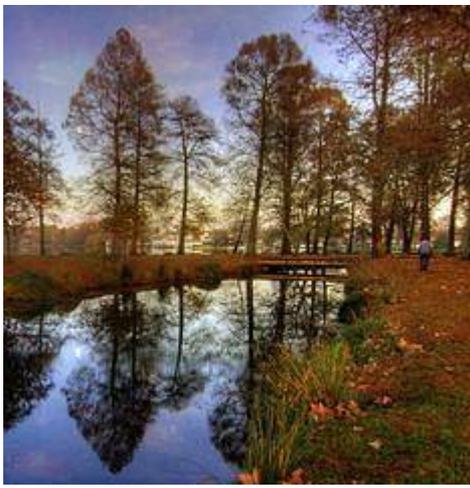


# **CUT BACK TO INVEST GENEROUSLY IN OUR FUTURE**

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According to INE data, spending on R&D financed by public administrations in Spain has gone from growing well above what the economy did before the crisis (seven percentage points more than nominal GDP in 2007), to being clearly below it in 2010 (last available data) and with prospects that the trend will go even worse in the new public budgets.

At the first changes, and carried away by inertia, we are forgetting the fundamentals. The serious economic crisis came to us hand in hand with the international financial bankruptcy, but very quickly the important structural deficits of our productive system were revealed, in which the "kid of the question" is found: on the one hand, an excessive weight and dependence on the artificially inflated construction sector and whose speculative price bubble has exploded in our hands and, on the other, low levels of productivity in the main industrial sectors that hinder the competitiveness of companies at an international level.

We are poorer (our housing stock has devalued by no less than 30% and the IBEX35 has fallen by almost 50% of its value), production levels have fallen substantially (in 2011, GDP in real terms still does not exceed to that of 2007) and we will have to adjust expenses as well as both public and private investments to the new income statement (91,344 million euros of public deficit of the public administrations as a whole in 2011, well above international commitments). , but if the latter are parked and/or are not properly oriented, we run the risk of entering a dangerous spiral of cuts, depression and, again, cuts.

The key is to implement active policies that contribute to the creation of companies and to be more productive, but these will only be possible if, at the same time, we are able to abandon or substantially reduce a good number of spending items to release the funds that will be needed: The time for industrial policy with capital letters has arrived.

We can expect short-term results in support projects for entrepreneurs and in promoting business innovation, but we also have to look up and bet on education, as well as science and technology, which are the fundamental pillars of the new global knowledge economy.

This is how we have to pamper entrepreneurs, provide them with manageable itineraries and give them the opportunity to test and compare their project with the market. The entrepreneur needs support and coaching, a suitable place to establish himself, financing, technological support... and, above all, he needs us to give him confidence so that his ideas become jobs and wealth.

On the other hand, productivity improvements in our companies will come because we are capable of reducing our salaries and in many cases it will have to be so, but the strategic and future option consists of providing differential value in the market with new products, with models of businesses that take advantage of opportunities and, in particular, the potential of the Internet, with forms of organization that make the most of the creative potential of their people, with entrepreneurs capable of uniting successful experiences and earning savings in complex networks. In short, with an innovative society that unites in public-private partnerships that strive to build an advanced innovation ecosystem and make globally competitive business projects a reality.

R&D is in political discourse, but there is no discourse on R&D, which is something that looks good, but hardly anyone really takes seriously. Our research system deserves to be a central focus of public debate, but not precisely because of the magnitude of the cuts, but rather because of the magnitude of the commitment that is being made. On the one hand, we have some poles of

research excellence, but we need true value chains of knowledge and technology with sufficient critical masses and oriented towards the generation and contribution of real value to society. Progress has been made in the link between society, companies and the world of research, but an effective connection is lacking so that the research system becomes a true agent of transformation, guarantor of the future. Finally, we will have to change the institutional and governance system of research, but with a certain and sustained direction in which professionalization, quality, internationalization, excellence and the achievement of results are prioritized, all of which are elements in which could find a sufficient degree of social agreement.

Finally, there is a great consensus on the need for changes in education, as shown by the ranking of our students in the PISA evaluations (below the OECD average) and the statistical data on school failure (31% of young people does not finish high school) that are simply the reflection of a society that does not sufficiently value and bet on training. We have to align the commitment to the radical transformation of the productive system, with a complete restructuring of education at all levels so that well-trained people feed innovative companies, while we build a new productive fabric that inspires with quality jobs and well paid.

We are still very far from a system that encourages entrepreneurship. For the moment, innovation is still a rare exception in our business fabric and research and training require profound and radical transformations. Advancing in these fields requires leadership, conviction and major institutional transformations, but we will achieve little if we are not capable of prioritizing and investing generously in these moments of crisis.

**There are no comments yet.**