

ALAITZ LANDALUZE | GENERAL COORDINATOR OF INNOVATION POLICIES AT THE BASQUE INNOVATION AGENCY (INNOBASQUE)

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Alaitz Landaluze is a telecommunications engineer and has developed her professional career both in private companies and in the public environment. She is currently the General Coordinator of Innovation Policies at the Basque Innovation Agency, Innobasque, a unit from which Innobasque supports the Lehendakaritza and different departments of the Basque Government in the design and development of R&D and innovation strategies, programs and projects. . Among others, his area manages the technical secretariat of the Euskadi 2030 Science, Technology and Innovation Plan, supports the Department of Economic Development, Sustainability and Environment in the evaluation of Technology Centers, as well as the Department of Education in the management of the Euskadi STEAM Strategy.

Egun on Alaitz, eskerrik asko NAIDERen gonbidapena onartzeagaitik. First of all, I would like to acknowledge Innobasque for the role you play as promoters of innovation processes in the Basque Country for so many years. Surely, at times you will have the feeling of going a little ahead of the reality of companies and of society as a whole. What do you consider to be the main challenges for society and the current business fabric in terms of innovation? Do you think the Basque Country is up to the moment?

The main challenge is to incorporate traditional small and medium-sized companies into the dynamics of innovation, avoiding a two-speed economy. Digitization and sustainability that European policy is promoting are key to this.

Increasing the technological level of our industry, by increasing investment in R&D to average levels in the EU is another challenge. We are observing that after the pandemic, many companies are making strategic bets based on significant investments in R&D and innovation, largely motivated by transformation processes in strategic sectors for our economy, such as the automotive industry. This has been reflected in the excellent data on investment in R&D for 2021 recently provided by Eustat. I believe that this is the path that we must follow to reach investment levels that place us in the European average.

And the third challenge is to attract youth to the STEM professions (Science, Technology, Engineering and Mathematics), key to the present and future development of our economy. The drop in the birth rate, added to a decrease in the attractiveness of these studies, puts certain sectors at risk in the medium-long term.

In the Innovation Perception Report that you publish periodically from Innobasque, the experts consulted (a reference panel of more than 250 people belonging to the different entities that make up the Basque innovation system) seem to agree, practically unanimously, that the effort in innovation activities will continue to increase in the immediate future. Is innovation not affected by the uncertainty of the current geo-political situation in Europe or the impacts on inflation or the cost of raw materials?

First of all, it must be taken into account that the study was carried out at the end of 2021, before the outbreak of the war in Ukraine.

According to what we have observed over the years, innovation activity (measured by the % of innovative companies) generally decreases in times of crisis. This does not mean that there are no companies that innovate, but that there are more that do not, mainly because they are focused on day-to-day activities. For this reason, it is essential that public administrations promote innovation, especially in times of crisis, trying to support small companies in the development of medium and

long-term projects.

In the same sense, Eustat recently published very favorable provisional results in terms of R&D effort in our country. Specifically, spending on Scientific Research and Technological Development (R&D) activities increased by 10.4% in the C.A. of the Basque Country in 2021 and the total R&D staff in full-time equivalence increased by 6.7%. It is true that the effects on R&D spending in all countries occur with a certain lag with respect to the economic cycle. Taking into account the economic situation in which we find ourselves, is this growing trend acceptable for the coming years or do you understand in Innobasque that the R&D effort will also eventually be reduced?

As I said, we are observing that the leading companies are making strategic bets based on important investments in R&D and innovation, motivated in large part by important changes in strategic sectors for our economy. These strategic movements coincide with an increase in public investment mainly through Next Generation funds. Therefore, everything points to the fact that the evolution will be highly influenced by the flow of these funds towards R+D+i in the sectors linked to our economy.

Another positive indicator is relative effort. In relation to GDP, spending on internal R&D in the Basque Country has gone from 2.08% in 2020 to 2.13% in 2021. Undoubtedly, a growing behavior for several years now that allows us to glimpse a clear convergence with the European average (2.23% for the EU-27 in 2019). Is the European average the reference and main objective or should we be more ambitious and bet on converging with the most industrialized and technological regions of the EU? What mechanisms are being put in place in any case to advance this convergence?

In general terms, R&D activity is usually linked to high technology sectors and driven by multinationals, which are generally located in the main cities, especially in state capitals. Although the Basque Country is an industrial region where high and medium-high technology sectors predominate, it has a smaller presence of multinationals, so aspiring to achieve the European average in R&D investment seems ambitious enough.

You have a long history working on innovation and the design, implementation and evaluation of policies for its promotion. What are the main changes that have been observed when making innovation policies? Is it difficult to innovate in innovation policies?

I would highlight two changes: the first is the vision that innovation goes beyond the industry and requires the generation of ecosystems where a diversity of agents and socio-economic sectors interact. In the case of the Basque Country, this change materialized when the R+D+i policy began to be coordinated by the Lehendakaritza.

The second change is that innovation policy has to be linked to certain key policies for it to be truly transformative policy. I am referring especially to social policies such as Health, Education or Housing. This linkage has two objectives: on the one hand, to guarantee excellence and focus on future needs, and on the other, to develop the related economic sectors. In Euskadi, this evolution has been developing through the deployment of the RIS3, which has made it possible to associate innovation policy more solidly with policies such as health, housing, or culture.

From Innobasque you have a key role as technical secretary of the Science, Technology and

Innovation Plan (PCTI) of Euskadi that is promoted from Lehendakaritza. The PCTI 2030 has recently been published, which will be the reference framework for innovation in the Basque Country for the coming years. What are the main lines of work around innovation in the coming years in the Basque Country? What lessons have been learned from the previous Plan and how have they been translated into the current one? Has the direction of the PCTI been reoriented after recent events such as COVID19 or the conflict in Ukraine?

As a result of the previous PCTI, the deployment of the RIS3 strategy was achieved and the efficiency of the system was also substantially improved, especially with regard to scientific publications and exports and sales linked to high- and medium-income sectors. high technology. The new PCTI, approved in 2021, is closely linked to European innovation policy and is a continuation of the previous one. Specifically, it focuses, in summary, on the integration of social challenges in the strategy, the promotion of innovation in SMEs and the strengthening of the presence of Basque R&D in Europe.

These types of plans are long-term and are generally linked to political changes, so a review is not currently planned until 2024, despite the recent events you mention.

The PCTI 2030 is committed to promoting science, technology and innovation to speed up the transition towards a digital, green and inclusive Basque Country. Are these the main aspects that will guide innovation processes in the coming years?

No doubt. In addition, the events of recent years only corroborate it. If the pandemic accelerated the processes of digital transformation at a business and social level, the war in Ukraine is doing the same with the transition towards a greener society.

You also participate in the consolidation of the governance model of the Basque Science, Technology and Innovation System (SVCTI). Do you consider it necessary to have a robust governance system that serves as a gear to carry out innovation processes? How do you see the Basque Country in this aspect? Is it planned to continue deepening inter-institutional collaboration and coordination based on a shared commitment to innovation?

Indeed, a robust governance model is essential to guarantee the success of the plan, especially considering our institutional complexity. In fact, this is one of the main keys to this new plan. It must be taken into account that policies are increasingly interdependent with each other and therefore require solid governance models to coordinate their implementation.

Talent is considered the central core of innovation and this is also reflected in the PCTI itself and the innovation spending items. How do you, from the Basque Agency for Innovation, face the growing needs of society regarding scientific-technological capacities? What are the main lines of work for the promotion of scientific, technological and business talent?

This is a line that we at Innobasque have been working on since our origins and that in recent years has been strongly incorporated into the agenda, with a special focus on girls. The drop in the birth rate, added to less involvement in what we call STEM careers and a growing presence of technology in the industry is beginning to generate some tension in the Human Resources departments of important companies. Our work in this sense is linked to the STEAM Euskadi strategy led by the Department of Education. There are many actions and many entities that have already been working in this line in the Basque Country and our work, first of all, is to identify, recognize and, as

far as possible, promote those that have the greatest impact. For this, we have been collaborating in the management of the STEAM Sariak for more than two years. We are trying to make an effort to show many of the professions behind these companies that in many cases are unknown to both young people and their families. At the same time, we try to help teachers to generate more real learning contexts, helping to show the usefulness of many concepts associated with STEM subjects to make them more understandable and attractive. All this work requires a high level of collaboration between the educational sector, companies, universities, etc. that we are developing through the STEAM Sare network. In addition, we are very present in the main European forums trying to learn and bring the best practices.

Unlike other economic situations, it seems that this time Europe is betting on promoting innovation at all levels and a strong economic deployment is expected, among other aspects, in aid programs to promote innovation (eg Horizon Europe) . What aspects are important for a territory to be well positioned when it comes to accessing European funds for innovation? How has Basque administrations and companies dealt with this process? Are the fruits beginning to be seen?

The Basque Country has a long track record in this line and thanks to this it has been among the top 10 regions in participation in the latest Framework Programme. It is a very long-term job where large companies, technology centers and universities play a key driving role. Elements such as the Basque R+D+i Strategy in Europe, the Observatory of associated projects that we manage from Innobasque, as well as the support services that different institutions offer are also important.

The networking we do is also essential to guarantee our strategic positioning in Europe. Thanks to this, the Basque presence is coordinated in the main forums where the work programs linked to the different lines of the Framework Program are defined.

Innovating is not just a matter of a few gifted students. What aspects do you consider essential to extend the efforts made to promote innovation (financing, training programs, etc.) to the whole of the society? Is the public aware of and does it feel part of the innovative process?

Innovation is developed through ecosystems and, therefore, its promotion requires work in multiple lines. Political commitment, business culture and ambition, the level of internationalization of the region or the educational level are some of them. In my opinion, success lies in involving society in this ecosystem and making it the protagonist, instead of understanding its role in the background.

Eskerrik asko, Alaitz. It was a pleasure talking to you and helping us understand your work a little better and encouraging us to continue doing our bit in the process of permanent innovation in our environment, our companies and our territories.

