



Rural-Urban Outlooks: Unlocking Synergies (ROBUST)

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Snapshot: Expressions of Urban – Peri-Urban – Rural Relationships

Agency for the promotion of commercial innovation: AFIC Network

Valencia, Spain

1. Brief Description

The Agency for the Promotion of Commercial Innovation (AFIC Network) is an instrument through which the *Generalitat Valenciana*, the regional government (GVA), in collaboration with the Local Administration through the Valencian Federation of Municipalities and Provinces (FVMP), develops the process of modernisation and organisation of local commerce in the region. It was founded in December of 2009.

The AFIC Network favours developing the whole region since it focuses its efforts on the revitalisation of economic activity, especially those that are associated with small local businesses.

2. Questions and/or Challenges

- > Does the AFIC Network promote interaction between rural, peri-urban and urban areas?

The AFIC Network works through the offices that there are in towns and cities (96 offices). It guides future entrepreneurs and established traders through the transfer of information and knowledge. However, in small villages where they do not have an AFIC office, it is difficult to offer the services. In order to solve this territorial problem, the FVMP's "Proximity Commercial Technical Assistance Service" exists through its mobile office, whose objective is to provide coverage to all parts of the region, focusing its actions on inland areas. The mobile office is a van in which inside there is an office where the work days are held. It works since 2012.



Thus, the public sector (this activity is subsidized by the Valencian government), through the decentralization of this service, promotes the creation and improvement of economic activity throughout the urban, peri-urban and rural areas.

The AFIC Network, through specialized knowledge and the appropriate tools, is capable of providing advice and technical support in the processes of modernization of SMEs, in the renovation and commercial development of urban centres, as well as in the consolidation of commercial urban spaces of preferential pedestrian use or in the expansion and reform of the physical structure of collective commercial facilities.

The main challenges that the Network aims to overcome are:

- > To bring the administration closer to the citizens, coordinating the relations between the merchants and the regional and local administrations.
- > To achieve efficient and competitive commercial planning within the municipalities.
- > Strengthen traditional shopping to provide for the neighbourhood: small local stores, family business or that commerce associated to traditional crafts.
- > Facilitate access to specialised information for operators in the commercial distribution sector, through the use of specific telematics tools.
- > Participate in studies on the situation of local commerce, which should identify the social, economic and urban factors that condition its dynamics.
- > To make proposals for action on the strategies and investments to be developed, both in territorial actions of commercial inspiration, as well as in those that affect collective facilities.
- > Carry out promotional activities to boost the city or villages' trade.
- > Any other action or project that helps the rationalization and modernization of the commercial structure, as well as the creation or capture of business opportunities within the municipality, that could improve the quality of life and the attractiveness of the city or villages.

Once these objectives have been achieved, we should ask ourselves: is the decentralisation of a service such as this a valid tool to promote territorial cohesion? If so, should we extend this mechanism to other public services, and would bringing urban services closer to rural areas generate a positive chain reaction within the private sector? Or, on the contrary, is it feasible to expect a significant reduction of the differences between two very different realities?

3. Main Insights

3.1. Indications of the application of the new concept of 'New Localities'

The above challenges that the AFIC Network seeks to address are based on and implemented with the intention of reducing the distance and equating the opportunities of two very different worlds: the urban and the -disadvantaged and inland- rural. The AFIC network makes it possible to establish direct relations between them thanks to its own decentralized structure in order to balance access to information by citizens, regardless of where they live. Even thanks to the use of the mobile unit, it is possible to bring administrative action closer to a high percentage of users, universalizing the service. The inhabitants of the most remote villages have the capacity to count on this service without the need to go to another town or city.

In our region, there is a still general lack of services in rural areas. Many of them have disappeared during the last decades, and in many other cases some of those rural areas never have had it: Public services such as health and education at local level, but also some other infrastructures, for example those related to accessibility. But there is also a lack in training and advice, both those offered by public administration and of private initiative. This is an important condition as the one related to some of the services mentioned above, which are apparently more important and have a greater presence in public opinion (education and health, for example). If the population of those rural areas don't have access to knowledge and learning, aspects such as innovation, improvement, development and progress could slow down or disappear. This is a disadvantage for that people. And it is difficult to ignore. Also, we can say that the local businesses and commerce located in rural municipalities have to fight against the hostility of their context (few customers, uncompetitive suppliers, difficult access, bad internet connection, etc.). Without all that the AFIC Network provides, economic and commercial activities would be weaker in those remote rural areas, and would affect the quality of life of the rural population and, in general, to social and territorial cohesion

This service that AFIC promotes allows a quality leap to be obtained in the most remote municipalities in their local businesses through expansion (online sales, social networks), product specialisation (comparative advantage over other products made in urban contexts), sustainability (ecological products), tradition (recovery of forgotten trades), legislative action, joint selling, etc.

AFIC service offers advantages both for traders than consumers. In the rural areas there is not so much offer to choose. For this reason, if the local commerce improves, the consumer

benefit will also do. The connection between merchants and costumers is so close. Aspects such as sensitizing residents to shop in local shops is one of the campaigns that has gained the most strength within the network's offices. Local trade has a direct link to the economic and social development of towns and cities: they provide proximity (through the consumption of native products), humane treatment (improves social and affective relationships among the population), local development, hustle and bustle in the streets, quality of life in general. Makes the towns and villages alive. But this small business does not have the resources and means of large supermarkets. Small businesses must be valued so that these differences can be reduced.

Commercial activity has important impacts on the territory, direct and non-direct. A modern and efficient proximity trade allows to satisfy the needs of consumers in a more sustainable way, promoting a city model more focused on people and where everyone (traders, consumers, associations, administrations) can contribute to improve and consolidate the environment (*Community Field*).

3.2. Insights related to the broad area of 'Smart Development'

The maintenance and improvement of the local economy through the AFIC Network is an engine of development and generator of new opportunities for entrepreneurs and traders already established. This provides more attractive spaces, increasing the citizen's quality of life. One of the characteristics of AFIC network is the immediate assistance that it offers to those municipalities without a physical office (through the mobile office). Once the mobile office is available, it is the traders or the municipality who demand the services of the mobile office increasing the cooperation between the public and private sectors.

Much of the training that the Network offers is linked to digitalization: through the dissemination of business through many of the social networks that are indispensable today. The Network has a training package for those traders who wish to incorporate new technologies into their business:

- > SEO positioning.
- > Advertising on Google AdWords.
- > Instagram.
- > WhatsApp marketing, a new way to network.
- > On-line sale.
- > Facebook, the network of networks.

Intelligent specialisation through regional growth should focus on innovation in specific sectors such as the one addressed by the AFIC Network and where there are particular business opportunities.

3.3. Other insights that could be relevant for further work

This example of decentralization of a particular service can inspire a new model of public supply, at least in the disadvantaged rural areas of the region. This is one main challenge facing public administrations, provided that they have to manage extensive areas. Even on a small scale, this model of action can be applied, as the differences between neighbourhoods are evident, even in small towns. Inequality is combated through social justice that provides equal access to public services. The price per inhabitant that citizens have to pay to maintain this equity will never be the same depending on where the service is offered, because in remote rural areas, where the population density is lower, access will always be more expensive. If the regions are formed by a society that is axiomatically heterogeneous (distribution, economic capacity, age, sex, etc.) the policies that govern it cannot be homogeneous.

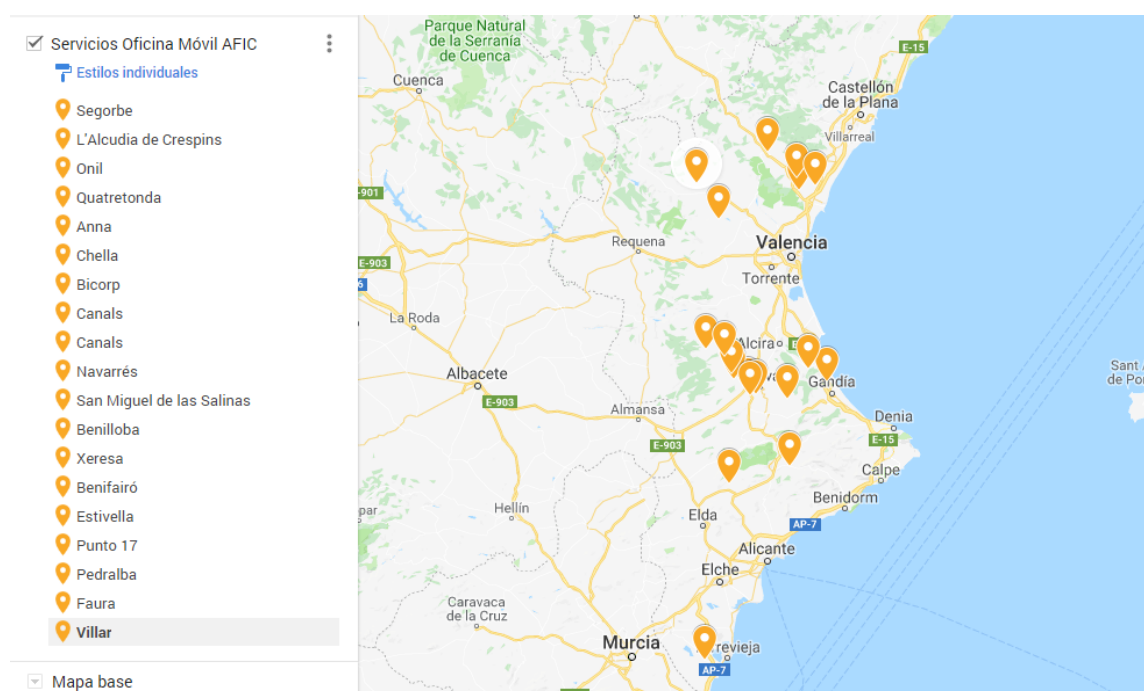
In addition, the AFIC Network promotes the Green Commerce initiative, which is a recognition of businesses that in the region pass an evaluation of the degree of compliance with a series of good practices (related with minimising the environmental impact of small businesses).

4. Data Sources and Indicators

In the region there are 96 offices distributed among villages, towns and cities. In addition, a mobile office is available to go to the most isolated and remote small villages where, on request, the service is offered (in the province of Valencia there are a network office available in 52 of its 266 municipalities, 11 of 135 in the province of Castellón, and 33 of 141 in the province of Alicante).

Unfortunately, by now, the network is more present in urban and intermediate rural areas, but not in remote rural ones, in which nevertheless operate mobile service.

Figure 1. Mobile office services



Source: Management Memory

Table 1 Data / Indicators for AFIC

Data / Indicator	Source
Municipalities by province	National Statistics Institute (INE)
Population by municipality	National Statistics Institute (INE)
AFIC Network Offices	Merchant Portal AFIC Network https://portaldelcomerciante.com/va/articulo/afic-acreditades
Structural business statistics	Statistical Portal of the Generalitat Valenciana http://www.pegv.gva.es/auto/produccion/web/EEESS/aecv00193_v.html
Markets, Non-permanent markets and small businesses in the region (Valencian Community)	Chambers of Commerce of the Valencian Community http://www.pateco.es/trabajo/analisisCarto.php?id=58
Mobile Service AFIC Network	FVMP Management Reports
Number of services provided by the office	FVMP Management Reports
Municipalities requesting the AFIC mobile service	FVMP Management Reports

5. Critical Appraisal of Data Use

It's necessary to know the impact of the measures, who are the beneficiaries and if this support has a result the improvement of the companies in the municipalities in which the AFIC Network operates. On the other hand, it is also necessary to know what kind of business have been promoted and where these businesses are located.

6. References

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Instituto Nacional de Consumo (2017). *Las Tendencias del Consumo y del Consumidor en el s.XXI*. Ministerio de Sanidad y Consumo.

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