SPECIALIZATION AND INTERNATIONALIZATION TWO KEYS FOR BASQUE TECHNOLOGY POLICY

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In a post <u>recently</u> pointed out my doubts about the *economic sustainability of the RVCTI* (Basque Science, Technology and Innovation Network) and the latest news on the "shock plan" at <u>Tecnalia</u> confirm the urgency of the issue , but not because a technology center, in this case <u>TRI</u>, has to take exceptional measures, which could be a normal event to some extent in a private center that has to adapt to market conditions, but because it is, in our opinion, a clear indication of the need to *restructure the entire system* to adapt to the trends of the

environment and the new needs of the business fabric.

The technological system that we have today in the Basque Country is the result of a long and continuous science, technology and innovation policy and, without going into exhaustive assessments, it is clear that this has been a very valid public instrument both for raising awareness among companies and to society as a whole on the importance of innovation, as to provide the institutional and business fabric (especially industrial) with R+D+I services (tests, technological checks, R+D projects, specialized training, among others). that they were not sufficiently satisfied by the market.

These two premises, however, would in no way justify public support for the Basque technological system today when the Basque economy demands that it provide services with a very high added value with real results in the market, that is capable of supporting companies tractors and leaders in the country in their competitiveness strategies and presence in global markets and to compete with the best technology and innovation centers worldwide, since companies choose those providers that offer comprehensive solutions with a global vision and first level, regardless of its location.

This is the transition process in which the Basque technology system and in particular the two technology corporations (Tecnalia) have been involved for some years now. and Ik4). But as is logical, and more so in times of crisis, this is a very complex, high-risk process that will take a long period of execution. In our opinion, and precisely because we believe that this is a necessary structural change, we believe that the necessary individual action by each of the agents should be accompanied by **strong>decided public support** this transition process within the framework of a long-term approach that sets guidelines and serves as a global guide in the process of restructuring the entire system.

If this is not done, the increasingly reduced R&D&I budgets of the Public Administrations as a whole are going to lead to cuts in the technological system that could undo a good part of the progress achieved after many years of public investment. in the matter. If public budgets have to be reduced (this is another debate...) a bold prioritization exercise is required to effectively guide public and private investment because we all know that economic emergencies in both the public and private sectors They often lead to reducing what is easier and not necessarily what is most appropriate and/or profitable.

Given the degree of maturity and progress of the Basque technological system, we think that the orientation and public funds should be aimed at gaining critical mass, which means betting on a certain level of specialization and excellence, directing capacities and focusing efforts and resources. in the fields of <u>intelligent specialization</u> of the Basque Country. Likewise, the "critical mass" and "specialization" strategies must necessarily go hand in hand with significant investments in order to achieve an effective position for the Basque technological system in the international market as the only way to achieve a market size appropriate to its size, which in the Currently, it clearly escapes the Basque borders. *"Internationalization" and "critical mass"* are thus two sides of the same coin: specializing to provide differential value and internationalizing to make investments profitable.

You can see the photo that accompanies the article <u>here</u>

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