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D 00219

UNIDO

United Nations Industrial Development Organization  
Organization for Economic Co-operation and Development -  
Development Centre

Distr.  
LIMITED

ID/WG.41/14  
CD/PME(69)19

21 November 1969

ORIGINAL: ENGLISH

Expert Group Meeting on the Role and Promotion  
of Subcontracting in Industrial Development

Paris, France, 6-11 October 1969

PARTICULAR ASPECTS OF SUB-CONTRACTING  
IN THE ASTURIAS, AN AREA THAT IS IN THE PROCESS  
OF INDUSTRIAL TRANSFORMATION AND DIVERSIFICATION 1/

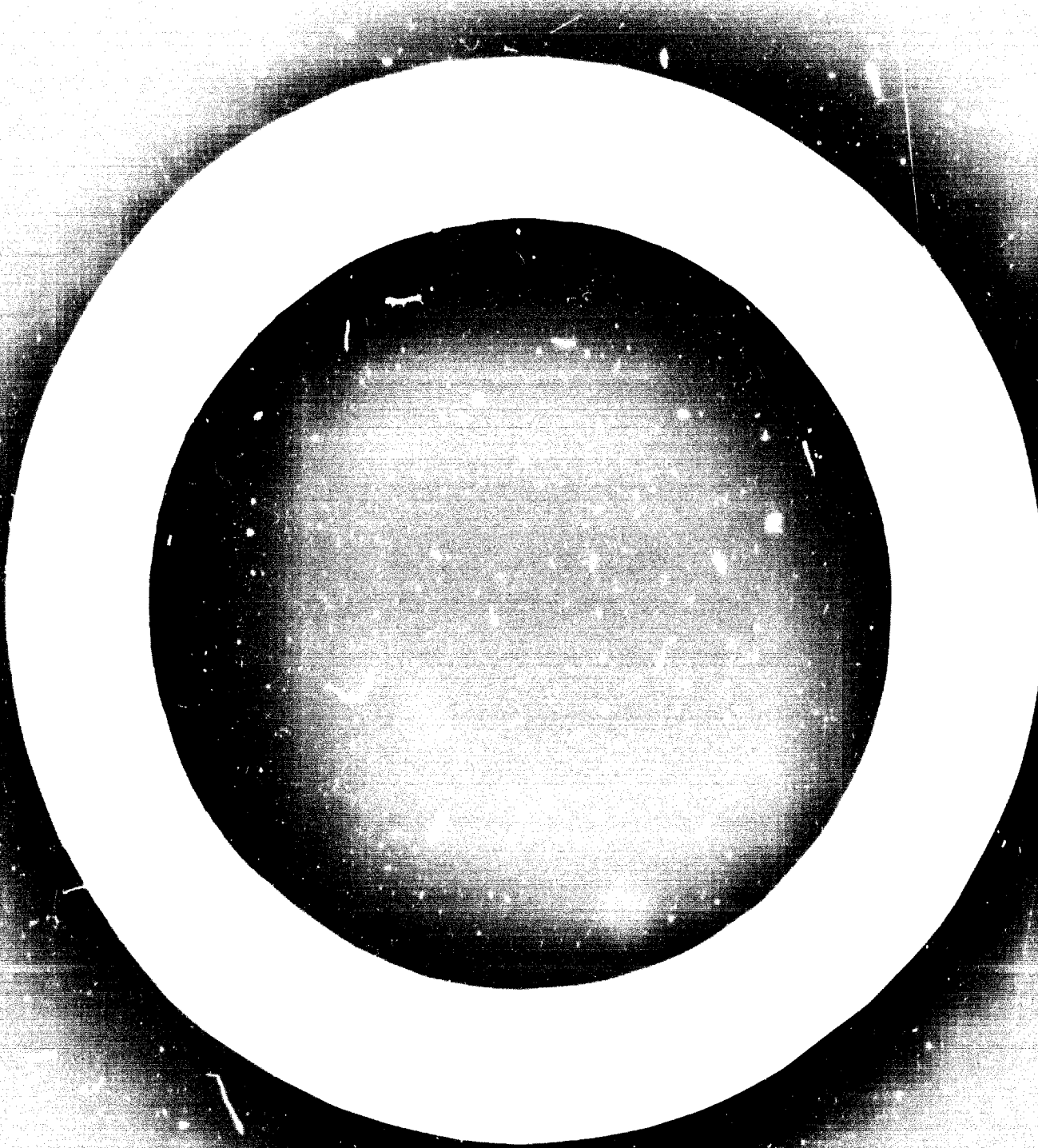
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PARTICULAR ASPECTS OF THE MANUFACTURE IN THE ASTURIAS,  
AND THE PART OF THE HISTORY OF  
INDUSTRIAL DEVELOPMENT IN THE ASTURIAS

About 300 kms of coastline and a parallel range of mountains about 60 kms further back with its ends pinched in towards the sea and several in peaks 2,000 metres high or more, encompassing a stretch of land that is always green, or white with the constant fall of snow from the mountains. This is the Asturias.

The Asturias are to the north of Spain, and overlook the Bay of Biscay. They are practically isolated from the inland provinces of the peninsula. Their isolation continued virtually until the beginning of the 19th century, when communications were maintained through bad roads and donkey tracks. From then onwards, roads linking up the area with Castile came into existence, and every effort was made to solve natural difficulties, namely obtaining access through the steep donkey tracks which are covered by the snow throughout the greater part of the winter months.

A distinguished observer, Paul Labrousse, wrote about the difficulties in Bulletin Pyrenéen no. 97, 1905; referring to one of these passes, he observed:

"The Galiz pass is not steeper than the other well-known ones. Pierre Bay and Saint Georges in the Jude Pyrenees, the main in the Savoy area and the Via Nela in the Orisons, the main in the Atlas area, the Grotto of Rikouste in the Scotch Alps and the Devil's Pass in the Lys are very good examples of tremendous precipice through which the Castilians miners managed to build a road."

It is not surprising, therefore, that in these circumstances industry did not find a climate that was conducive to development. It confined itself to the most necessary and that took in a craft-based system, catering for the needs of a mainly agricultural population at its most rudimentary stage of development.

The discovery of large coal deposits accelerated a process which this area, largely barren and desolate, was already going up in the general movement towards industrialisation.

In the middle of the century, when the Asturias rang with the names of Schultz, the Chevreton Company, the Mining Company de Cieros, Thiernut, Guineau, Willaet, Flachet, Rougel-Bay, and others, some successfully and others less so, built up this bleak landscape, with their clear-cut view of the area's wealth and possibilities and oriented it towards its mining resources.

To supplement these industries, and more with a view to catering for the latter's needs than to become industries with their own production or with a desire to expand in the market, a number of incipient iron and steel industries emerged.

In view of the communications problem (which at that time was gradually being solved) and the fact that the workers recruited had never been employed in industry and had no industrial tradition, and who, moreover, regarded their work in the factories or the mines not so much as a way of life, but as a supplement to their main occupation, which was farming and cattle raising, it is easy to understand why the development of these industries was both slow and unsatisfactory.

The intensification of mining and the gradual building up of consumer needs on the domestic market made it necessary to develop the maritime ports of the Asturias, which were already linked up by rail to the main coal basins.

At the same time, throughout the whole Asturian territory, fresh deposits of iron, copper, mercury, lead, manganese and sulfur were discovered - a great metal rainbow - which spells great hopes for the beautiful region.

It was during the First World War that industrialisation really began in the Asturias. Its mining concerns obtained record production levels and its iron and steel factories flourished and began to supply the Spanish market with iron and steel. They also turned out rolled iron, wrought iron and steel parts, steel castings and metal structures and had workshops specialised in the mechanisation of all kinds of parts and machinery. These industries were virtually self-sufficient, so that in those conditions, and when it became impossible to fill the orders that were coming in for processed products, a number of small processing industries emerged on the fringe of these bigger industries, so that sub-contracting was established for the first time in our region.

Expansion was so swift - and profits so large -- that in the absence of a genuine industrial policy, the resources were not put to the best possible advantage, namely the improvement of existing plant or the creation of new plant. The enjoyment of an unprecedented standard of living knew no bounds.

However, the seeds have been sown and the lessons learnt. Despite the considerable difficulties of the post-war period, the lack of political stability and the social unrest caused by the readjustment of wages that was needed to hold back the soaring costs of the previous period, and as a result of a strong social awareness on the part of the Asturian workers, a multitude of small industries sprang up in the central part of the Asturias. These industries were not the result of any pre-established plan (either as regards their orientation or distribution) or of any detailed market research. In most cases they were due to the fact that the most skilled workers of the mother industries had a desire for independence and relied on their own knowledge.

The fact that the time was now ripe - and that people had become conscious of the industrial significance of the time in which they were living - led to a meshworking of very similar industries: boiler making, metal construction, engineering workshops, all to some extent subject to the paternalism of the large factories and working on an order basis. This, together with the strong spirit of independence and self-sufficiency on the part of these industries, caused a considerable imbalance in the general machinery situation in this area; each factory wanted to fend for itself and completely disregarded the others.

It was in this point that the Spanish Civil War, and the Second World War, broke out.

To the difficulties of this deficient industry were added those caused by the virtual absence of imported products.

By force of necessity, but thanks to the undoubted intelligence and ability of the settlers in that region, coupled with their strong industrial tradition and experience, a wide range of processing industries were established in the metal branch. Besides certain specializations, the picture that emerged was one of economic development - extremely worthwhile, and conducive to more intensive and thorough development at a later stage.

In these circumstances, the National Institute of Industry (I.N.I.) decided to set up in the Asturias the most important iron and steel complex in Spain, known as the Empresa Nacional Siderúrgica S.A. (EN-SIDESA).

There is no need to dwell on the importance of the site chosen for Asturian industry. In our view, if these processing industries may be regarded as boosters, this great iron and steel complex may serve as a catalyst for the metal processing industry, in accordance with a recent statement by the General Manager, who said:

"EN-SIDESA hopes to attain over three million tons in steel production. It must continue to be the cornerstone of the Asturias' industrial economy and, accordingly, support the expansion of the processing industry, so balancing that region's economy."

The fact that it already has and, no doubt, will continue to act as a catalyst of Asturian industry is evidenced by the merger of "coordinated action" of three traditional Asturian steel-works into a new iron and steel complex, the UNISA, which is as important as the Empresa Nacional Siderúrgica S.A. (EN-SIDESA) and the recent creation of HULLERAS DEL NORTE S.A., incorporating the majority of the old mining concerns and based on the principle of the unification of the mines and the modernization of labour.

It is interesting to note that the workshops that were owned by these three traditional iron and steel firms to keep their steel and mining equipment in, and which, when their capacity exceeded their needs, also supplied the domestic market with finished products, were in fact kept out of the merger. After a certain amount of renovation and reconversion (which has already begun) they will continue to run as metal processing workshops.

An attempt has been made to give the reader as broad a picture as possible, within the limits set, of the industrial panorama of the Asturias. As the reader will appreciate, we were asked for a study on "particular and concrete aspects of sub-contracting in the Asturias, an area which has been for some time now in the process of industrial transformation and diversification". It is only logical, therefore, to attempt to acquaint the reader with the historical background of this industrialisation process, and the geographical and geo-political atmosphere in which it took place.

Nevertheless, history has a past, lives in the present, and will no doubt live on in the future.

As regards the present, let it suffice to say that the Asturias, in relation to the economic development of Spain is:

- 1st in mineral coal production;
- 1st in pig-iron production;
- 1st in steel production;
- 1st in rolled-steel production;
- 1st in zinc production;
- 1st in aluminium production;
- 1st in fluorite production;
- 2nd in anthracite production;
- 2nd in mercury production;
- 3rd in electric energy production;
- 4th in its labour force.

Despite the large-scale contribution of the Asturias to Spanish production, the above products as a whole have very little effect on the province, owing to the fact that (as we pointed out before) these raw materials scarcely undergo any processing.



In view of this production imbalance, it was inevitable that a general consensus should emerge as to the need to create a metal processing industry that would be oriented, depending on Spain's most urgent needs, towards balanced industrial development and which, using these raw materials at the source, would be able to arrive at low and competitive prices.

Accordingly, the Spanish Government recently decided to set up an axis of industrial development in the central part of the Asturias, which now benefits from extremely advantageous tax and credit facilities. As a result of this, and thanks to the modernization and construction of a new electrification system, improvement of the ports and preparation of all the necessary infrastructure, the economic panorama of the Asturias will reach a zenith as from January, 1971.

The Sub-contracting Exchange of the Asturias was created at a judicious moment, generously sponsored as it was by the Spanish Trade Union Organisation at the end of 1965. On the one hand, there was a coal industry that was on the whole a powerful industry, although split up into small holdings; and on the other, a basic iron and steel industry which was about to become the main branch industry and, in between the two, in the background, a metal processing industry, somewhat diversified at first, very badly organized and with absolutely no reasons of choosing quality. This is obviously one of the situations as a whole; there were, however, a few successful achievements based on genuine economic and industrial vision of equipment and how to manage it.

The first attempt that was made to obtain information about the processing industries in the metal sector of that area, its main activities, location and the number of producers engaged in each activity was not a difficult task, as it was possible to consult the last electoral censuses of the Provincial Metal Union, which included all these details.

The total number of firms in this Union is 2,850; however, it should be remembered that it covers the three sectors of production: metal mining with 26 firms and 1,218 producers, industry with 2,049 firms and 42,215 producers, and commerce with 810 firms and 1,970 producers.

In principle, firms in the metal mining and commerce sectors and in the industrial sector were not included if their scope of activities or small number of producers were such that they were not suitable to form part of the initial group that was to attain the objectives of the plan. On this basis, it was possible to narrow down to 24 per cent the number of firms who would receive promotion at that time, either because they would be able to provide, or do work, or because they specialised in certain lines that might complete specific production cycles.

The method used to set up the Sub-contracting Exchange of the Asturias was basically different, as is the case for the rest of Spain, Leon, for example, the exchange of Bordeaux. The latter was the result of a centrifugal action from the outside to the inside; a number of industrialists, beset with constant problems and worries that were to some extent divorced from their main activities and moreover extremely time consuming, and searching, sometimes in vain, for sub-contractors to do ancillary or occasional mechanical jobs, respect date lines or provide finished products to certain specifications, and afraid to invest further mass of money in plant, machinery and tooling that might not be profitable, began to envisage some kind of collaboration, as yet untried, but offering each one of them to keep his own personality and independence.

This idea, coupled with their desire for collaboration and mutual assistance, led them to create the sub-contracting Exchange.

The process in which the Asturian Exchange was created was the opposite; it should be seen as a centrifugal movement from within; the Exchange was created, and steps had to be taken to make it known to industry and present it not as a panacea for the solving of all their problems but as a useful working instrument. If all the resources available at the Exchange and other facilities were used it should be possible to solve many of their problems; it would be a channel through which production could be distributed rationally and an information centre supplying the data that was sometimes inaccessible to industry, and could act as an advisor in matters of investment or reconversion. Last, it had to inspire confidence in the work it claimed to do; and industry, through the Exchange, had to be persuaded with a spirit of collaboration.

The Asturian likes to go his own way and has a strong spirit of independence. Perhaps this is why he appears proud, though welcoming. This is no doubt the result of his long isolation, the steepness of the Asturian mountains and the gentleness and beauty of the coastland.

Adhesion to the Exchange was slow and unspectacular; but there were no defections. It may be said that 50 per cent of the firms originally selected are frequently in contact with the Exchange services and that these contacts are extremely fruitful and important.

It is curious to note how these contacts developed, reflecting as they did, to a large extent, the personal traits referred to above.

The first test of the Exchange's efficiency was the sub-contracting of jobs involving the mechanisation of parts, subsequent upon the failure of the workshops applying to the Exchange to do the jobs themselves. The speed with which possible sub-contractors were selected and the correct execution of the work in question were greatly instrumental in proving the Exchange's efficiency.

Further proof was provided by the service responsible for selling second-hand machinery that was surplus on the record of plant renewal. The success obtained was so great, not only in the operations carried out within the region but also outlying areas or areas sometimes far removed from the factories (to which, through the existing exchange or the delegations of our own Trade Union Organization circulars on free-machine time and second-hand machinery were issued) that both demand and supply will continue to increase appreciably. This will in many cases be of considerable help in the renovation and modernization of various workshops, the modernization of which would otherwise have been an unbearable financial burden.

These two successful achievements banished any remaining hesitation that industry may have had about the exchange and the first contacts are being made prior to collaboration, by means of consultations and the utilization of free machine time. Today one would be justified in saying that there is total confidence in the Exchange and its efficiency is undisputed.

In order to achieve such a result, it has been necessary to deviate from certain principles that were originally considered to be fundamental to the life and development of the Exchange. One example of this was the setting up of its Managing Board.

When the Exchange was being launched it was felt necessary to have a Promotion Committee made up of industrialists from the different production branches of the metal processing industry. Furthermore, since the Exchange had been created without the prior consent of the industrialists, and had been presented as a service placing itself at their disposal, it was necessary to set in motion the centralised action referred to earlier, by proposing and requesting that certain firms should help to set up the service.

This Committee, a little overstrained, and with no knowledge of any depth about the purpose of a sub-contracting exchange, owing to the very fact that the need for such an exchange had not been previously felt, did not work actively in this direction. It must be admitted that a personal effort had to be made by the management itself to push the work through the different stages referred to earlier.

Once the Exchange had become known thanks to its successful interventions and results achieved, it was an easy matter to convene an Assembly of Industrialists, appoint a Managing Board, work out its Statute and draft its Internal Regulations.

The Exchange can now be said to have attained adulthood.

Nevertheless, further progress is required. We are convinced that this future axis of industrial development in the Asturias will allow a large number of diversified industries to take root in our area, as it now tops the list of commodity industries. At the same time, the Exchange, whose philosophy and achievements are already known and appreciated, still has to acquire the maturity that certain foreign exchanges we know already possess.

In conclusion, it should be added that apart from the daily work done by the exchange, namely establishing contacts for the execution of work, utilization of spare machine time and answering requests for information in the purely technical field, amounting to some 625 interventions on the part of the Exchange, it has worked very hard at making out card indexes of firms, activities, specialities, and catalogues of local, national and foreign manufacturers, and has published information sheets. At all times it has tried to maintain a close and cordial relationship with all industrialists of the region.

It is our opinion that the work we have done so far has placed us in an exceptionally strong position, and will allow us, without any undue strain, to bear the impact we are all awaiting from the development of the metal processing industry, so urgently needed in the Asturias.

August, 1969





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