



Good Practice Report

TERRABONA – COMUNIDAD VALENCIANA

Premises

0.1) Describe the Social and Economic situation in the Country.

The economy of the Spanish State, like that of most of the Southern European countries, is immersed in the economic cycle initiated with the outbreak of the global financial crisis in 2008, which reached its peak in 2011 with the property bubble burst. These events had a decisive impact on the economy due to the strategic weight of the financial and housing sector in Spain.

However, the Spanish economy has been experiencing changes since 2014 regarding the main macroeconomic data, which has generated major discussions between the main economic analysts in the country, ranging from imminent catastrophe scenarios to encouraging sets of arguments. At present, these scenarios are still further polarized, if possible, due to the intense election year with four electoral processes (regional elections in Catalonia and Andalusia, regional and municipal elections in the entire Spanish State and general elections for the Presidency of the Government¹), marked by the emergence of new political forces that can undermine and reshape the political balance on which the party system was built since the establishment of the liberal parliamentary democracy in Spain.

Concerning the main macroeconomic data, the year 2014 was a turning point from the recessionary trend and stagnation that characterised the years preceding the economic crisis. For the first time in five years, the Gross Domestic Product grew by 1.4% as compared to the previous year, maintaining the trend during 2015 with an estimated annual growth rate of 3.1%². The contribution of domestic demand to GDP growth has equally improved, mainly due to the effect of private consumption, which registered an annual growth rate of 2.2%; while the contribution of domestic demand was negative in 2013 (-2.7%) , it reached positive numbers in 2014, contributing to the GDP growth by 2.2%. Conversely, foreign demand maintains a negative balance of -0.8% in 2015, unlike previous years when it played an important role. This has led to a

¹ Within the framework of the Autonomy Statutes that underpin the territorial organization and the legal relations of the different Autonomous Communities with the central government, Andalusia and Catalonia have powers allowing them to call elections to their corresponding parliaments independently.

² The macroeconomic data were extracted from the Bank of Spain's Annual Report for 2014 and the Bank of Spain's reports for the first and second quarters of 2015.



certain downturn in terms of growth expectations estimated by the country's Government and main economic institutions.

These data allowed the Bank of Spain and the government-related sectors to forecast a scenario of "economic consolidation and recovery" that is largely in contrast with the rates of unemployment and quality of the new jobs. Although the employment rate increased by 2.1% in 2014 and 2015, the unemployment rate is still extremely high compared to the period preceding the outset of the crisis (21.8%), with 4.8 million unemployed people - a figure establishing Spain as the country with the second highest unemployment rate in the European Union behind Greece. At the same time, employment remains immersed in a process of progressive precariousness reflected in the Social Security contributions, which for the first time in ten years registered higher levels of labour force having temporary or part time contracts (52%), as compared to 48% of permanent and full-time contracts.

As a result, the economy is growing at an approximate annual rate of 3%, while wage depreciation continues to deteriorate, ramping up all the inequality indicators. In 2013, Spain occupied the fifth position in the Gini index only behind Bulgaria, Latvia, Lithuania, Greece and Portugal³. During the period 2007-2011, Spain ranked first among the OECD countries in terms of growing inequality. The number of people having assets over EUR 1 million in Spain has increased by 24% during 2014, i.e. 13 percentage points above 2013⁴. At the same time, around 42% of the Spanish households reported not being able to bear unexpected expenses of more than 650€, while 17% of households reported difficulties in making ends meet.⁵

0.2) Describe the Social and Economic situation in the territory

The Community of Valencia covers an area of 23,255 Km². It has a population of 4,995,212 of people, representing 10.7 % of the country's total population, and it is the fourth most populous region. It has a population density of 212 inhabitants per square kilometre, well above the national average (92 inhabitants per square kilometre), although there is a strong concentration along the coastline, where major urban centres are located. Like all other Autonomous Communities, its population pyramid reveals a gradual ageing of the population, with an ageing rate of 108.53⁶, which, since 2008, has intensified by a significant change in the trend of migration flows. While in the beginning of the economic crisis in 2008, the Community of Valencia was clearly a

³ FEC Foundation report (2014), Eurostat data.

⁴ Idem.

⁵ Idem.

⁶



host region for immigration, with a migration balance of 4.51%, in 2013 the balance was -5.34%.

Concerning the volume of economic activity of the Valencian region, its GDP in 2014 was 99,345 million euros, ranking fourth in terms of GDP of Autonomous Communities. With 20,073 euros, its regional per capita GDP – although not reflecting wealth distribution inequalities, it provides a rough indication of the quality of life of the population – is below the national average of 22,780 euros. Regarding the year-on-year evolution of the regional GDP in the period 2008-2013, the Valencian economy shows higher negative indicators than those of the country as a whole. Nonetheless, since 2014, the trend in terms of economic growth changed and the Community of Valencia rose by 2.1%, compared with Spain's 1.8%. The data for the second quarter of 2015 reveal the continuation of this trend, with a GDP growth of 0.8% above the national average of 3.1%.

The economic development model of the Community of Valencia has been based primarily on tourism and urban development, which explains the severe impact the economic crisis and the real estate bubble have had on employment. Since 2008 to 2014, the variation of employment rates were negative (-17.8%), and the current unemployment is 22.4%, higher than the national average of 21.8%. With regard to the quality of the employment, temporary and part-time contracts have soared since the beginning of the crisis, with no prospect of a reversal of that trend in sight. Moreover, the significance of catering and tourism services sectors, characterised by strong seasonality, further aggravates the situation.

In the area of education, the level of educational attainment in the Community of Valencia is very similar to that of the country as a whole. People having completed primary studies amount to 24.9%, while the figure for secondary education is 28.7%. Higher education – university and higher education modules – is where indicators of the Community of Valencia are below the average of Autonomous Communities, 2.1 points lower than the rest of the country. Compared with the data of EU21 countries, the Community of Valencia also shows lower indicators for the group of people with higher education, 3.1% lower than the average of EU countries. The crisis has resulted in cuts in public investment and expenditure on education. From 2009 to 2013, budgetary allocations to education were reduced by 5.43%. Public healthcare, as well, has been affected by budgetary cuts, although in 2014 the Community of Valencia increased health expenditure by 3.1%. The Federation of Associations for the Defence of the Public Health Service (FADSP)⁷ – an independent organisation which for a decade has carried out studies on the situation of Spain's healthcare system – has

⁷ FADSP 2015 Autonomous Communities Health System Report.



found for tenth consecutive year that the health system in the Community of Valencia is among those with the poorest quality in the country.

0.3) Describe the Social and Solidarity Economy Organizations' role in this context

According to the Directorate General for Social Economy, Self-Employment and Corporate Social Responsibility, there are in Spain 16,525 cooperatives and worker-owned businesses, with 226,404 workers. However, their distribution across the country is uneven, with territories in the south (especially Andalusia) and the Mediterranean coast (Catalonia and the Community of Valencia) having more weight in the period 1999-2007.

In the case of the Community of Valencia, it ranks third, both in numbers of cooperatives and worker-owned businesses and in jobs generated by these types of organizations⁸. The Community of Valencia accounts for 12% of Spain's cooperatives and worker-owned businesses, and provides 17% of the jobs in the sector. Furthermore, it should be noted that in the last few years Murcia and the Community of Valencia are the Autonomous Communities which have contributed the most to cooperative activity, surpassing the indicators of the other Autonomous Communities, with an average growth of 10% and 8% in the number of employees and businesses respectively (particularly before 2003).

These data offer a general perspective of the significance of Social and Solidarity-based Economy in the Community of Valencia compared to Spain. Nevertheless, the data should be nuanced because they only take into consideration two legal forms of Social and Solidarity-based Economy (cooperatives and worker-owned businesses), which predominate, but leave out other organisational models very important for the economic and social fabric, such as associations, special employment centres or foundations. Although the latter have a lower impact on job creation, they play a key role in terms of social cohesion and social transformation.

Thus, the available data have a restricted perspective on Social and Solidarity-based Economy, excluding some socio-economic realities who work from a more cross-cutting and transforming perspective and which are the main subject of this report. It should be noted that in the Community of Valencia, outside that restricted perspective, initiatives have been developing towards bringing together part of the Social and Solidarity-based Economy fabric, which in recent years have been building cooperation platforms with a view on reinforcing its political and social clout.

The Alternative and Solidarity-based Economy Network (*Red de Economía Alternativa y Solidaria, REAS País Valencià*), set up in 2014, brings together initiatives related to Social and Solidarity-based Economy involved in different fields (promotion of

⁸ CEPES, 2013.



agroecology, environment, social integration, etc.). In parallel, in 2015 the Social Economy Forum of the Community of Valencia was established, seeking as well to create spaces for political advocacy in a context of change of the political cycle, both at Autonomous Communities and municipal levels. This process is framed within what was established in the I International Meeting on Social and Solidary Economy, held in Zaragoza in 2014, where the attending Social and Solidarity-based Economy organisations agreed to further a Local Agenda whose strategic lines were: the promotion of public procurement to increase the volume of Social and Solidarity Economy; the encouragement of environmentally-friendly processes; and the development of more cross-cutting themes regarding terms and conditions of procurement by Public Administration, integrating gender and environmental issues. In a nutshell, Social and Solidary Economy is at a juncture where new cooperation and partnership initiatives are being generated, seeking to increase the weight of this sector in Valencian economy.

0.4) Describe eventual public/legislative initiatives to support/which affect those sectors

2011 was a particularly important year at national and regional level for the development of legislation and the support to Social and Solidary Economy. **At the State level**, after several years of discussion and thanks to the collaborative supervision of CIRIEC-España, Law 5/2011 on Social Economy was passed. The new regulation, although not amending specific legislation on each and every one of the “legal families” encompassed by Social Economy, it allowed to achieve certain important goals. First of all, it established an institutional recognition consistent with the economic and social impact that Social and Solidary Economy organisations had on Spanish society. Secondly, progress was made in the definition of all organisations which are part of Social and Solidary Economy. Lastly, it created support and strategic development lines for the sector. **Notwithstanding the ground-breaking nature of this law, the framework of the definition of the organisations encompassed by Social and Solidary Economy is still highly restrictive.**

As for **the Community of Valencia**, the most recent and substantive legislative reform regarding Social and Solidary Economy was the amendment of Law on Valencian Cooperatives adopted through Decree Law 2/2015. It did not alter Cooperatives statutory matters, but it becomes the new legal reference framework.

Description of the SSE Good practice



1.1) Name, Organization and/or network responsible for the practice, Location, Sector.

Terrabona is an Associated Workers Cooperative set up in 2013 located in the municipality of Picassent, twenty kilometres from the city of Valencia. Its activity is focused on organic farming with the aim of fostering social and labour integration of people with physical disabilities or mental illness.

1.2) Proposed activities

The Cooperative is dedicated to the production, processing and marketing of the product as a means to generate economic activity allowing the social and labour inclusion of people with physical or mental impairment.

- Production: they have orchards under rental status within the municipality of Picassent, where they grow seasonal greens, vegetables and fruits through organic farming processes. They cover an area of approximately 5,000 m².
- Marketing: they have an industrial plant from which they market most of their own products. They market their own organic products and third party products. A website is the main contact method. They work both locally, through short distribution channels (they have got a stand in the weekly Market of Picassent), and at national level, and they also export.
- Transformation: They are currently seeking to develop a line of processed agro-ecological products. The process is still ongoing.

1.3) Management model and stakeholders involvement

The project was born as a result of the interaction between a group of people who had been working with children in summer camps and leisure activities organised by Picassent parish. Then, the promoting group took as a reference the experiences developed in other regions, especially in Catalonia, like the social enterprise La Fageda, involved in social and labour integration.

At present, the Cooperative has five associate members. All workers with mental or physical disabilities joining the Cooperative become associate members, as well. Two of its members work in the area of marketing and economic development. A third person manages the planning of agricultural production and assists people with disabilities working in the orchard.

Regarding business relations, products for export are managed through different organic distribution platforms. At the local level, they use a van for distribution; they work with shops in the region of Valencia (Natural; Herbolario Navarro; Saucó; or



Aigua Clara). They also have a stall in the market of Picassent. At the present time, they are developing collaborative programs with businesses related with school feeding such as Colevisa.

1.4) Turnover and job creation/quality

In addition to associate members, the Cooperative has hired two external workers responsible for processing and management of the product for marketing. Due to the nature of the work, these jobs are seasonal and vary according to harvesting periods and the time of the year, which generates different workloads.

On the other hand, the hiring offer is overwhelmed. The target population of the initiative is much higher than the capacity of workers absorption by the Cooperative. The low productivity of workers and the lack of public funding for these kinds of initiatives in the region limit the growth potential of its structure and size. There is an absence of subsidies and agreements for the public procurement of organic food by Public Administration.

1.5) Social and ecological externalities

Social externalities:

- Social cohesion. Development of economic initiatives giving social groups at risk of exclusion access to jobs that would provide them with a certain degree of autonomy and prospects for the future.
- Regional cohesion. Support for an economic sector with arising potentialities contributing to productive diversification in the region and the creation of a socio-economic fabric based upon sustainable practices.

Environmental externalities:

- Environment-friendly production processes.
- Minimisation of waste generation in processing procedures and marketing processes, beyond the environmental impact of transport.
- Valorisation of biodiversity and agricultural heritage of the region, contributing to settling down socio-ecological transition processes.

1.6) Communication and advocacy

Significant presence in mainstream media and social networks. They have participated in radio interviews and televised debates at a local level. One of the volunteers in the project is a journalist and she has been undertaking the task of strategically managing the presence of the Cooperative in the different media.



They also participate actively in fairs, talks and workshops, which they organise in the region on organic farming, social and labour integration and Social and Solidary Economy.

In 2015, they have met the president of the Valencian Parliament to explain and request support for these kinds of initiatives. The president of the Cooperative maintains a fluid relationship with the City Council and there is a plan for a joint participation in the development of a network of urban gardens in the municipality of Picassent.

1.7) Networking, affiliations and openness of the Good practice to the existing networks

Terrabona is a recent project, still little known by the social fabric of the region linked to responsible consumption and Agro-ecology. Its inclusion in REAS is underway. This report also aims at increasing the visibility of the project. On the other hand, the development of cooperatives focused on social inclusion in the region of Valencia is still at a very recent stage compared to other regions such as the Bask Country or Catalonia. This situation creates difficulties in finding similar organisations with which building bigger structures. Social and labour integration projects still take place in the context of associations, and are very focused on training. Although the Cooperative acknowledges the need to develop contact and affinity networks, which they keep with an active presence in several fairs linked to organic production and environmentally-friendly consumption, they focus on developing interoperation networks with organisations with an economic volume allowing them to maintain business relations, as the capacity to absorb workers with mental disabilities is restricted by the business volume.

Evaluation of the Good practice

2.1) The Good practice's economic and social impact and potential

Innovative and ground-breaking project In the Valencian region, projects involving social and labour integration and agro-ecology take place mainly in the sphere of associations. Although their great social value, such projects are limited to skills and training workshops. Terrabona goes one step further, generating an economic activity where entrepreneurship is at the service of people with mental illness or disabilities. The goal is to move away from an assistance-based solidarity model towards one focused on long-lasting self-management active projects.

Social cohesion and social transformation Neglect of this group by Public Administrations in Valencia region is both structural and cyclical. On the one hand,



within the most common legal form regarding social and labour integration (Special Employment Centres), hiring of people with physical disabilities is prioritised. At the same time, the economic situation has entailed that social services and budgetary allocations devoted to the integration of these groups through work have been significantly affected by budgetary cuts. Terrabona carries out a work of social transformation and cohesion: mitigating the shortcomings of the welfare system and simultaneously implementing social transformation projects which can be replicated by other actors.

2.2) The transformative impact on the territory and beyond

The project has a commitment to the environment and seeks local development models in balance with the region endogenous resources. The organic farming sector and the implementation of agro-ecological approaches contribute, in the first place, to sectoral diversification in a region which, for years, has concentrated excessively on urban development as the main path of economic growth.

On the other hand, and also as a consequence of the hegemonic local development model, green belts around the town were marginalised and neglected. In that sense, the project entails a revitalisation and cleaning-up of this environment, where the agro-ecological approach helps to consolidate socio-ecological transition processes necessary to achieve greater sustainable territorial cohesion.

At the same time, it increases the Territorial Intelligence of the Public Administration, finding in agro-ecology activities new spaces to implement public policies. Planned urban gardens in the town promoted by Terrabona are a prime example of this.

All in all, it reflects a paradigm shift where the region no longer looks exclusively abroad in terms of competition as the only way of ensuring growth, but generates employment and economic activity by recovering a previous bio-cultural memory and awareness of the region, and serves people and groups at risk of social exclusion.

2.3) Policy impact of the Good practice

Regarding the political impact Terrabona may have had, the Cooperative is still in the process of consolidation. There is an easy relationship with the City Council, as demonstrated by the urban gardens project, but the impact of the project in terms of public policies is still limited.

Thanks to promotion work and a significant presence in mainstream media (with several radio and television interviews), their work has gained wider dissemination, at



the levels of both social movements working on agro-ecology and environmental sustainability and public institutions. In this regard, there is a meeting scheduled with Enric Morera, president of the Valencian Parliament, to present the project and convey their main demands in terms of cooperativism and social and labour integration.

The lack of similar projects in the region and its ground-breaking nature are factors which partly explain the slow pace of the development of projects with political impact and the feeling of a relative isolation. TERRABONA is as well in the process of becoming part of REAS, and this may provide a stronger platform to increase its impact on the development of social integration cooperatives, which for the time do not have their own legal and regulatory framework.

2.4) Sustainability of the practice

With respect to production processes, the environmental impact of TERRABONA is negligible as their approach is based upon Agro-ecology.

Nevertheless, the economic viability of the project still relies heavily on exports, which amount to 50%. This has a negative environmental impact due mainly to emissions from transport. The Cooperative stresses the need of greater institutional support to reduce dependency on exports, which could be realised by means of two mechanisms: First of all, with the establishment of a specific legal framework for cooperatives and social integration, with tax advantages and tax exemptions. Secondly, by fostering public procurement to supply public administrations. So far, TERRABONA has only maintained business relationships with companies providing food services which are already working with public administrations on its own initiative.

2.5) Participatory space open to the territory⁹

Once more, due mainly to the short history of the project, TERRABONA is still in the process of establishing networks and alliances, with a proactive approach. However, TERRABONA is engaged in a range of initiatives and participates in gatherings on Social and Solidary Economy, social and labour integration and organic farming.

CONTACTS WITH ORGANISATIONS MAKING UP THE BUSINESS FABRIC:

- Participation in the talk “Join Corporate Social Responsibility”, hosted by EVAP (Valencia Businesswomen and Professional Women Association).
- Huertos Colevisa: companies providing food services to schools.
- Integration in Teaming. Promotion of the micro-credit initiative.
- Market of Picassent.

⁹ Some strategic development lines and references are added.



OWN PROJECTS:

- Urban gardens project, in partnership with the City Council

CONFERENCES AND TALKS ON ORGANIC FARMING AND SOCIAL AND SOLIDARY ECONOMY:

- Quart de Poblet Agro-ecology Conference. Collaboration with L'Animeta.
- I Conference for the Land, organised by PERHORTA.
- AGROECOLÓGICAS.COM
- FAIR OF AGRO-ECOLOGICAL PRODUCTS OF PICASSENT, Picassent City Council, Agenda 21.
- BIOCULTURE.
- From Field to Table.

What can we learn from the described Good practice?

3.1 Please identify and analyse the areas in which lessons can be learnt, the key factors of success/failure, role of specific actors.

KEY ACTORS:

Working group. The initiative came from a group of people from Picassent linked to the Parish, with a background in organising workshops and summer camps for people with mental illness or disabilities. People undertaking the project have ideal profiles. The president of the Cooperative comes from the banking industry, with experience in business management. The other person fostering the project has vast experience in farming and agro-ecological practices. A journalist volunteering in the Cooperative carries out the work of promotion and communication with the media.

POSITIVE ASPECTS:

- **Accurate diagnosis in terms of field of development.** This social group had already developed gardening workshops; thus, the implementation of a Cooperative devoted to Agro-ecology gives continuity with outdoor work and contact with nature, which reinforces workers involvement. Simultaneously, they focus on an emergent sector.
- **Pragmatic approach enabling the economic sustainability of the project.** Although the aim is to reinforce short distribution channels, the Cooperative works with organic export platform in order to keep an economic volume allowing them to absorb more workers.

NEGATIVE ASPECTS OR LIMITATIONS:

- Lack of institutional support.



- Lack of a specific legal framework for cooperatives and social integration.
- Ground-breaking project with no similar organisations in the region.

Individual story

4.1 If possible, enclose an individual story/testimony which exemplifies the practice you describe.

Miguel started to work in the agricultural sector fifteen years ago. His first contact with agriculture happened in the context of his participation in the struggle that took place in the south of the city of Valencia against the construction of a road that entailed the destruction of a significant proportion of farm land and of many houses, as well. He took an active part in the movement integrating the group who occupied houses and spaces in La Punta, the borough where the conflict took place. Such experience had a major influence on his life, making him aware of the need of protecting bio-cultural heritage of Valencia's urban belt. Since then, his connection with the countryside grew, so did his militant commitment. Over the past seven years, he runs LaKaseta, his own self-managed project: a small plot of land with a vegetable garden where he works with a trustworthy certificate.

Additional information

Website references, contact details of the reference person if available, links to publications, press reviews, images, videos.

Website:

- www.terrabonacoop.com
- <https://es-es.facebook.com/Terrabona>

Contact:

- info@terrabona.coop
-

Publications of interest on-line (Press articles, radio, etc.):

- <http://www.elmundo.es/comunidad-valenciana/2014/12/14/548c7e2be2704ec9658b4589.html>
- <http://agroicultura.com/general/cooperativa-terrabona-de-picassent/>
- <http://play.cadenaser.com/audio/000WB0097920150110140500/>