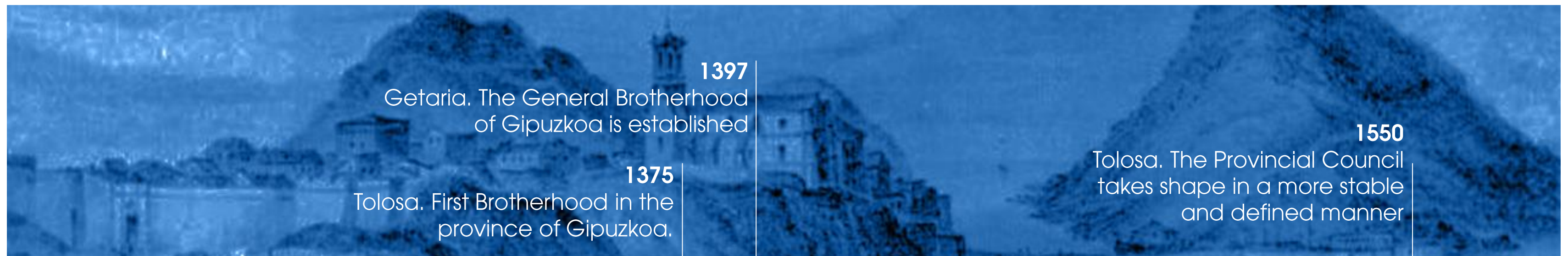
Human development index

- 
1. Norway
 2. Australia
 3. Switzerland
 4. Germany
 5. Denmark
 6. Singapore
 7. Netherlands
 8. Ireland
 9. Iceland
 10. Canada
 11. United States
 12. Hong Kong
 - 13. Autonomous Basque Community**
 14. New Zealand
 15. Sweden



2. Institutions in Gipuzkoa

Where did we come from?



13th century

Timely alliances of towns and regions: the brotherhoods

14th century

The General Brotherhood establishes a supra-local alliance for the whole of Gipuzkoa

- Assemblies: assembly of the General Brotherhood

15th century

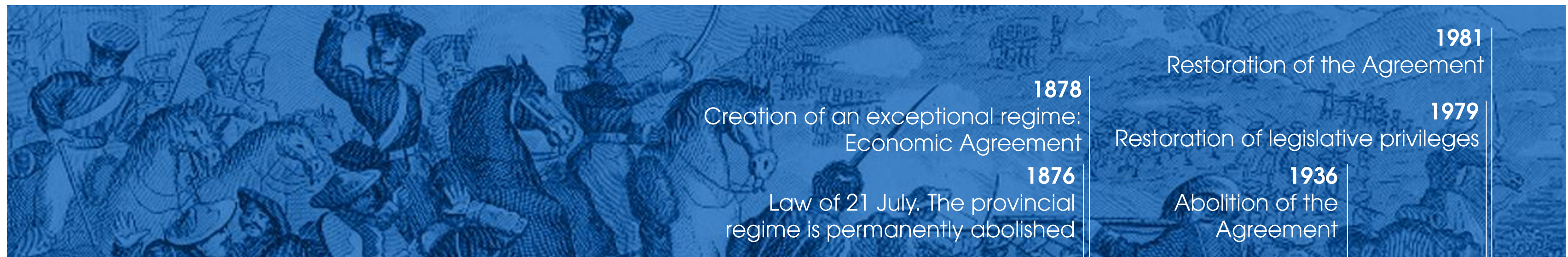
First steps of the Provincial Council

16th century

The Provincial Council is established and consolidates its role as the government of Gipuzkoa



Where did we come from?



17th century

18th century

19th century

20th century

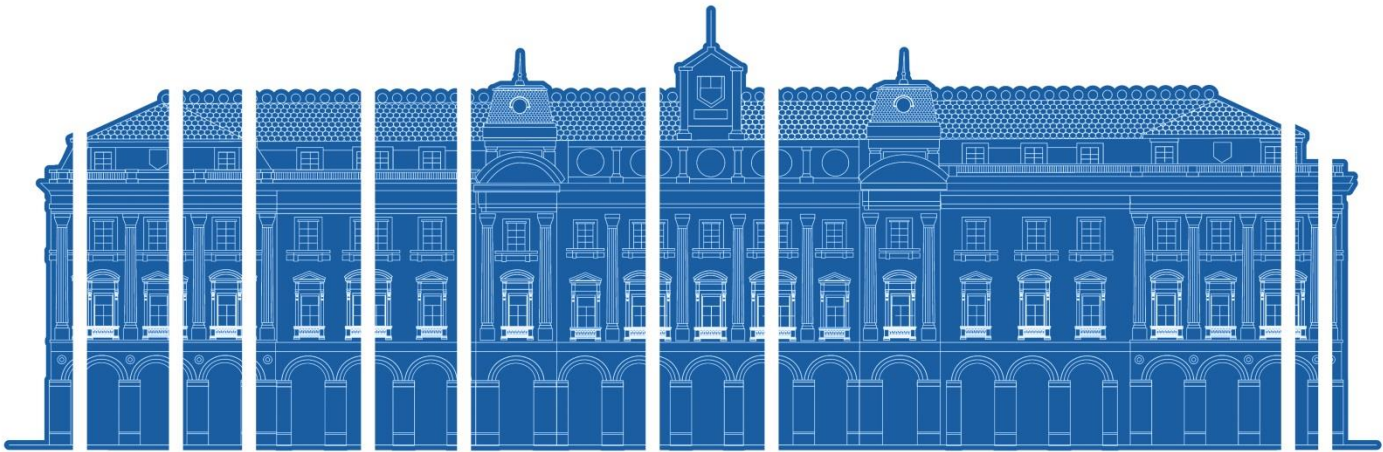
Turbulent century for institutions in Gipuzkoa, under permanent threat, culminating in the abolition of the provincial regime

Institutions in the region recover their provincial nature and take the form that we know today



3. Provincial Council of Gipuzkoa

Organisational structure



Where to find us



What do we do?

- Tax competence: collection, regulatory capacity (Assemblies)...
- Social welfare.
- Road infrastructures: roads, maintenance...
- Public works.
- Heritage management: archives, museums...
- First sector: agriculture, mountains...

WORKFORCE

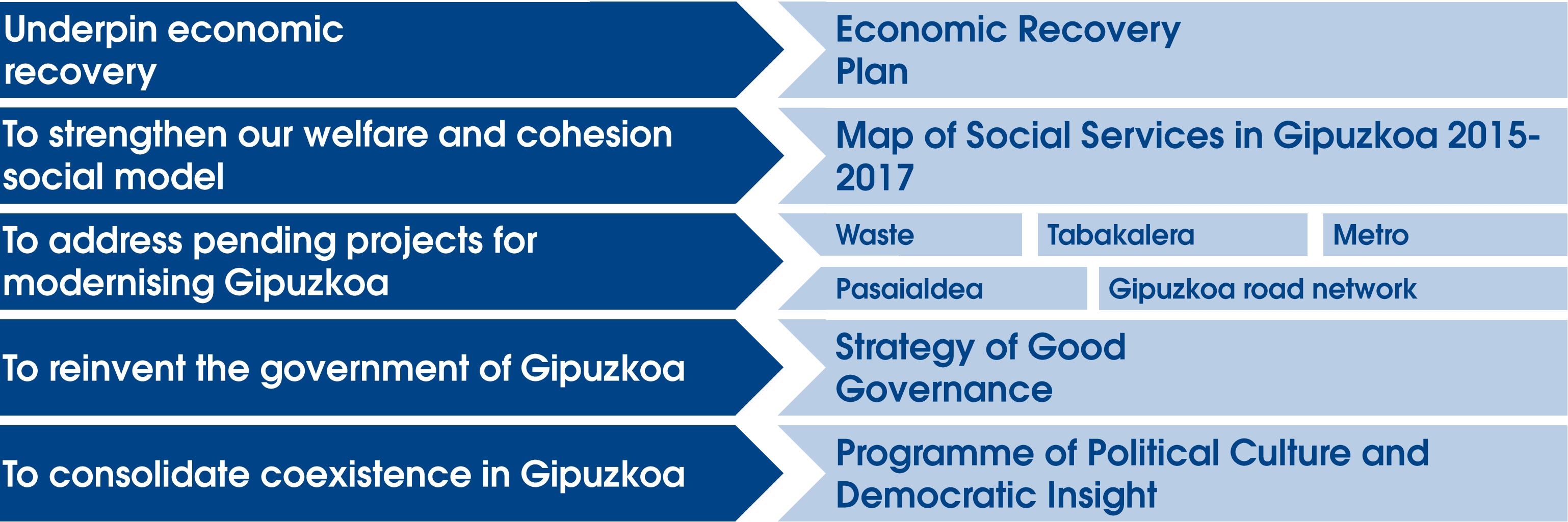
1,858 workers:

- 478 in the tax office
- 382 in governance
- 231 in social policies
- 199 in economic promotion
- 143 in road infrastructures
- 135 in culture and tourism

Objectives 2015-2019

5 strategic objectives

9 strategic projects



Strategic agenda 2017-2025

BUILDING THE FUTURE

Objective: as of this moment, alongside the society of Gipuzkoa, moving ahead of future challenges and making a start on finding answers. This is how we will all build the future Gipuzkoa together.

5 strategic projects

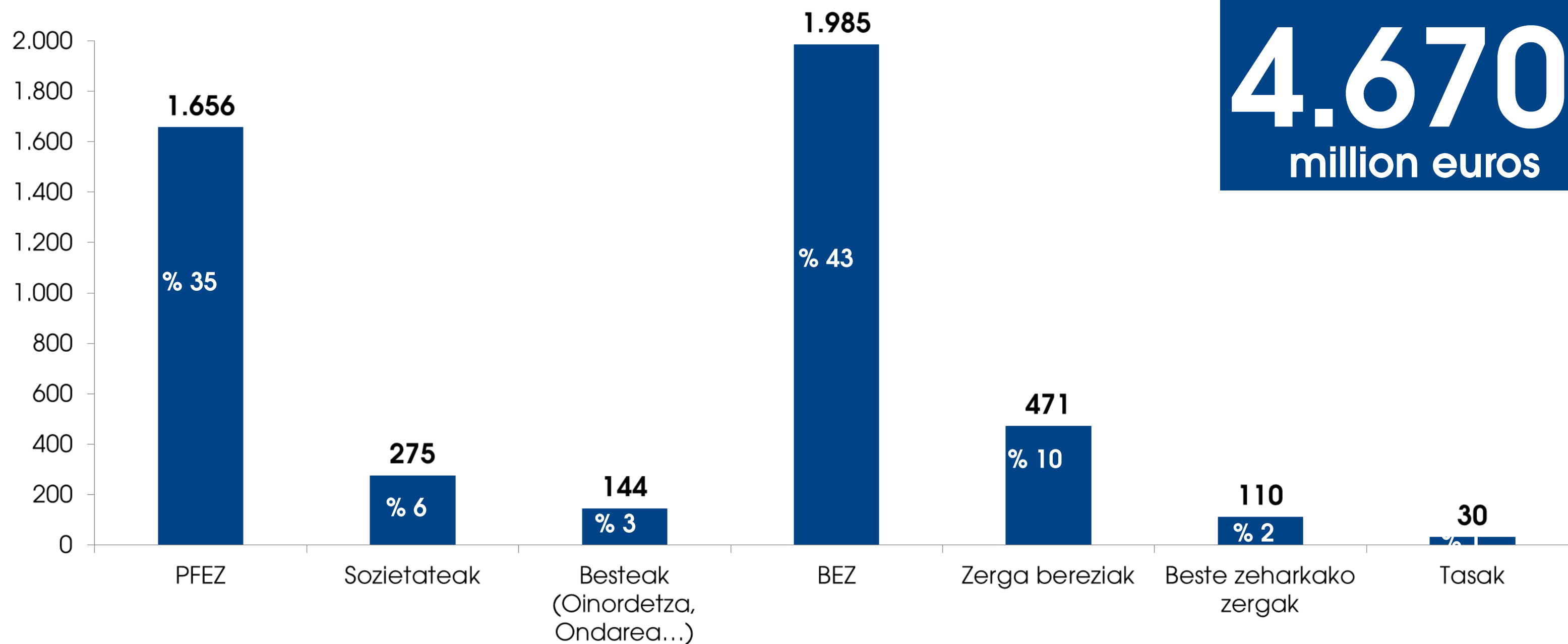
1. Industrial cybersecurity centre
2. Innovation pole and benchmark centre in terms of caring for the elderly and the dependent.
3. Innovation pole for energy efficiency and to address climate change.
4. Infrastructures for a future of sustainable mobility.
5. Koldo Mitxelena 2040 Cultural Centre.

Experimental projects

1. Lab to create audiovisual contents in Basque.
2. Gastronomy 4.0 project.
3. Technologies for smart tourism.
4. Gipuzkoa Coopera programme.
5. Care model for the dependent.
6. Care model for young people with no protection.
7. ...

Permanent think tank, to continue to identify challenges

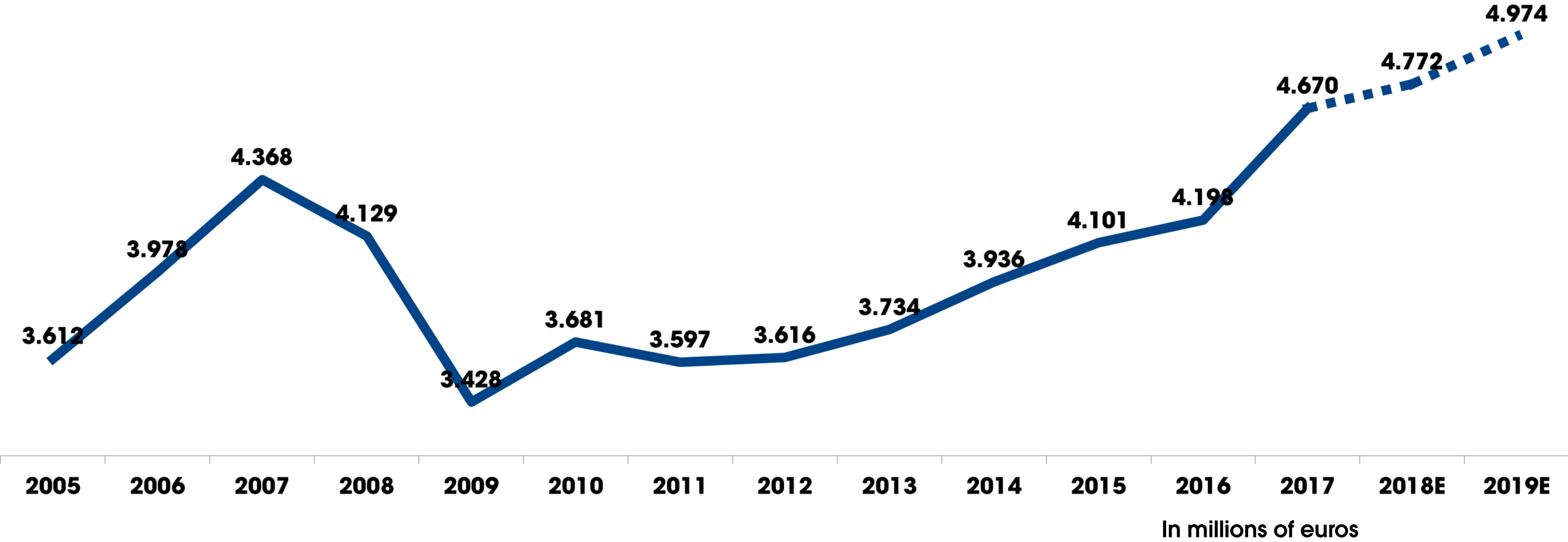
Income (2017)



4.670
million euros

In millions of euros

Income (historic trend)



Income (2017 distribution) 2017)

TOTAL
4.670

GOBIERNO
VASCO
3.161

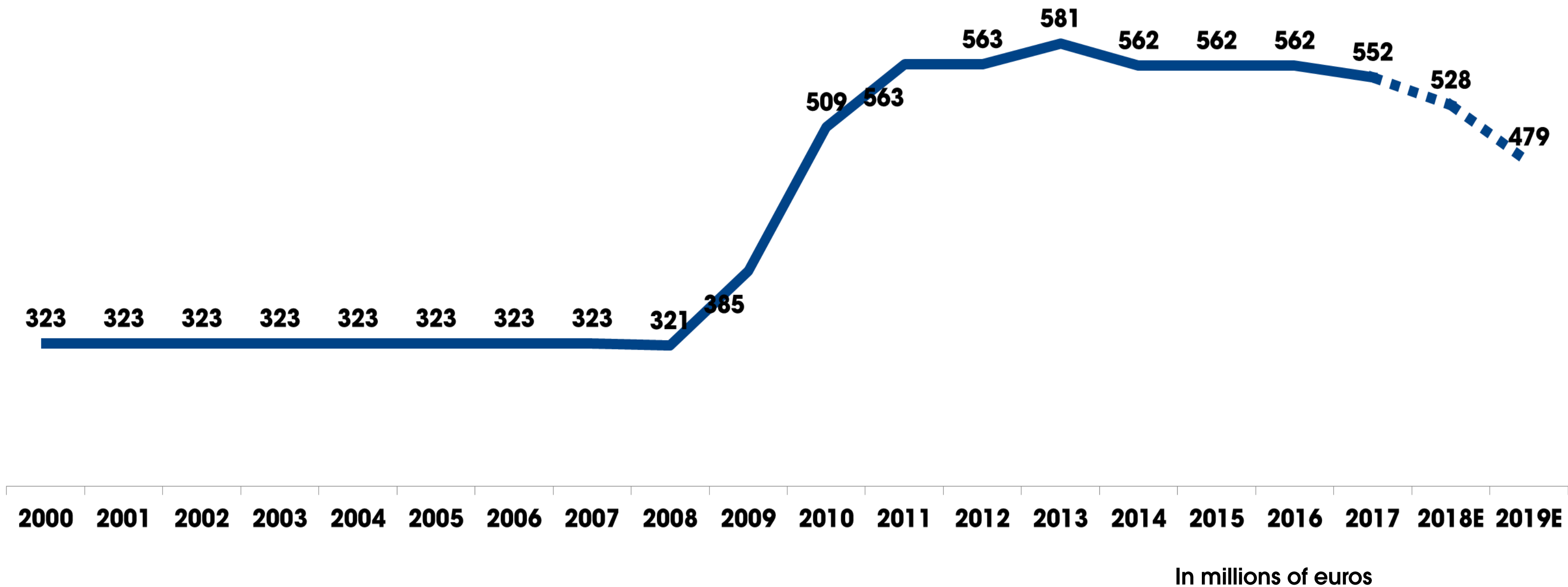
DIPUTACION
FORAL DE GIPUZKOA
703



CUPO
336

MUNICIPIOS
470

Indebtedness



Expenditure (2019 in-house budget)

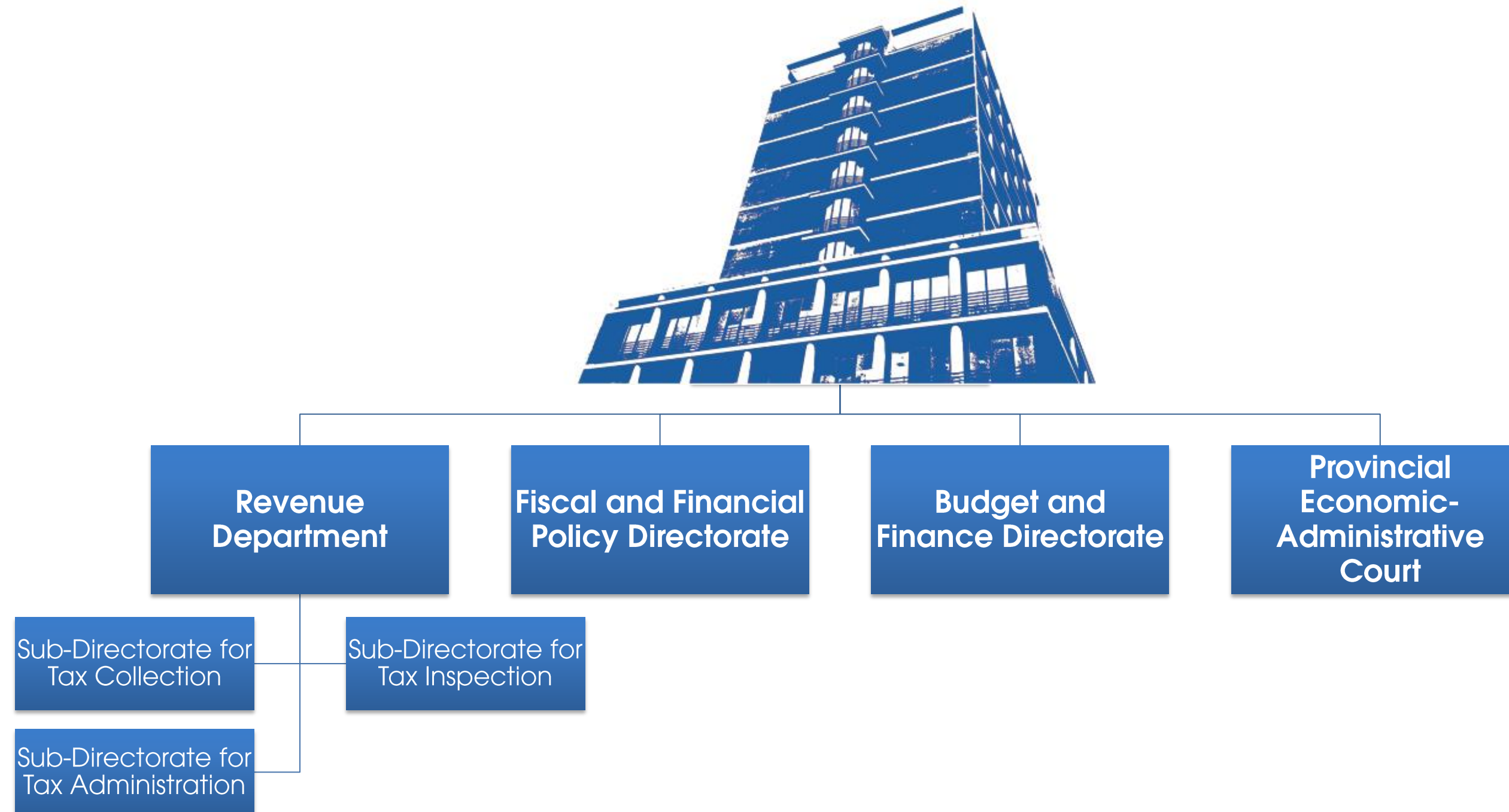
Department	2019	%
01 Deputy General	20.300.080	2,48%
02 Culture, Tourism, Youth and Sports	57.847.050	7,06%
03 Governance and Communication with Society	53.546.020	6,53%
04 Economic Promotion, Rural Environment and Regional Balance	74.237.110	9,06%
05 Mobility and Regional Planning	60.427.800	7,37%
06 Taxation and Finance	48.548.810	5,92%
07 Road Infrastructures	82.335.010	10,05%
08 Social Policies	389.851.320	47,57%
09 Environment and Hydraulic Works	24.975.780	3,05%
14 “Juntas Generales” Council	6.780.400	0,83%
95 Miscellaneous expenditure by departments	650.990	0,08%
Total budget	819.500.390	100,00%

In thousands of euros



4. Taxation and Finance

Departmental structure



Where to find us

**CITIZENS' ADVICE OFFICE +
COMPUTERISED INCOME TAX OFFICE**
CITY CENTER

**COMPUTERISED
INCOME TAX OFFICE**
GROS

**COMPUTERISED
INCOME TAX OFFICE**
AMARA

**HEAD-
QUARTERS**
ERROTABURU

DONOSTIA

**PROVINCIAL ECONOMIC
ADMINISTRATIVE COURT**
MIRAMÓN

Where to find us

- 1- DONOSTIA
- 2- EIBAR
- 3- BERGARA
- 4- AZPEITIA
- 5- BEASAIN
- 6- TOLOSA
- 7- HERNANI
- 8- ERRETERIA
- 9- IRUN



What do we do?

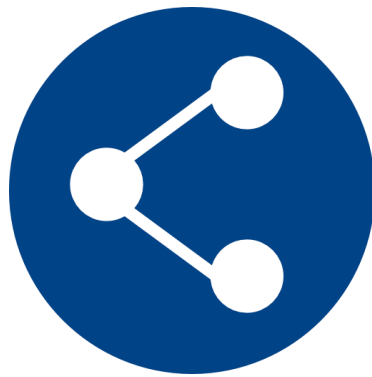
- Tax administration.
- Economic Agreement, quota to the state and contributions to the autonomous community and municipalities of Gipuzkoa.
- Assessment of competences or services that are subject to transfer.
- Management of European funds.
- Preparation, management, monitoring and control of the general budgets of Gipuzkoa.
- Internal economic control and accounting.
- Treasury, borrowing, provision of guarantees and relationships with financial entities.
- Supervision of and financial advice to municipal and supra-municipal entities.



478 workers

- **Average age: 52**
- **50 people plus people with fractional contracts**
- **84 people more to deal with income tax declarations**

Our values



Shared leadership

- Involvement of people, companies and entities in Gipuzkoa.
- Institutional interlinking.
- Motivation and participation of the organisation.



Good practice

- Legal stability and certainty.
- Transparency.
- Continuous improvement.
- Professional ethics.
- Customer service: efficiency and effectiveness.



Policies of relevance

- Protection of confidential data (NFGT, Art. 92).
- Basque as a work and service language.
- Equality of women and men.

Strategic objectives

31 Tool to reduce economic inequality

Economic
promotion

Quality
employment,
wealth

Social
services

**SOCIAL
WELFARE**

**LESS
INEQUALITY**

- **Tying in decision-making centres.** EO participation (passed December 2016).
- **Dimension of internationalisation.** Acquisition / Inorganic (passed June 2017).
- **Entrepreneurship.** Passed May 2018.
- **High Quality Employment.** Passed May 2018.

Economic promotion

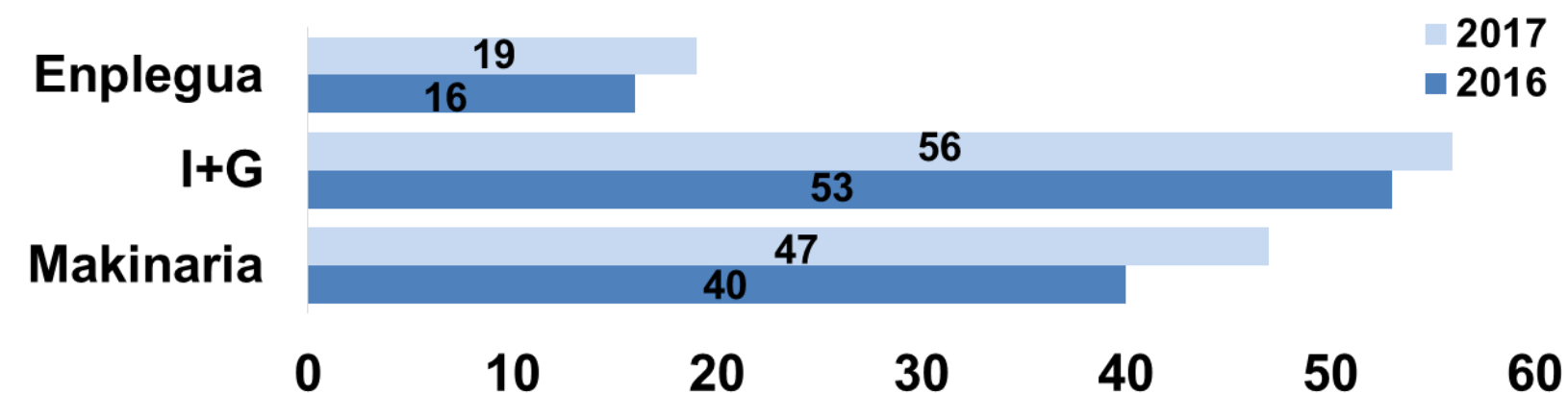


WHAT HAVE WE DONE?

Main focuses to date:

- Research and development (R+D)
- Investing in new fixed assets
- Creating jobs

INCENTIVES

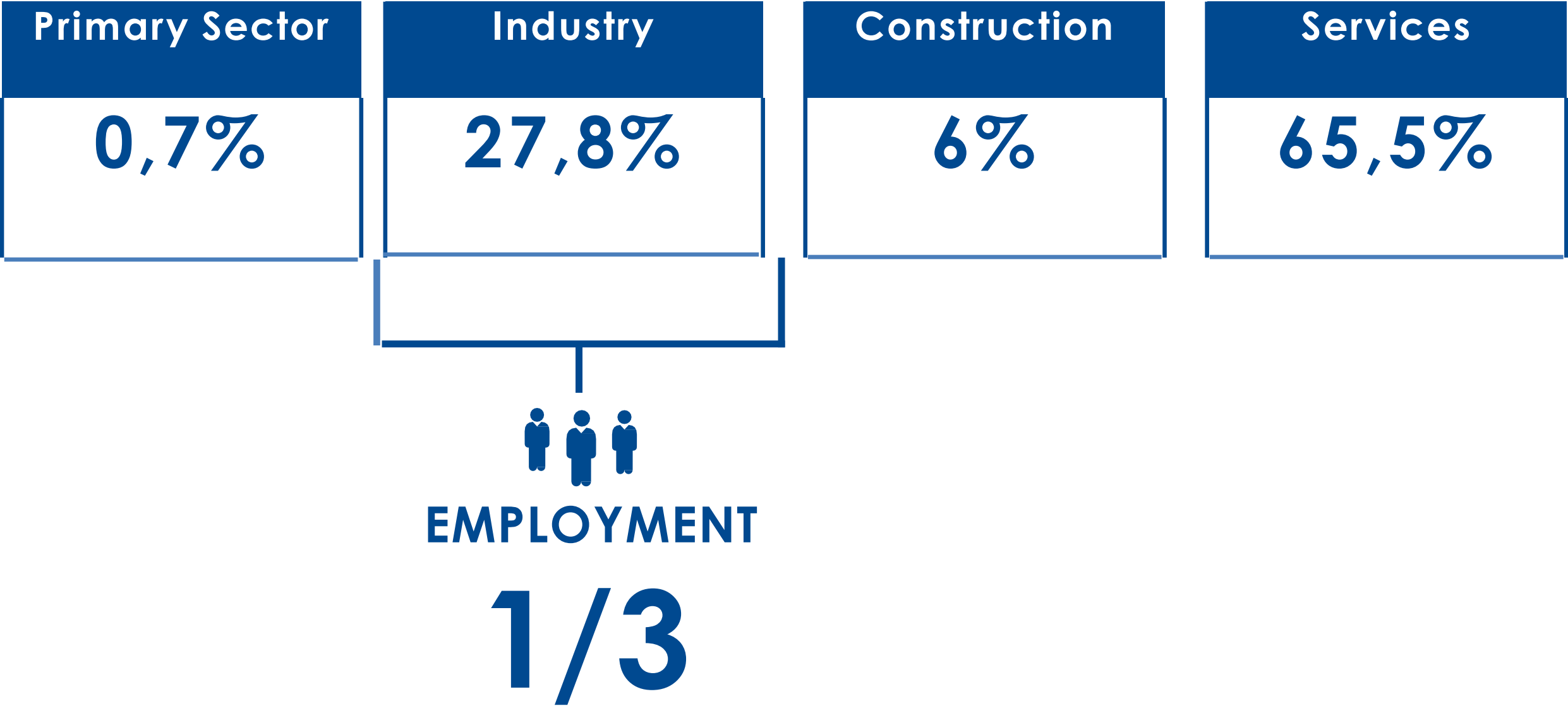




5. Employee Ownership Strategy

TWO DATA

SECTORIAL GDP AND INDUSTRIAL EMPLOYMENT/FINANCIAL PARTICIPATION



CRADLE OF THE
COOPERATIVES



SPECIFIC
RELEVANCE

asle



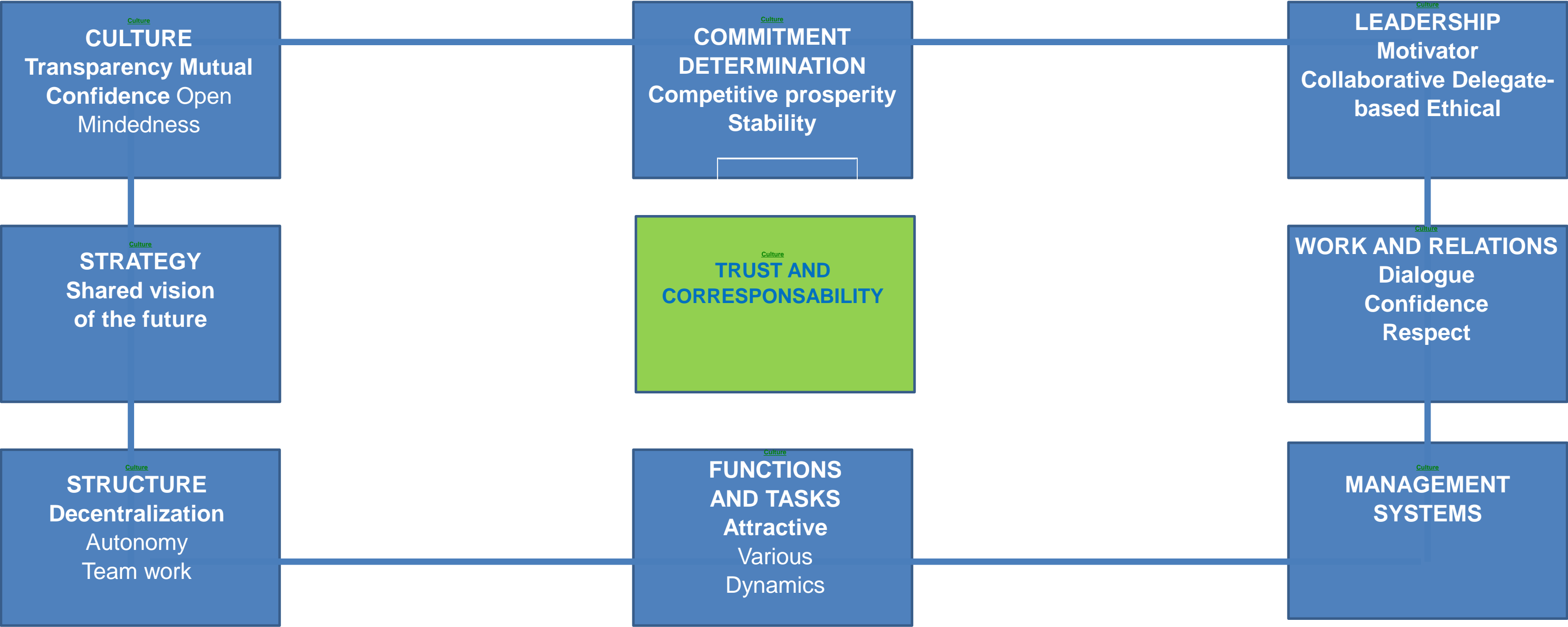
LABOR PARTNERSHIPS

GLOBAL REFERENCES TO ACT LOCALLY



Sharing Success:
The Nuttall Review of
Employee Ownership

LEVERAGE FOR PARTICIPATION

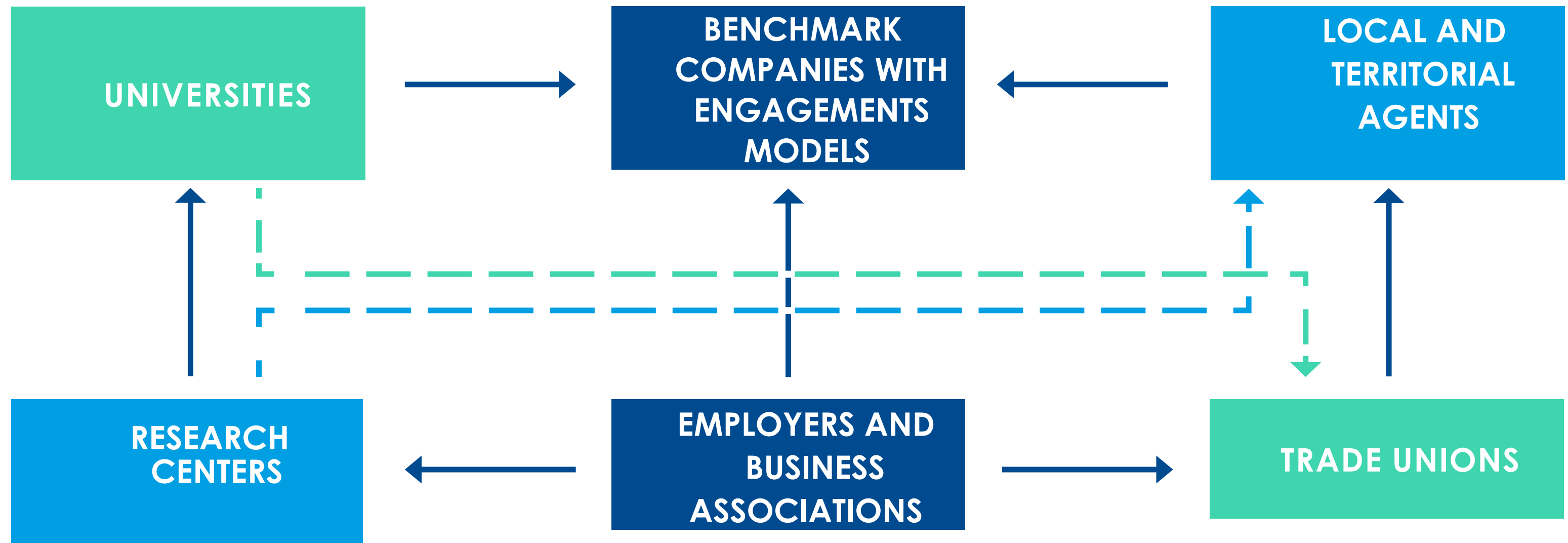


High ☒ Medium ☐ Low ☐

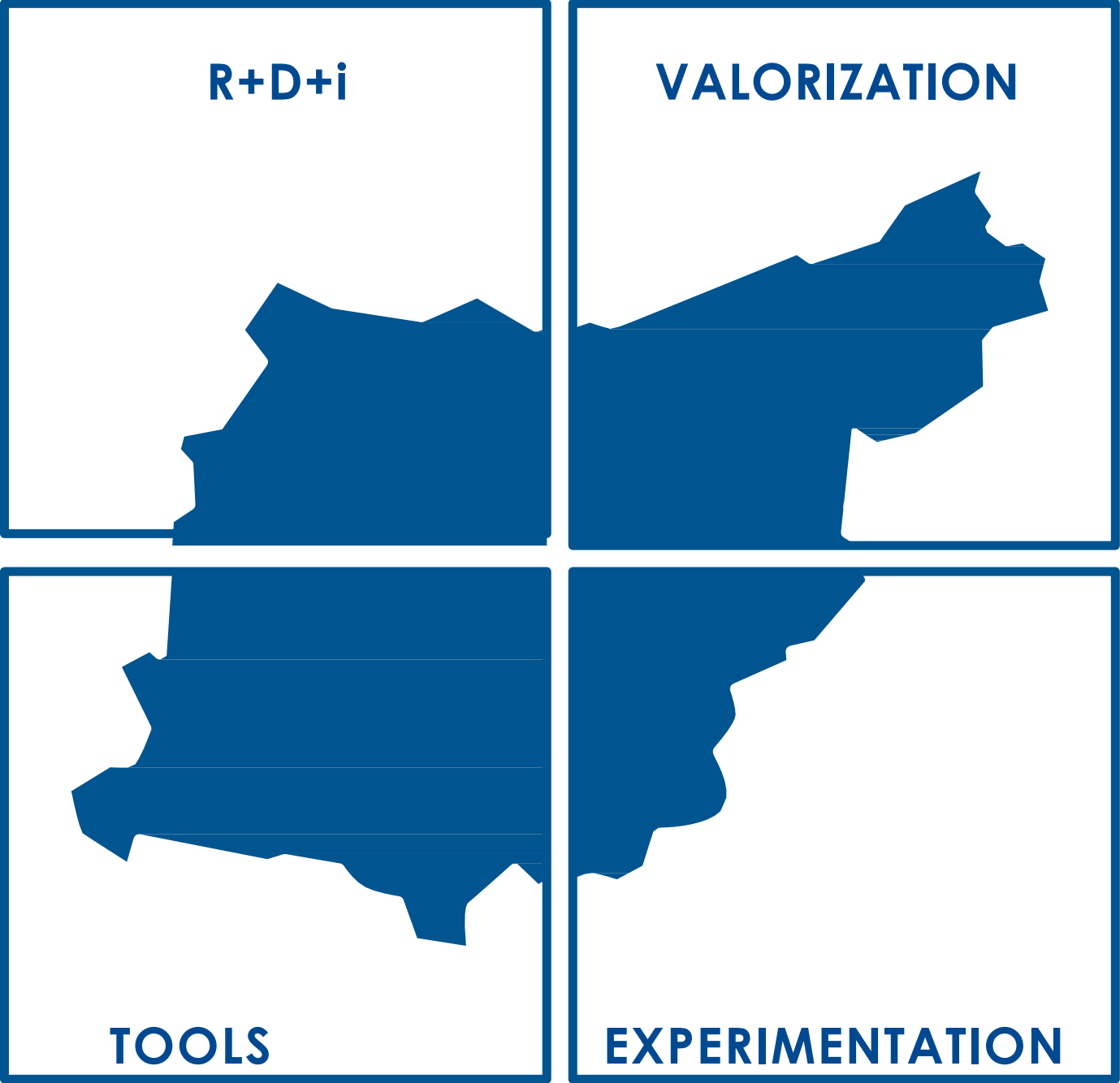
Description of the cause or need, normal level or degree of participation, priority collectives and entrepreneurial examples in Gipuzkoa

	Ideology or philosophy	Organisational challenges	Generational replacement	Power of decision	Economic difficulties	Cessation of the activity
Cause / need	By conviction of the owner, management and/or the rest of the company personnel.	Increase efficiency, productivity, improve the work environment, commitment and involvement or the capacity to retain and attract talent, etc.	Enhance generational replacement	Avoid the risk of relocating decision-making centres or guaranteeing the	Guarantee continuity of business activity in organisations that are viable and are undergoing economic difficulties.	Prevent closure (for reasons that are not economic) of departments, areas or companies.
Level / degree	<div><div><input checked="" type="checkbox"/></div>Capital</div> <div><div><input type="checkbox"/></div>Result</div> <div><div><input type="checkbox"/></div>Management</div>	<div><div><input type="checkbox"/></div>Capital</div> <div><div><input type="checkbox"/></div>Result</div> <div><div><input checked="" type="checkbox"/></div>Management</div>	<div><div><input checked="" type="checkbox"/></div>Capital</div> <div><div><input type="checkbox"/></div>Result</div> <div><div><input type="checkbox"/></div>Management</div>	<div><div><input type="checkbox"/></div>Capital</div> <div><div><input type="checkbox"/></div>Result</div> <div><div><input type="checkbox"/></div>Management</div>	<div><div><input checked="" type="checkbox"/></div>Capital</div> <div><div><input type="checkbox"/></div>Result</div> <div><div><input type="checkbox"/></div>Management</div>	<div><div><input checked="" type="checkbox"/></div>Capital</div> <div><div><input type="checkbox"/></div>Result</div> <div><div><input type="checkbox"/></div>Management</div>

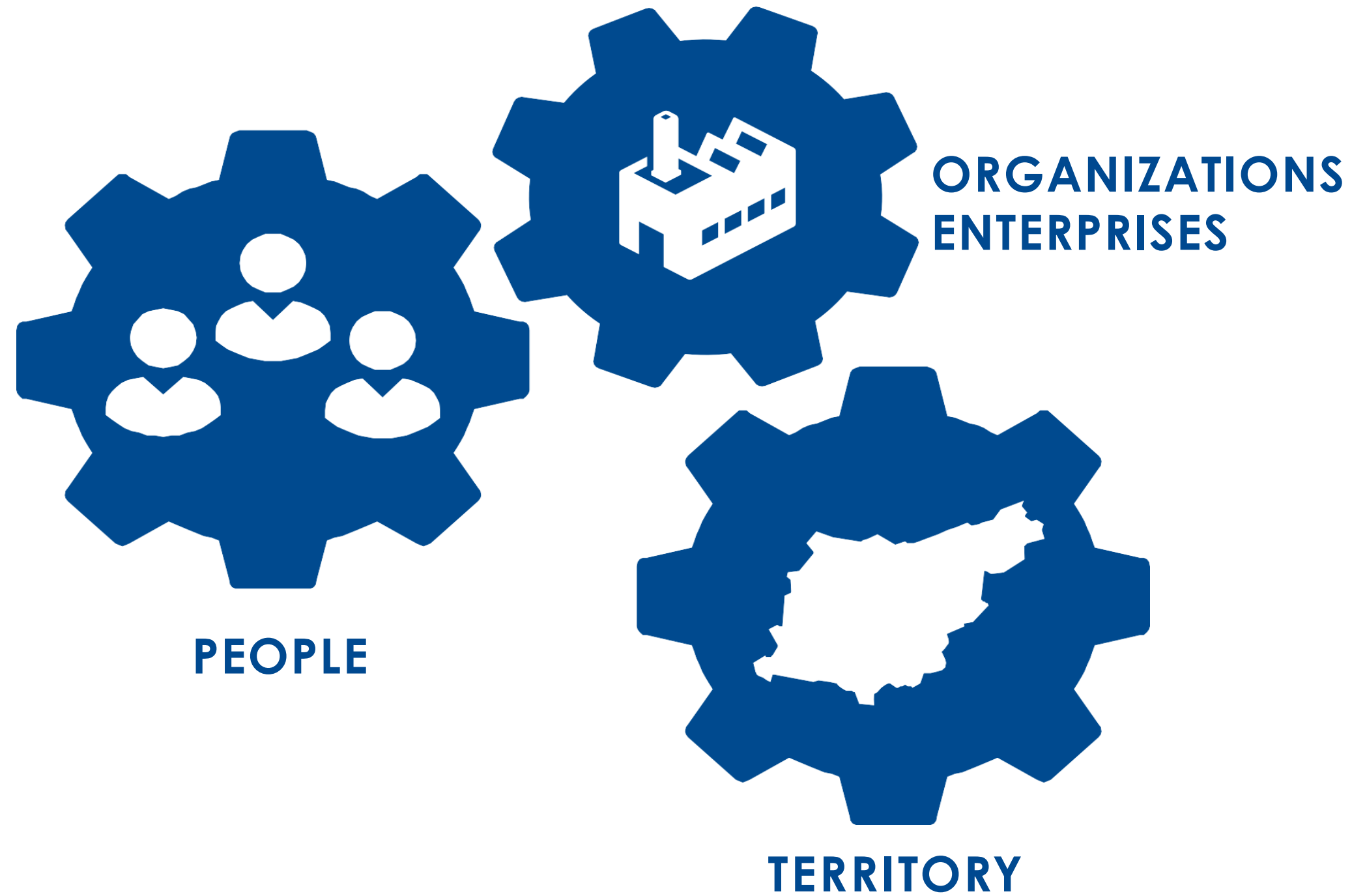
CREATING AN ECOSYSTEM SUPPORT



INTEGRATING STRATEGIES AND COURSES OF ACTION



PARTICIPATION



Employee Ownership – Tax Policy

- Philosophy:
 - Non-succession. Retirement.
 - Decision-making centres.
 - Promoting the culture of participation.
 - Long-term picture.

Employee Ownership – Tax Policy

- From the point of view of the seller:
 - Fiscal benefit: ***Non-addition of profits from sales of shares or equity stakes.***

Requisites:

- 60 years or over.
- Sale to workers.
- Leave the management post.
- If the sale is carried out in phases, no one-time integration.

Employee Ownership – Tax Policy

- From the point of view of the buyer (employees):

- Fiscal benefit: 15% (men) or 20% (women) tax deduction on the investment. Limit of 6,000 € for men, and 8,000 € for women. Four years after the operation, to apply the deduction.

Requisites:

- The investment can be made directly or through a company created by the employees.
- 3 years' seniority at the company over the 5 previous years.
- Ownership of shares and employee status retained for 5 years following purchase.
- Maximum 20% ownership per employee.
- No cash payments. Certain requisites to be met.
- Other requisites ...

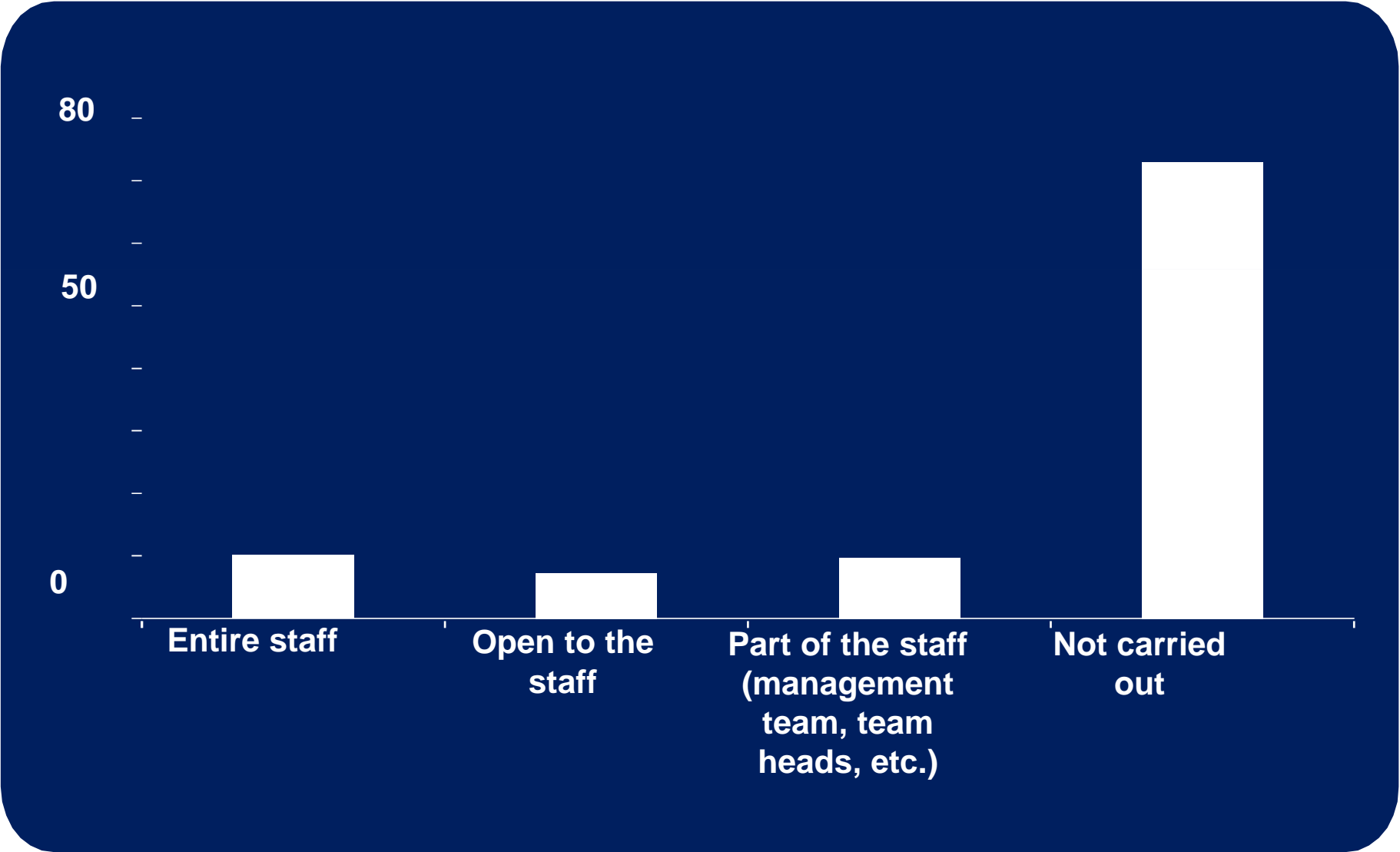


FINANCING

AGREEMENT FINANCIAL ENTITY

- **EMPLOYEE OWNERSHIP**
- **COMPETITIVENESS AND SUSTAINABILITY**
- **INTERNATIONALISATION**
- **NEW COMPANIES /START-UPS**

PRESENCE OF FINANCIAL PARTICIPATION OF EMPLOYEES IN BUSINESS PROJECTS



CHARACTERISATION OF FINANCIAL PARTICIPATION

Companies with financial participation for... (%)	from 10 to 49	from 50 to 99	100 and over
- Entire staff	4.7	13.5	21,1
- Open to the staff (for anyone who wants to)	4,7	6.7	13.3
- Part of the staff (management team, heads of teams, etc.)	8.3	15.7	8.9
- Is not carried out	82.2	64.0	56.7
Total companies	100.0	100.0	100.0

Gipuzkoa (Figures 2017)

- **GDP: 24.472.998.000 € (2017)**
 - 1st Quarter 2018: +3,4%
 - 2nd quarter 2018: +2,9%

type of company	Number	%	Accounting profits (%)
Co. (LLC)	2.165	8,44%	39,20%
Ltd.	19.097	74,47%	47,20%
Cooperative	822	3,21%	9,50%
Co. Employee	242	0,94%	N.D.
Others	3.318	12,94%	4,10%
Total	25.644	100,00%	100,00%

Gipuzkoa – Employee Ownership Experience

Fiscal benefits Employee Ownership			
Fiscal year	2.015	2.016	2.017
Nº Employees	121	138	194
Nº Companies	19	36	45

SOME LESSONS LEARNED



**LEARN TO
TRANSFORM**



**SUPPORT
ECOSYSTEM
(INCLUDING LAWS)**



**INTEGRATE
INTERVENTION
AREAS**



**CLEAR AND
ATTRACTIVE
MESSAGE**



**ACT TODAY &
VISION
TOWARDS THE
FUTURE**

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