



The Basque experience:
Constructing Sustainable
Human Development

Being Basque ...



AGIRRE LEHENDAKARIA CENTER
for Social and Political Studies

RENO, April 3, 2019
agirrecenter.eus

Diagnosis?



**"No sabemos lo que
nos pasa,
y eso es precisamente lo
que nos pasa"**

(José Ortega y Gasset)

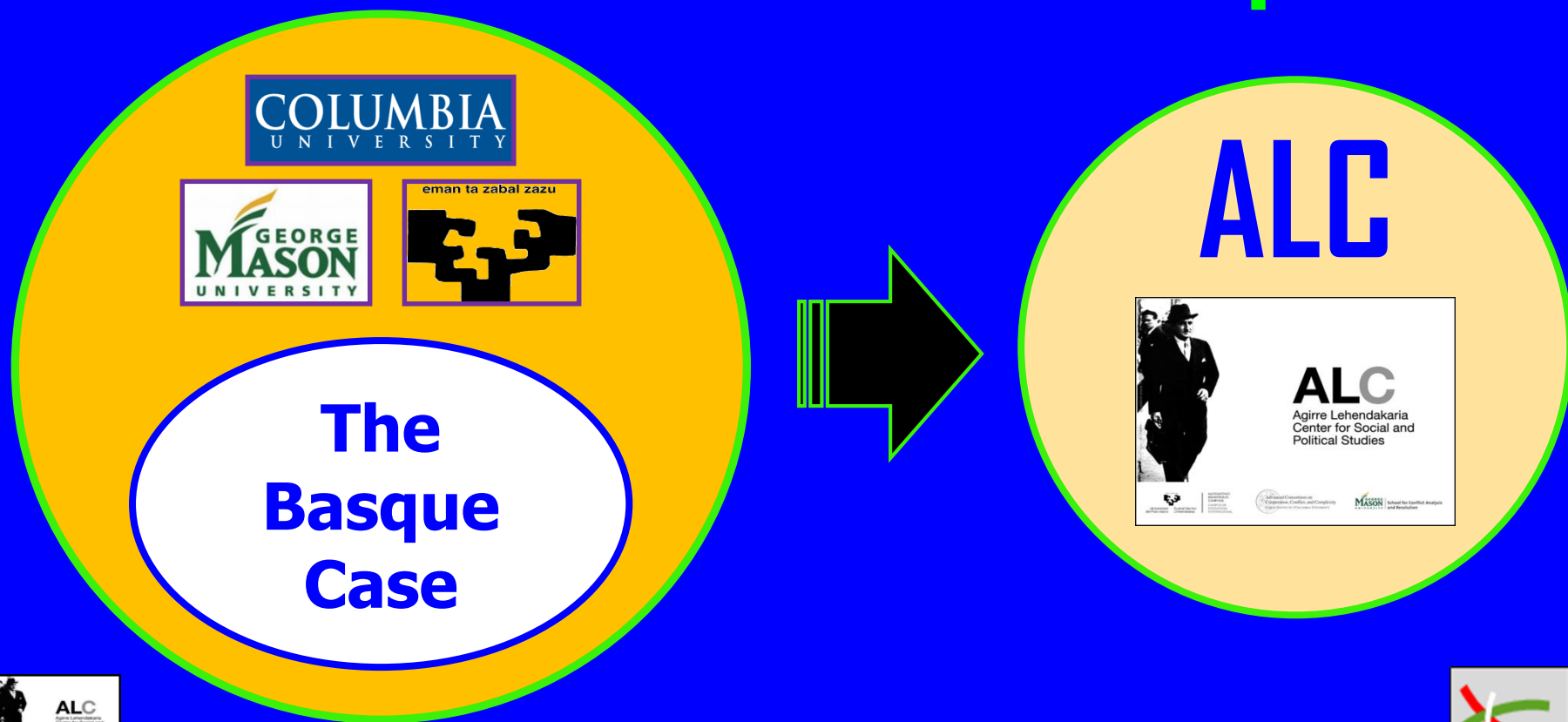


Is another world possible?

The dilemma is very clear, radically so; to continue constructing from a position of power, handing over more and more areas to the market, or to find a clear response in order to guarantee the rights of individuals and peoples



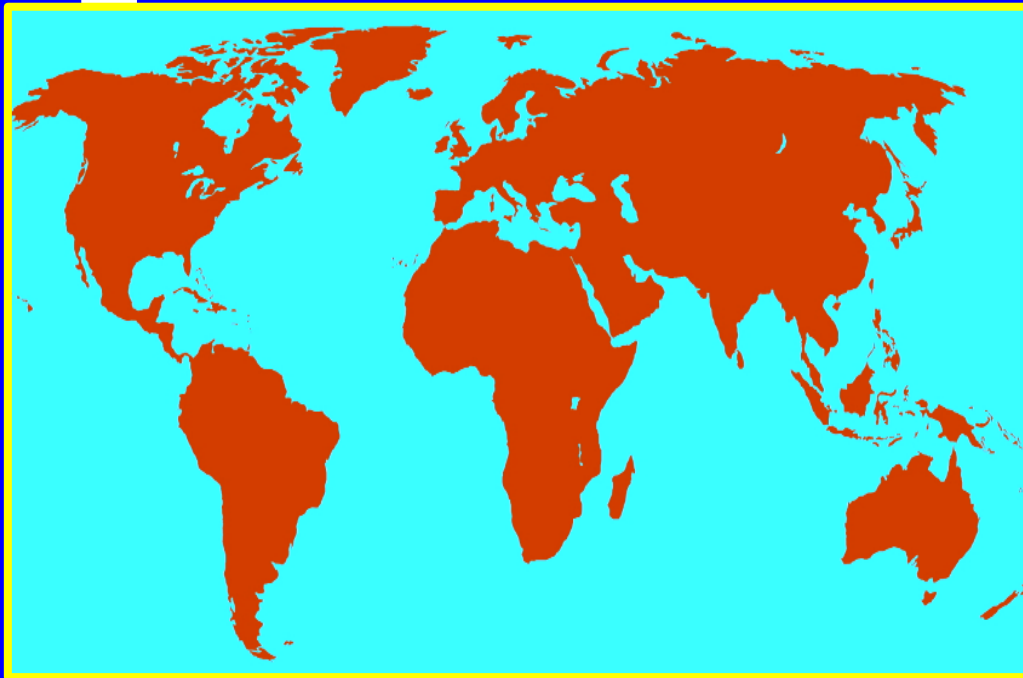
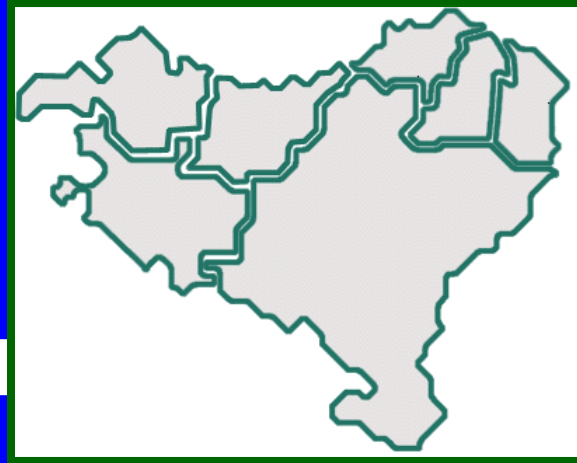
ALC: focused on the international projection of the **Basque People** and their efforts towards **Sustainable Human Development**



Look at the world to see the Basque Country...



From the Basque Country...

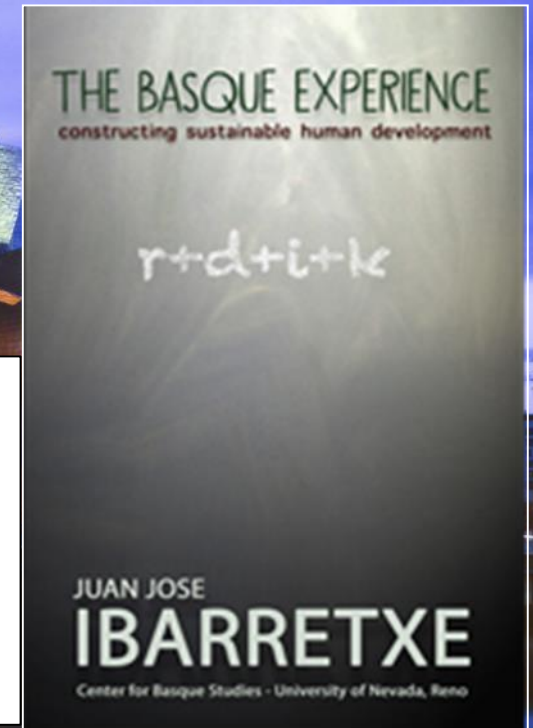


... see the **world**





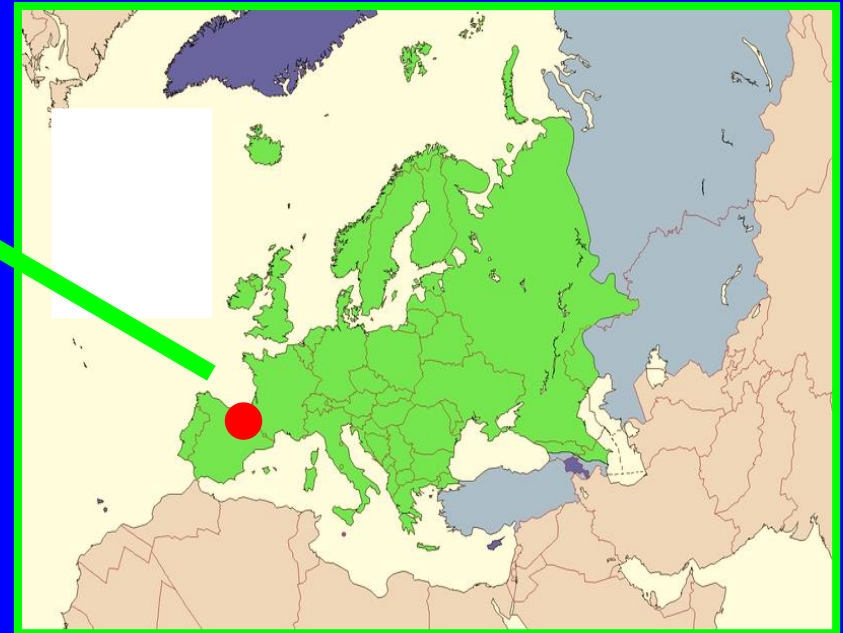
I + D + i + K



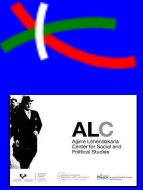
Global Society... **Erantzun Lokala**

What have we learnt?

The **Basque Country...** at the heart of Europe



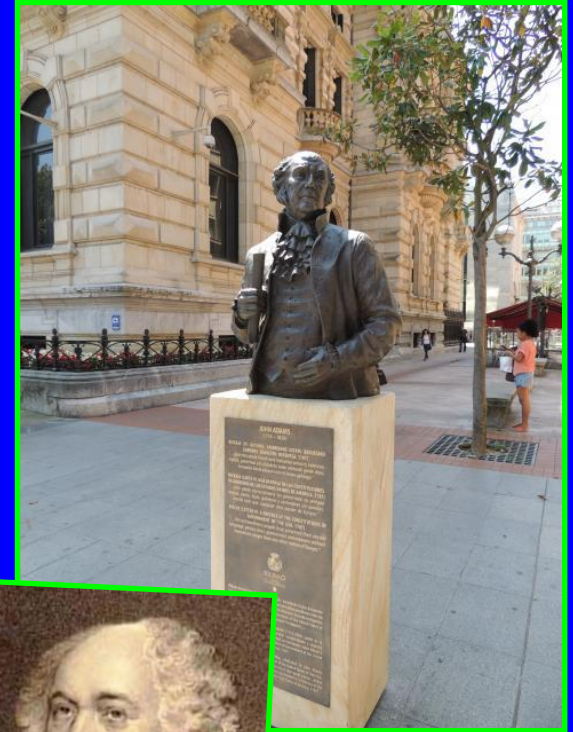
The **Basque Country**: an age-old people...



*"This extraordinary people
have preserved their
ancient language, genius,
laws, government and
manners, longer than any
other nation of Europe"*

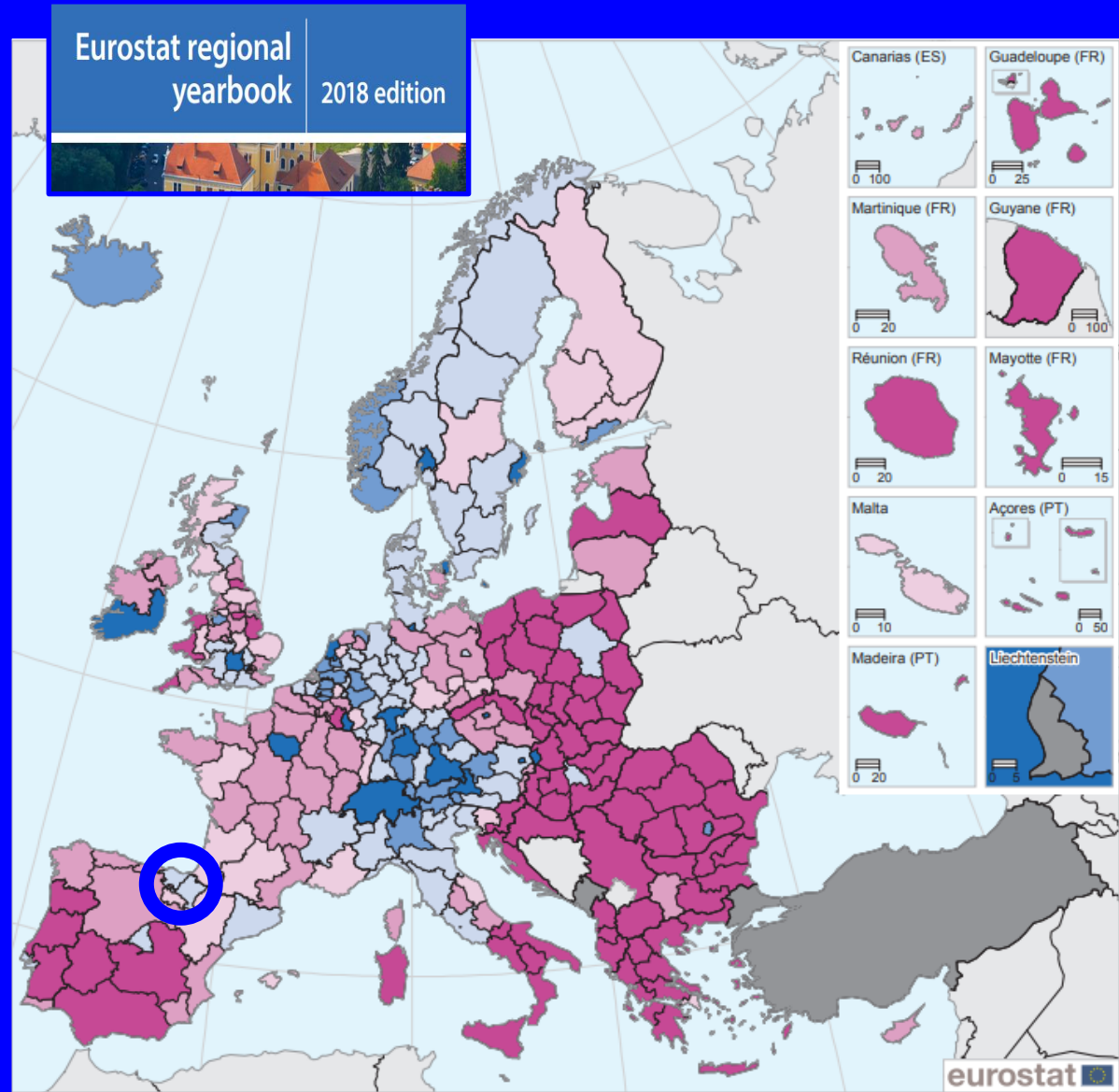
John Adams (1786)

2nd President of the United States of America



...at the forefront of Europe (Economy-GDP)

Regional Yearbook 2018



Self-Government & Wellness

1980 - 2002



AGIRRE LEHENDAKARIA CENTER
for Social and Political Studies

The “**Basque case**”: a comprehensive model of Social, Political and Economic transformation from autonomy to entry into the European Union

	1980	1986
1. GDP per capita	11.030	6.132
2. Income convergence UE=100	89%	90%
3. Work market		
- Active population	803.100	805.000
- Employment	702.400	607.200
- Unemployment		
. Number of people	100.700	197.800
. Rate (%)	12,54	24,57
4. R&D AS A % OF GDP	0,07	0,5
5. Quality certifications	-	468 (1996)
6. Internet Access (%)	-	2,5 (1997)

Source: *Razones económicas de un nuevo marco institucional 2004*, Basque Government, and own processing

GPD per capita

PIB per cápita (PPC) por país y año (EU 28=100)

1999*			2008			2017		
1	Luxemburg	237,3	1	Luxemburg	262	1	Luxemburg	253
2	Austria	131,2	2	Netherlands	139	2	Ireland	184
3	Netherlands	130,8	3	Ireland	134	3	Netherlands	128
4	Denmark	130,8	4	Basque A.C.	130	4	Austria	128
5	Ireland	125,9	5	Sweden	127	5	Denmark	125
6	Sweden	125,3	6	Denmark	125	6	Germany	123
7	Belgium	123,0	7	Austria	125	7	Sweden	122
8	Germany	122,1	8	Finland	121	8	Basque A.C.	121
9	Basque A. C.	118,2	9	Germany	117	9	Belgium	117
10	United Kingdom	117,8	10	Belgium	115	10	Finland	109
	
14	Spain	96,3	15	Spain	101	15	Spain	92

Source: EUROSTAT (August 2, 2018), EUSTAT (February 20, 2019), and own elaboration.

*1999, Directorate of Economy and Planning, Department of Direction and Public Administration of the Basque Government.

Comparative indicators of poverty, precariousness and inequality in EU countries 28(%). 2015-2016

GINI

UE 28	31,0
Luxemburgo	28,5
Francia	29,2
Austria	27,2
Finlandia	25,2
Bélgica	26,2
Suecia	25,2
Dinamarca	27,4
Países Bajos	26,7
Alemania	30,1
Reino Unido	32,4
Eslovenia	24,5
R Checa	25,0
Chipre	33,6
Irlanda	30,8
Hungría	28,2
Eslovaquia	23,7
Polonia	30,6
Italia	32,4
Portugal	34,0
España	34,6
Grecia	34,2
C.A. Euskadi	25,8

La ordenación de los países se basa en la menor o mayor incidencia de la pobreza grave respecto a la CAE.

Las tasas de pobreza y precariedad basadas en los umbrales del territorio base de comparación corresponden a la aplicación de esos umbrales a la CAE, ajustados en términos de paridades de poder de compra

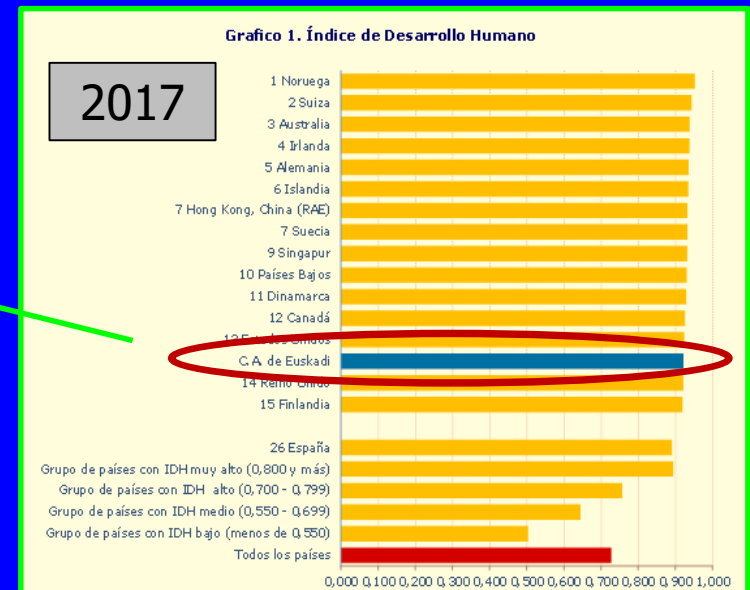
Los datos europeos se refieren a 2015, salvo algunas cifras de Irlanda relativas a 2014, y los de la C.A. de Euskadi a 2016. La ordenación de los países se basa en la menor o mayor incidencia de la pobreza grave respecto a la CAE.

Índice S80 / S20

UE 28	5,2
Luxemburgo	4,3
Francia	4,3
Austria	4,0
Finlandia	3,6
Bélgica	3,8
Suecia	3,8
Dinamarca	4,1
Países Bajos	3,8
Alemania	4,8
Reino Unido	5,2
Eslovenia	3,6
R Checa	3,5
Chipre	5,2
Irlanda	4,8
Hungría	4,3
Eslovaquia	3,5
Polonia	4,9
Italia	5,8
Portugal	6,0
España	6,9
Grecia	6,5
C.A. Euskadi	3,9

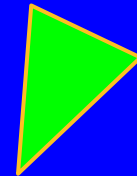
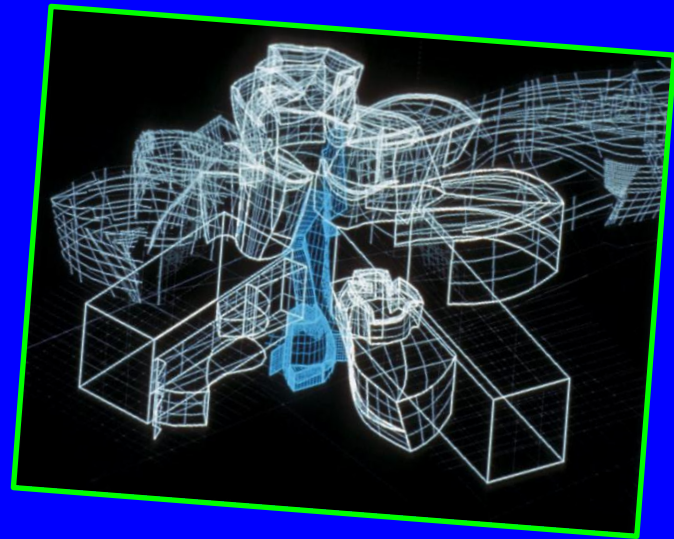
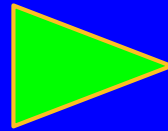
Human Development Index in the **Basque Country**, **2010 – 2017**, comparative.

	Índice de Desarrollo Humano (IDH)	Dimensión de Salud		Dimensión de Educación			Dimensión de Nivel de vida	
		Esperanza de vida al nacer en años	Índice de Salud	Años esperados de escolaridad (a)	Años promedio de escolaridad (b)	Índice de Educación	Renta nacional bruta per cápita en PPP en US\$ de 2011 (c)	Índice de Nivel de vida
2010	0,904	82,4	0,959	18,1	10,2	0,841	43.207	0,917
2011	0,905	82,4	0,960	18,2	10,3	0,842	43.351	0,917
2012	0,907	82,7	0,964	18,4	10,4	0,846	42.734	0,915
2013	0,911	83,1	0,971	18,6	10,6	0,854	42.100	0,913
2014	0,915	83,3	0,973	18,8	10,8	0,860	43.261	0,917
2015	0,917	83,0	0,969	18,8	10,9	0,863	44.252	0,920
2016	0,920	83,4	0,975	18,8	11,0	0,865	44.964	0,923
2017	0,922	83,5	0,975	18,8	11,0	0,868	46.248	0,927

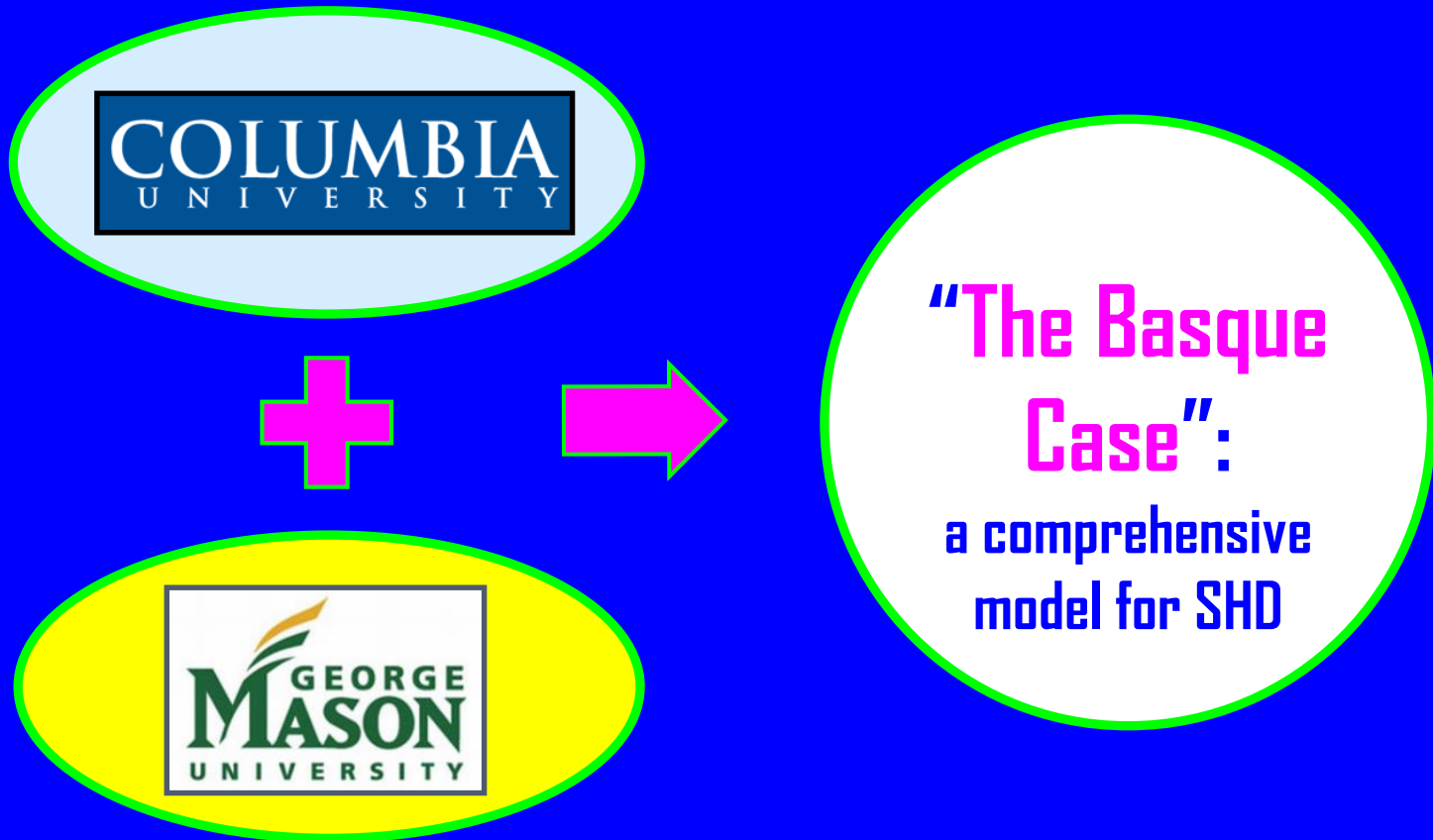


Source: Eustat, Social Indicators,
Press release October 9.2018

A success story: 30 years of radical transformation



Research program: Basque People & Sustainable Human Development



The Basque Case... chosen for study at Harvard Business School



“The **Basque Country** is one of the few regions in Europe that has made significant progress in upgrading its traditional industrial base”



Michael E. Porter,

American academic known for his theories on economics, Princeton University, Harvard Business School (HBS).

Conclusion: **Identity & Innovation;** **roots and winds for SHD...**

The defence of **Basque identity, culture and language** is not solely related to a legitimate political fact such as the claim for an identity in the current globalized world; it is also related directly to the achievement of **Sustainable Human Development**

The Role of Culture in Development...



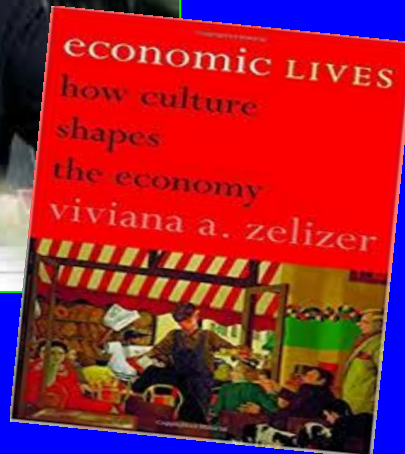
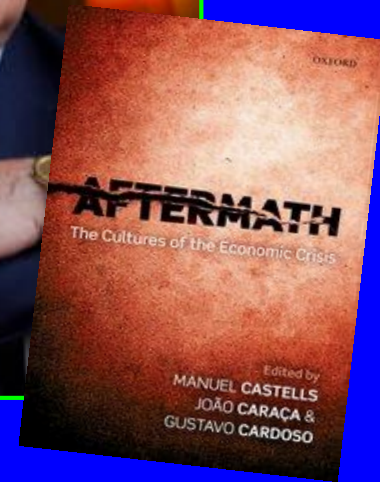
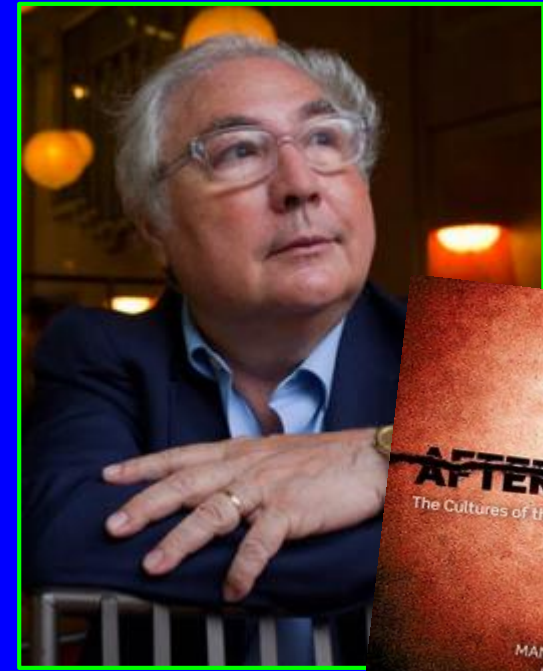
Helen Clark, 2013,

37th Prime Minister of New Zealand 1999-2008,
administrator of the United Nations Development Programme
from 2009 to 2017.

“Culture is a vital aspect of human development. To live lives they value, people must be free to choose their identity, and thus to define who they are”

Manuel Castels,
João Caraca, & Gustavo Cardoso,
"AFTERMATH, The Cultures of the Economic Crisis",
Oxford University Press, 2012

**"All economies
are Culture"**



**"Culture shapes
the Economy"**

Viviana Zelizer
Princeton University 2013



But culture change can't be achieved through top-down mandate. Someone with authority can demand compliance, but they can't dictate optimism, trust, or creativity

For organizations seeking to become more innovative, culture change is often the most challenging part of the transformation

Culture is like the wind

It is invisible, yet its effect can be seen and felt: When it is blowing in your direction, it makes for smooth sailing. When it is blowing against you, everything is more difficult



Practical policy lessons?

Vision & Necessity



Franklyn D. Roosevelt,
(1882 – 1945)

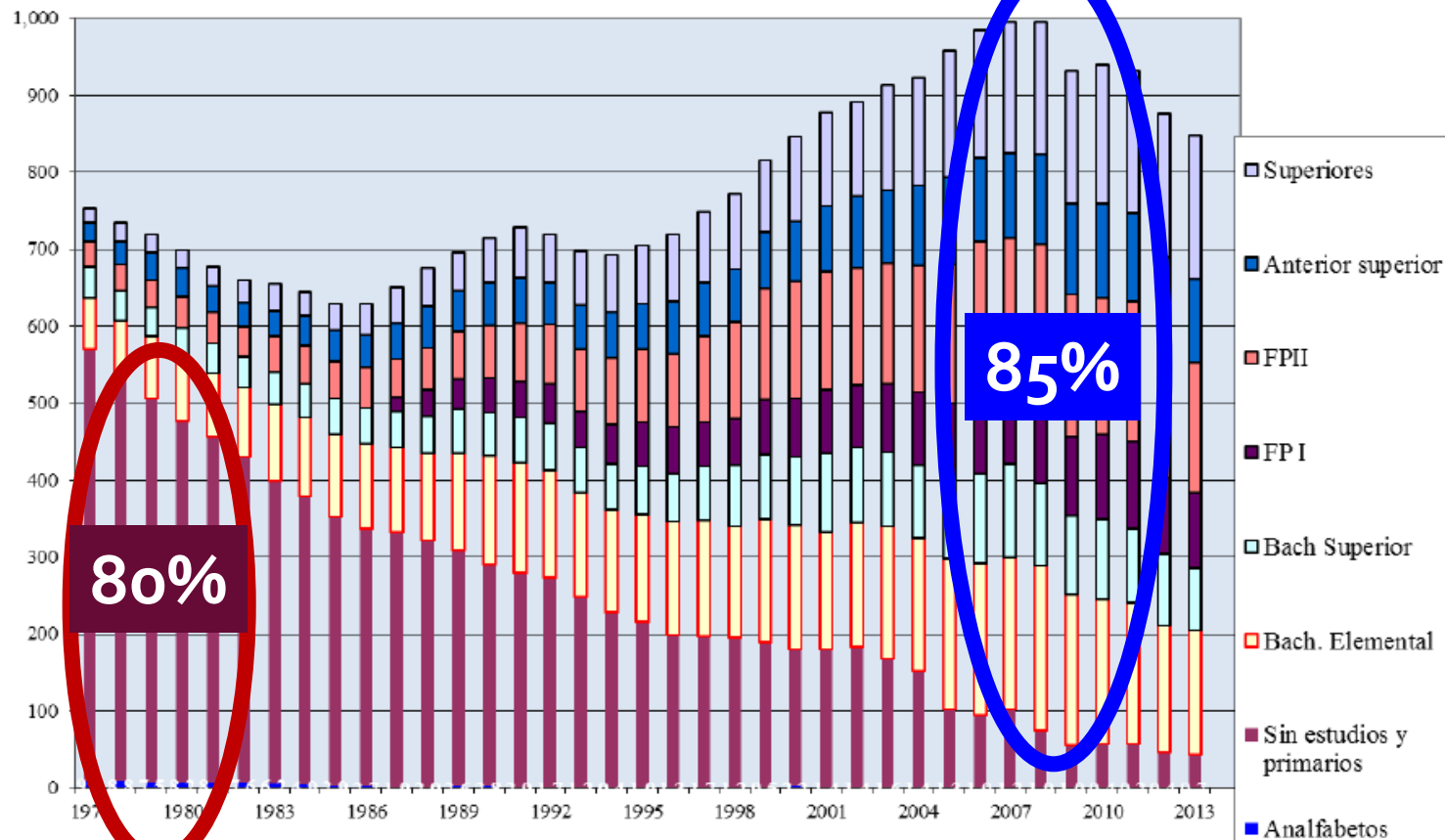
32nd President of the United States 1933-1945.

**“Without vision
people perish”**

The Basque Experience:
all together...
or not at all

Qualifications of the workforce: boost human capital

Gráfico nº 22 FORMACION DE LOS OCUPADOS EN LA ECONOMIA VASCA 1977-2013



Fuente: Fundación Bancaja e Ivie (Instituto Valenciano de Investigaciones Económicas). Capital Humano en España y su distribución provincial. Enero de 2014. Base de datos disponible en Internet: <http://www.ivie.es/es/banca/caphum/series.php>

Time and Continuity: three phases



1st phase:

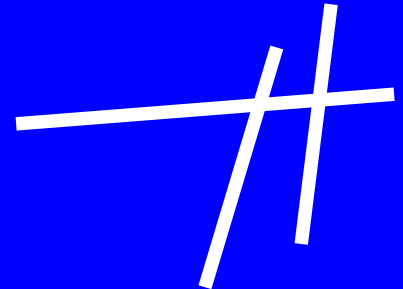
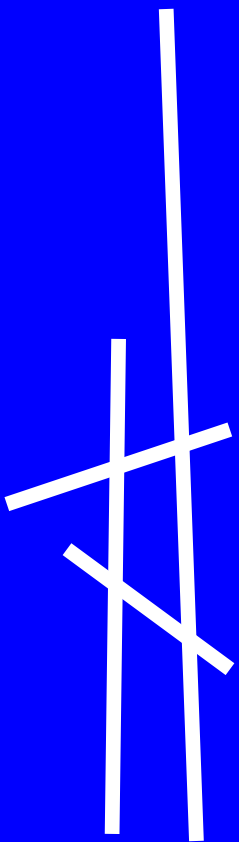
1980s "Learn to compete"

2nd phase:

1990s "Learn to compete and cooperate"

3rd phase:

2000-2010 "Learn to innovate in cooperation"





Six lessons...

1. Sustainable Human Development: three agendas →
Economic & Social & Environmental

ity and Economics: **R & D & i & K**

nt to the Real Economy:
Social and Technical Innovation

4. Peace and Stability:
Resilience in the face of Conflict

5. Economic growth hand in hand with
Competitiveness based on Solidarity

6. Public-Private Shared Leadership & Governance:
Vision of a Country... a bottom up vision

Self-Government



New questions arising?

New Strategy for Competitiveness based on Solidarity 2030



Social protection spending per capita (€)

Welfare state & economic growth

2004			2008			2016		
1	Luxemburg	11.840	1	Luxemburg	12.871	1	Luxemburg	14.469
2	Sweden	8.295	2	Netherlands	9.738	2	Austria	11.065
3	Austria	8.039	3	Sweden	8.964	3	Germany	10.952
4	Netherlands	7.945	4	Austria	8.229	4	Denmark	10.891
5	Denmark	7.905	5	Denmark	8.875	5	Netherlands	10.867
6	France	7.576	6	France	8.502	6	France	10.777
7	Germany	7.455	7	Germany	8.229	7	Sweden	10.260
8	United Kingdom	7.153	8	Belgium	8.037	8	Finland	10.259
9	Belgium	7.148	9	United Kingdom	7.836	9	Belgium	10.046
10	Finland	6.304	10	Finland	7.614	10	Basque A.C.	8.682
EU 28		:	EU 28		6.754	EU 28		8.232
Basque A.C.		5.419	Basque A.C.		6.746	Spain		6.349
Spain		4.476	Spain		5.485	Portugal		5564
Greece		3961	Greece		5515	Greece		5214
Portugal		3835	Portugal		4588			

Source: EUROSTAT (January 24. 2019), EUSTAT (February 14. 2019) and own elaboration

Innovation & Inequality



**Sébastien
Breau**



The analysis reveals that there is a positive relationship between innovation and inequality: cities with higher levels of innovation have more unequal distributions of earnings

Source: Sébastien Breau, Dieter F. Kogler & Kenyon C. Bolton (2014) On the Relationship between Innovation and Wage Inequality: New Evidence from Canadian Cities, *Economic Geography*, 90:4, 351-373

Innovation & Inequality



Neil Lee

Studies of the United States have suggested that the most innovative areas are also the most unequal ... in the European case is less certain (there is little evidence of a link between knowledge-based industries and inequality, with the exception of a positive relationship between employment in knowledge-intensive financial services and inequality)

Ethical disaster: economic, social crisis... **and cultural crisis?**

“... Therefore by the end of the 21st century the 5.000 languages that exist today will be reduced to only 500, one of which will be the **Basque language**”



Merrit Ruhlen

Global challenges & Local answers:

from **“Made in Euskadi”**

to **“Thought in...”,**

and now:

**Made,
Thought
for...**





New methods?

Information & knowledge



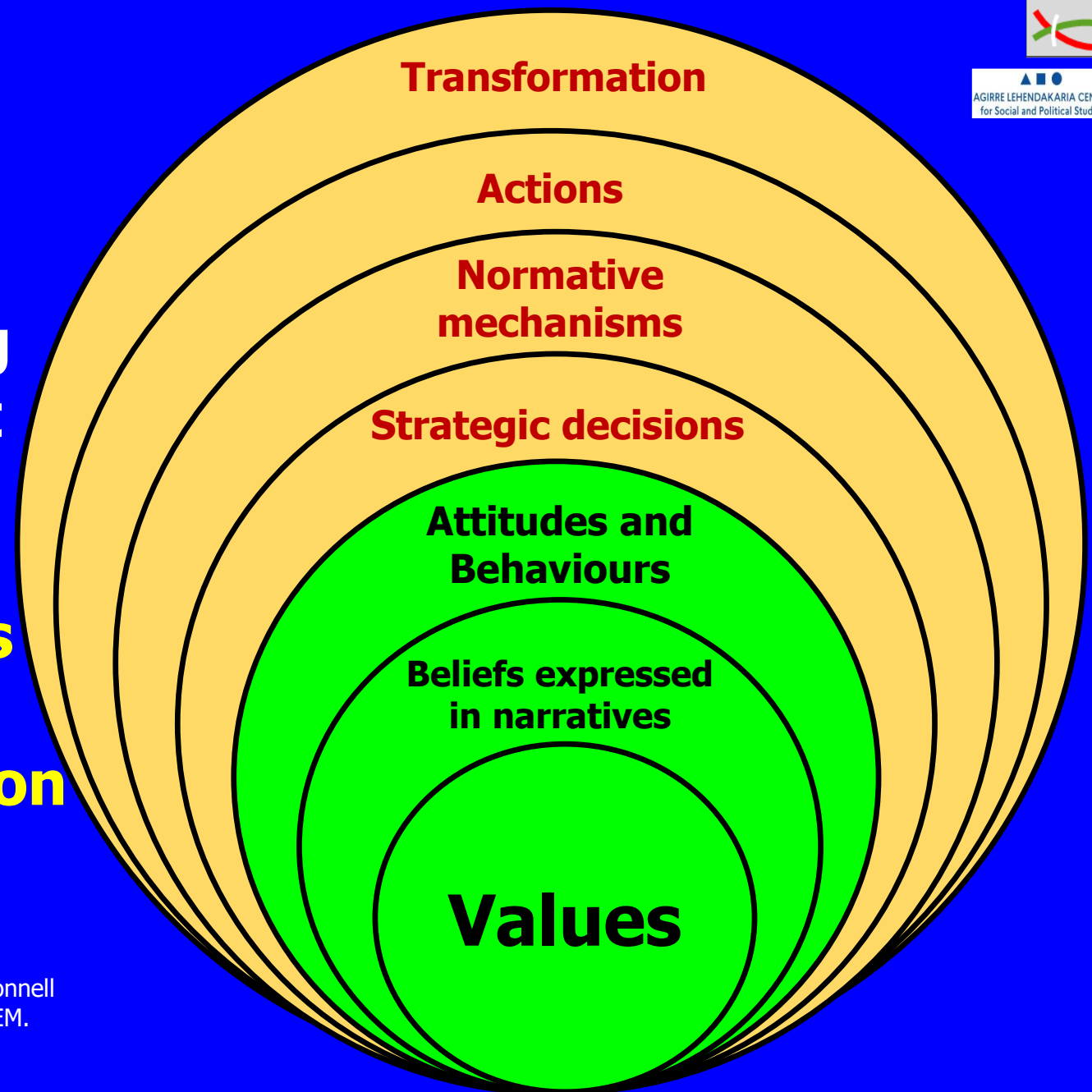
from **Knowing**

to **Understand**





Challenging the current innovation paradigm: from Values to Transformation

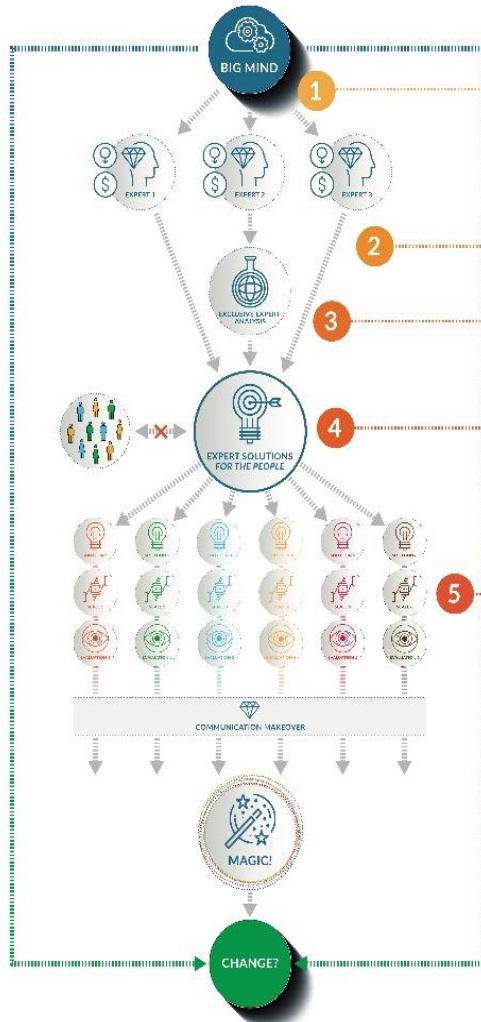


Source: Gorka Espiau. J. W. McConnell
Professor of Practice at CIRM/CRIEM,
McGill University.

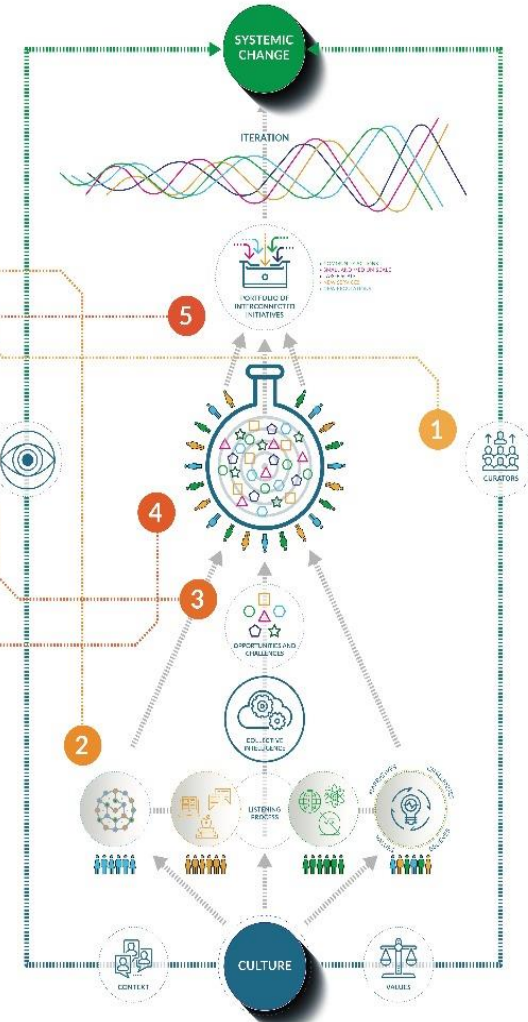
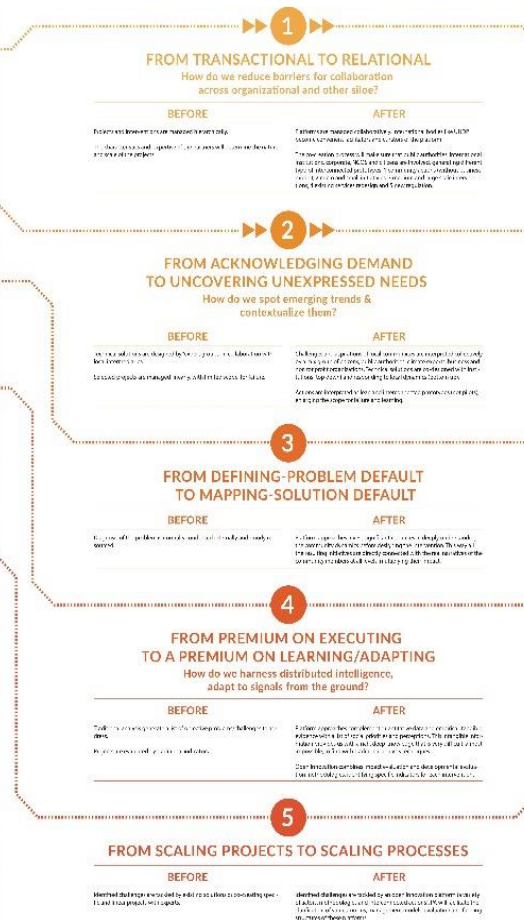
From Traditional to Open Innovation:

ALC/UNDP, NY April 3, 2019

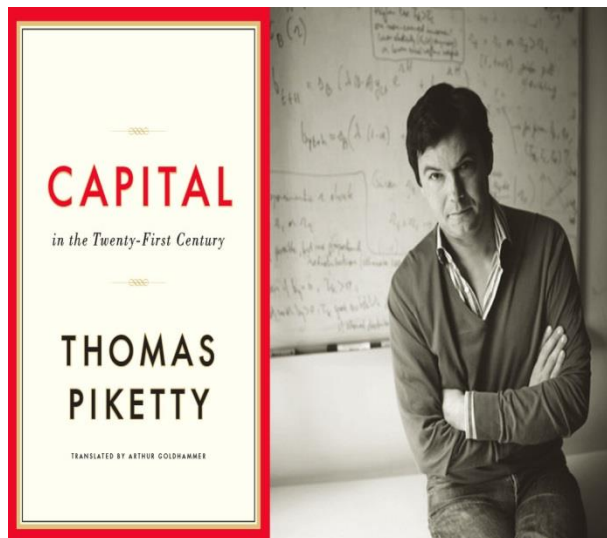
TRADITIONAL INNOVATION APPROACH



OPEN INNOVATION PLATFORM APPROACH



Partners



R & D & i & K



Our own answer...

All together or not at all



ALC

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...ongoing journey

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