

PUBLIC COMMITMENT TO R&D IN THE BASQUE COUNTRY: SHOW ME THE DOUGH!

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In any public policy, the key is not in the discourse, but in the economic resources that are allocated to it. These are the unequivocal proof of the real commitment acquired. The science and technology policy of the Basque Country ([PCTI Euskadi 2020. A Smart Specialization strategy](#)) recently approved by the Basque Government deserves a reflection in this sense.

The PCTI 2020 establishes as the first economic axis of the Plan *the consolidation of the resources allocated by the Basque Public Administrations* in recent years. The consolidation of the funds translates, according to the forecasts of the PCTI 2020, into **an average annual increase in the funds of the Basque Administration of 2% until 2016 and 4% from 2017 to 2020**. Given the trend of recent years (between 2008 and 2013 the financing of the Public Administrations fell by 9.8%) and taking into account the economic situation in which we find ourselves, this might seem like good data. A closer look at what really shows us is the enormous distance that we still have to cover to return to the dynamics of promoting innovation that distinguished the Basque Country in the years prior to the crisis.

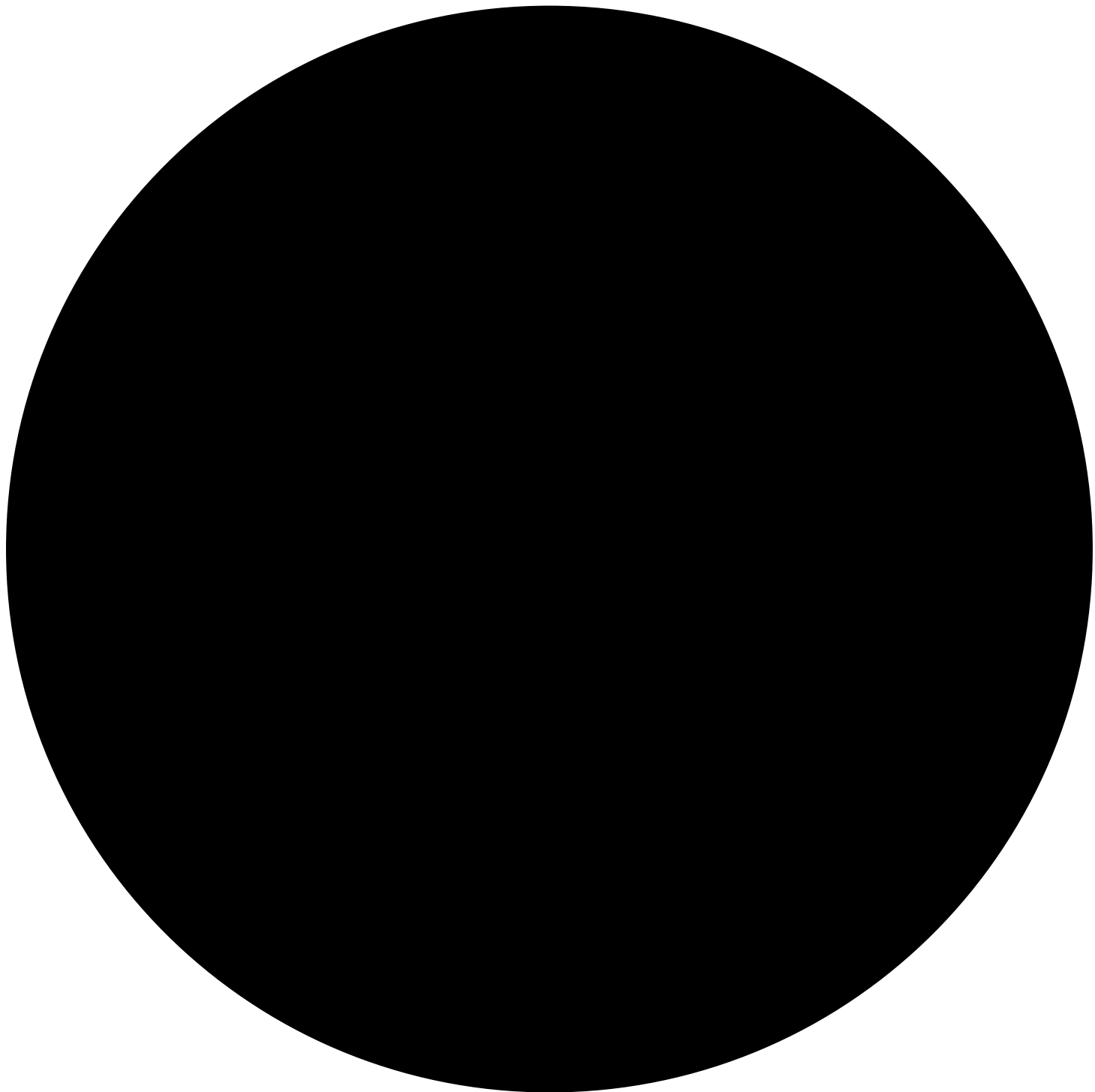
In fact, with this scenario of political commitment for the coming years, we will have to wait until 2020 to return to nothing less than the scenario of public investment in R&D that the country was already in in 2008. One could argue that **the period 2003-2008 is a singular period** (and it could be admitted that it was) for the creation of a good part of the network of CICs, BERCs and other scientific-technological infrastructures. But even so, it seems excessive to wait until 2020 to recover the levels of public effort in R&D that existed before falling into the economic crisis.

From 2003 to 2008 the financing of R&D by the Public Administrations in the Basque Country grew by 126% at an average annual rate of 17.7%. It is only necessary to take a quick look at the attached graph to see the difference between the scenario that marks the PCTI 2020 and the hypothetical scenario that would result if the figures of spending to finance R&D in 2013 we apply the average "pre-crisis" growth rate of the same variable (remember from 2003 to 2008 a 17.7% average annual increase).****

In the PCTI 2020 scenario, a budget for Public Administrations of 590 million Euros is reached in 2020, while the second would reach 1,513 million Euros, which which represents a difference of 923.6 million Euros. The accumulated difference year after year between 2014-2020 will be no less than 3,164.5 million Euros. Definitely a big difference!

We hope that the change in the economic cycle that seems to be beginning will allow these forecasts to be corrected upwards and reinforce not only the public commitment to R&D but also the conviction that we cannot place the Basque Country in 2020 in the same scenario in which we were 12 years earlier. The Basque Country is in the European average for R&D effort, but its ambition as a country and its commitment to industry 4.0 should not speak of *averages* but of leadership, and **leadership goes through multiply private investment from a greater and growing public investment**. Otherwise, complicated.

Financing of internal R&D expenditure by companies in the Basque Country by type of agent



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