

# FINALIST TAXES TO GUARANTEE OUR FUTURE

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Decline in government revenue, deficit commitments agreed with the Central Administration and the automatic increase in social spending due to the precariousness of the crisis that is leaving many people unemployed forces a global rethinking of the budgetary policy of all public administrations to balance their accounts.

The necessary spending containment policies, the already famous "cuts" have to respond, however, not only to the priority of "cutting" itself, but to a clear and firm assignment of political priorities that allows judiciously discriminating between items over others, which should be accompanied by proposals aimed at intensely improving the efficiency and effectiveness of public action to improve the impact of their investments.

In the case of innovation and R&D, there is significant schizophrenia among the political discourse that seems to indicate that this area continues to be an important public priority -this is attested to by the recently approved 2015 Science, Technology and Innovation Plan that the objective is to reach a global investment in R&D of 3% of GDP in 2015- and the stubborn reality that shows that we are going exactly in the opposite direction, investing less than ever and breaking with the trend started more than a decade ago.

According to EUSTAT data, 2011 is the first year in which investment in R&D as a percentage of GDP has decreased in the Basque Country since 2001, going from 2.08% to 2.04%. In addition, in this last year there has been a drop in public investment of almost 3% that breaks with the growing trend of the last 10 years in which the investment of the Public Administrations in the Basque Country to finance R&D had grown at an average year-on-year rate of 12%. On the other hand, it is more than likely that the data from the recently completed 2012 financial year will confirm this change in trend when they are available and further accentuate the decline in investment in R&D. You can find all the excuses you want and allege that the crisis prevents us from devoting more effort to this field despite its importance, but this way of acting denotes a great strategic weakness because not only is there less funding, but we also surrender to inertia and urgency and cut back on the larger items and with greater potential for economic savings, regardless of their strategic importance. This explains, for example, why very unique initiatives to promote science, technology and innovation in the Basque Country are running out, in practice without funds.

We cannot desert our responsibilities and allow the situation to separate us from the path of innovation or, what is worse, amortize and render the investments already made worthless. Because with the crisis and also when it passes, the Basque Country faces the great challenge of innovation so that its companies can compete globally. In practice, the only way to break with budget urgency is to establish instruments that guarantee long-term commitments, isolating them from the economic situation and budgetary dilemmas.

We need to guarantee the resources and social involvement to join forces and commit the country to the public and private investments that are needed to transform the productive fabric and move towards an advanced, innovative and knowledge-intensive industry.

The debate on tax reform in the Basque Country is open with conflicting positions on whether or not to increase taxes and also on which groups should fall, if any, the additional tax burden. My position in this regard is quite pragmatic and is committed to targeted tax increases aimed at financing research and business innovation projects that motivate agents to invest in innovation,

rewarding the most active in this area.

And it is a practically oriented position because without this type of instrument, long-term investments will necessarily succumb, in the face of the urgency imposed by current expenses and needs, no matter how good it is in speeches to give them high priority and say it is fair. otherwise.

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