

ENTREPRENEURIAL ECOSYSTEM IN RURAL GALICIA. DYNAMICS AND OPPORTUNITIES.

Industrial development is influenced, in general terms, by cycles of expansion and contraction of the economy that lead to the increase or decrease of the demand and manufacturing of certain products and the hiring or firing of workers. It is also affected by the emergence of technological advances as the automation of the montage chain or the use of artificial intelligence; together with the availability of financial credits and global market dynamics like outsourcing, offshoring or other services remotely provided.

In spite of all those external fluctuations that generate constrictions to the manufacture activity, it is noted that local enterprises dotted in medium populated areas present a tendency to maintain its activity in crisis times due to its ability to adapt to adverse circumstances. The reasons for this situation are attached to its particular conditions like manufactured goods related to basic necessities (food, housing), family business structure, low amount of investment, and certain independence from massive demand of metropolitan areas.

This is the approach that describes the situation of small firms in rural Galician territory, in the west periphery of Europe, where extensive areas present population scattered on small villages, with densities around 300 to 30 inhabitants per km². This is a region that during the first half of the twentieth century, has experimented a scarcely industrial development, mainly focused on fish-canning manufacturing (Carmona, 1985) and build construction, on account of a national strategy directed to the increase of the agricultural production of forage pastures, milk and veal (Lois, 2018). After decades of depopulation of inner rural areas, the beginning of the present century shows recovering economical dynamics that have been carried out by sectors where traditional crafts have been blended with new techniques allowing small companies to surpass difficulties.

Therefore, considering that the uneven geographical industrial development generates areas of tight dense activity where concentrated capital and labour is connected with communication systems allowing material goods, labourers and ideas to move easily, there are other sprawling distant zones with different situations of development (Harvey, 1982, 373-375) where the endurance of activity is recognizable along the last decades.

Data for 2023 reveal that industrial production in Galicia stands out of manufacture food (€11.3 billion that represented the 31.2% of the total of €36 billion of the Industrial Production Value); wood, furniture and paper (€2.6 billion, 7.2%) and textil (€2 billion, 5.5%). The distribution of this industrial activity, according to the Galician Statistic Institut, is bigger in low and medium populated areas (29 to 299 inhabitants per km²), accumulating the 46,9% and the 32,5% of the employees respectively (Source GSI, 2023). It is also significant that although the amount of locals has slightly increased -from 12,699 in 2016 to 14,137 in 2022-, industrial estates have attracted few of the new establishments, as can be seen from the recent sale of vacant urbanised land by the autonomous government.

Therefore, the ongoing research point out that the dynamics of industrial activities in rural peripheral areas follow particular patterns based on the continuity of inherited familiar business structures that are able to manage opportunity factors to face economic downturns.

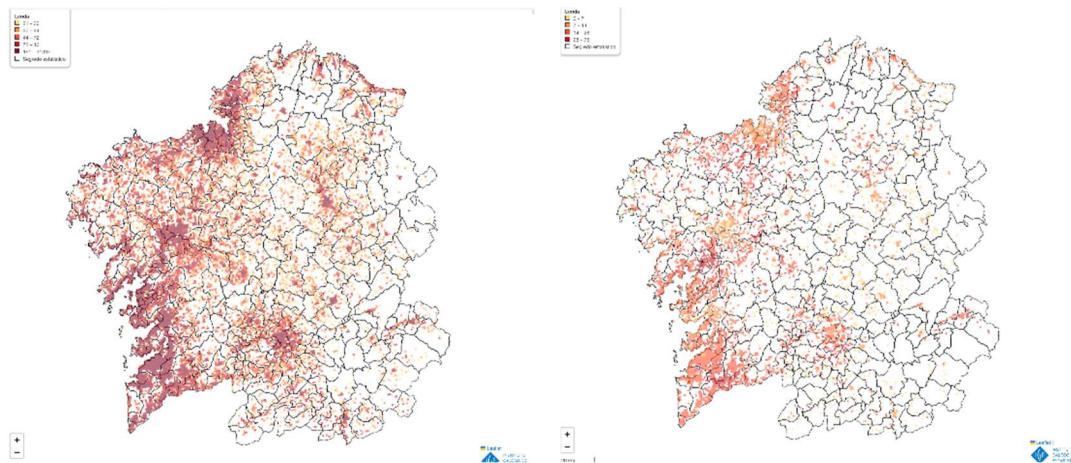


Image1. Distribution of the characteristics of the population based on a grid of 1 Km². Source: Galician Statistic Institut.

Image2. Percentage of workers employed in industrial activities based on a grid of 1 Km². Source: Galician Statistic Institut.

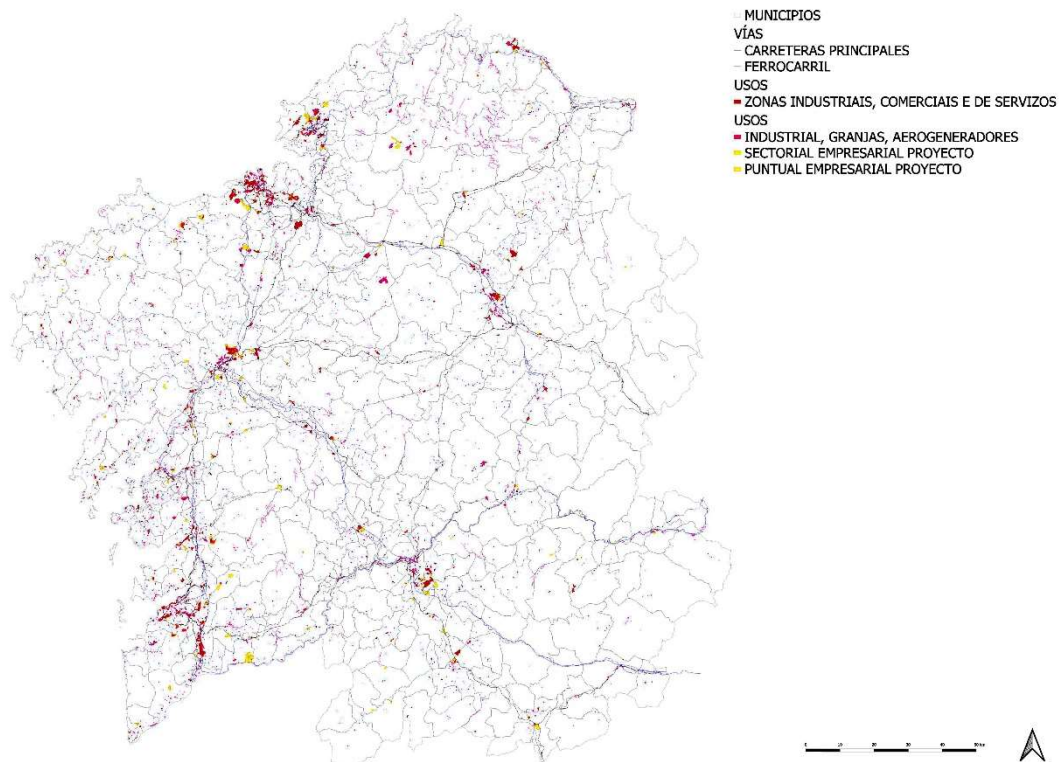


Image3. Industrial and commercial areas (red), industrial isolated buildings (pink), and projected industrial areas (yellow). Source: the author in base of GIS information available in Galician's administration websites.

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