



Presentation

A Catalan way to overcome the crisis

JOSEP HUGUET | BIOSCA

Overcoming the crisis as soon and as best as possible. This could be the proposal for a common goal to join efforts and commitment. A proposal out of which a true collective consensus shall be created to encourage a Catalan way to overcome the crisis.

To achieve this ambitious goal, some risks should be overcome and some opportunities seized. Without aiming at being exhaustive, I will mention some of them:

Six risks to overcome in times of crisis

- ▶ Not getting our hands at anything because we have enough troubles to get by in our daily routine: if things were going well, why change them now? Now everything is too complicated and we do not want to make things more difficult to those who are not having an easy life anyway. This temptation is especially relevant with public authorities, but it can also affect companies. It is the danger that the urgent does not allow to tackle the important.
- ▶ Caring only about macroeconomics (finance, big corporations) and leaving aside microeconomic and transversal policies (innovation, entrepreneurship, industrial promotion, etc.). Adopting a passive attitude waiting for the storm to settle as we are having bad times and we cannot do much out of our small size and scarce resources. In addition to that, rejecting specific policies that are not so eye-catching and yield less immediate results but are enormously important to be in a good position to leave the crisis behind.
- ▶ Being self-indulgent and say «everything's OK» and «things will soon be as they used to be», or falling into excessive pessimism like «everything is a disaster and

there's nothing to do about it». That is, try and conceal from the population and companies the severity of the situation and the need to change immediate conducts and medium and long-term expectations. Or feeding paralysing and destructive despair stirring irrational fears –against migration or free trade– and amplifying unnecessarily the general impact of the crisis on decisions regarding current expenditure and investment.

- ▶ Try and save everything –companies, industries, investment, social benefits– at any price, without thinking of the consequences of knee-jerk, unthought and inefficient efforts and expenditure for those coming after. Or proclaiming that everyone look after themselves, those having a hard time give up without expecting any kind of support and social and economic Darwinism rule our society and economy.
- ▶ Going from insufficient, badly implemented regulation characterising the economy in branches like finance in recent years to regulation becoming inefficient bureaucracy and indiscriminate interference.
- ▶ Exaggeratingly distorting logical difference typical of a plural society in political, social or sectorial matters. Or, what is the same, getting rid of any collective interest or project with the sole aim of obtaining immediate, short-lived advantage. Its consequence would be dispersion of power and prevention from tackling indispensable cooperation between public authorities, companies and civil society needed when the size and power of all are more limited than ever.

Opportunities to seize

- ▶ Reconsidering some practices that were very common in recent years: from excessive leveraging of companies and families to the search of easy, immediate

**Overcoming the crisis as soon and as best as possible.
This could be the proposal for a common goal to join
efforts and commitment. A proposal out of which a true
collective consensus shall be created to encourage a
Catalan way to overcome the crisis.**

income and benefit. From abandonment of savings and productive investment to the proliferation of absenteeism and lack of continuity in education beyond the compulsory age.

- ▶ Reorienting some widespread traditions in our collective culture. This includes, for instance, overcoming extremely individualistic and even Cainitic practices. Or the trend of always keeping small-scale projects under direct control before integrating them into bigger ones. All this leads, among other things, to the need of strengthening cooperation between small and medium-sized companies, both local and foreign, as well as between them and university and other research centres.
- ▶ Materialising the efforts of companies having invested in productive activities without overstressing and being now in a position to take advantage of lower interest rates and considerably reduced financial costs, availability of skilled labour to work and willing to do so, reduced absenteeism and increased productivity as well as reduced rents and property prices in general. All this can allow them to benefit from weakening or disappearing competitors to enter or consolidate new markets and business positions.
- ▶ Taking advantage of unavoidable internal reorientation all companies need to do to become more competitive by overhauling production and management methods, concentrating on tasks generating more added value, rationalising processes and containing costs, forging or redefining partnerships, searching new markets, etc.
- ▶ Consolidating the good things done by our economy and many of our companies in recent years and opening up new ways. Although we did not grow as much as others in times of expansion –who were much more based on property, financial engineering

and **leveraging**– we have more solid foundations (export, internationalisation) and still some room for further improvement based on research and innovation.

- ▶ Deepen into recently initiated reforms of public and collective services –education and universities, health and social services, public administration and justice– turning them increasingly towards real and changing needs of users and the whole of economy and society. This deepening requires overcoming long-standing inertia and corporative interests and allowing private companies and the third sector to enter progressively into rendering many of these services, following successful experiences like in the health area.
- ▶ Improving interaction between public authorities and companies as well as overall governance in the economy. New regulations do not necessarily mean more interference with the private sector but more collaboration based on trust, commitment and modulation of collective behaviour as far as necessary.

If we are able to make progress along these lines, Catalonia, its economy and its companies will overcome this recession soon and successfully.



**JOSEP HUGUET
I BIOSCA**

Minister of
Innovation,
Universities
and Enterprise