

***Example of Basque  
Region: How did a  
region support their  
RTOs to be even  
more competitive?  
The merge of 8 RTOs  
into TECNALIA***

JRC – EARTO Joint Event

15th October 2015



# **BASQUE COUNTRY REGIONAL DEVELOPMENT STRATEGY**

# BASQUE COUNTRY REGIONAL DEVELOPMENT STRATEGY

The Basque Country has developed during the last 30 years a **Model** characterised by the relevant role of the **Industry** and its connected Services; and a strategy of diversification towards Science enabled **new Sectors**.

- A **Model** combining **COMPETITIVENESS** and **SOLIDARITY**
- Promoting an **INCLUSIVE AND SUSTAINABLE HUMAN AND ECONOMIC DEVELOPMENT**
- By means of a **human and economical transformation**



**DECLINING  
INDUSTRIAL REGION**

R+D 0,069%  
25% UNEMPLOYMENT



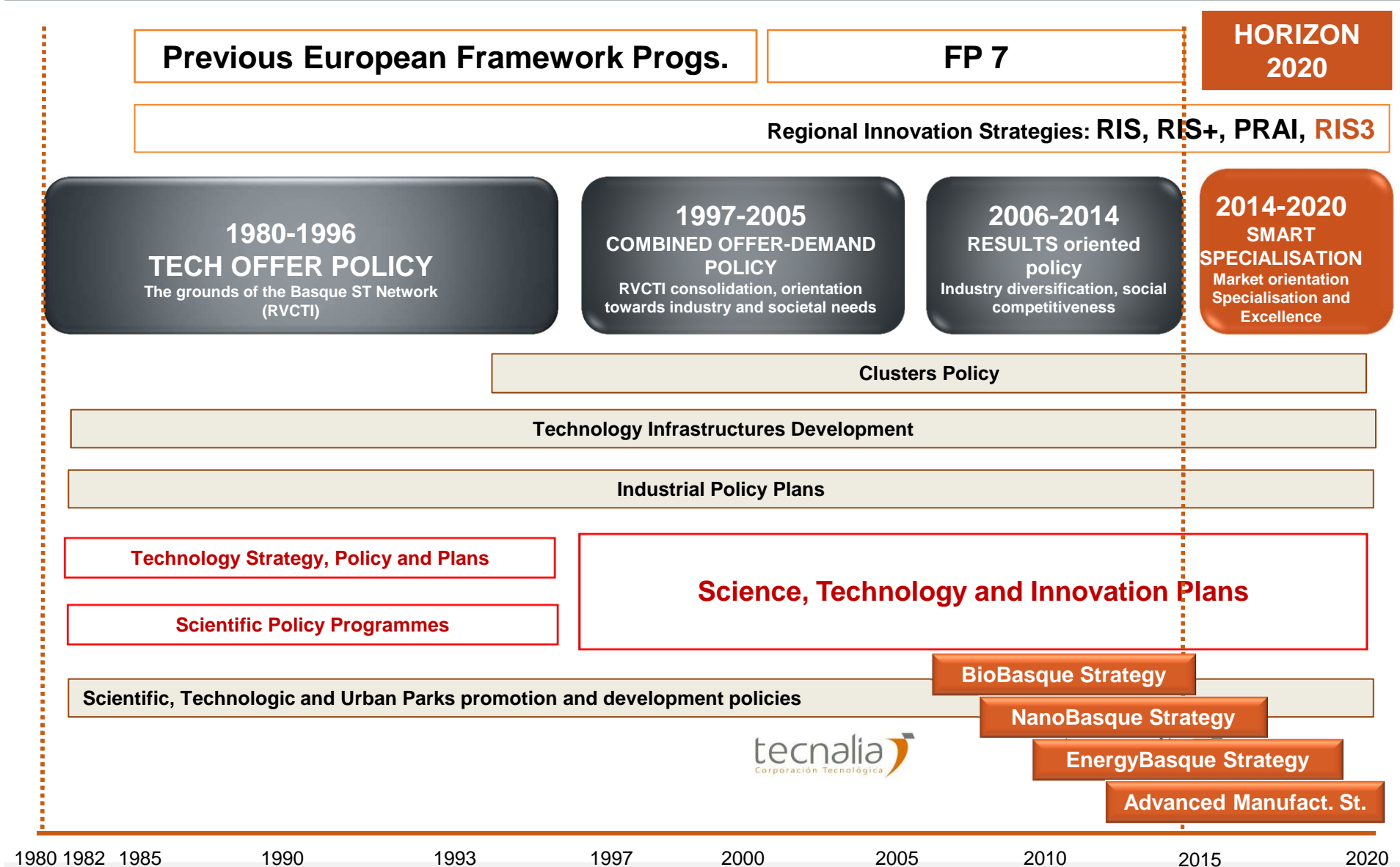
**INDUSTRIAL  
RECONVERSION**



**INDUSTRY REINVENTION +  
DIVERSIFICATION**



# BASQUE COUNTRY REGIONAL DEVELOPMENT STRATEGY



# BASQUE COUNTRY REGIONAL DEVELOPMENT STRATEGY

## Differential elements of BC strategy

Move towards a Knowledge economy

Joint governance system with a result oriented vision

Focused towards the market

Exploiting value of country capabilities

Promoting public private collaboration

## Resulting in

A sound innovation system

R&D&I over GDP: From 0.069 in 1980 to 2.14 in 2014 (reaching the European average)

With respect to Spain: 4,63% of the population, 6.20 of the GDP, but 10,84% of the industrial GDP

Highest level of GDP per capita in Spain, at 122% of the EU average in 2011, equivalent to Germany

According to the Human Development Report: in the 3rd or 4th position worldwide (countries)



# **TECNALIA: FROM A STRATEGIC ALLIANCE TO THE MERGER**

# TECNALIA Research&Innovation: from Alliance to Merger

A successful  
model,  
anticipating  
the future

A process of  
technological  
and  
organizational  
rationalization



## VISION

To position TECNALIA as a  
reference research center in Europe

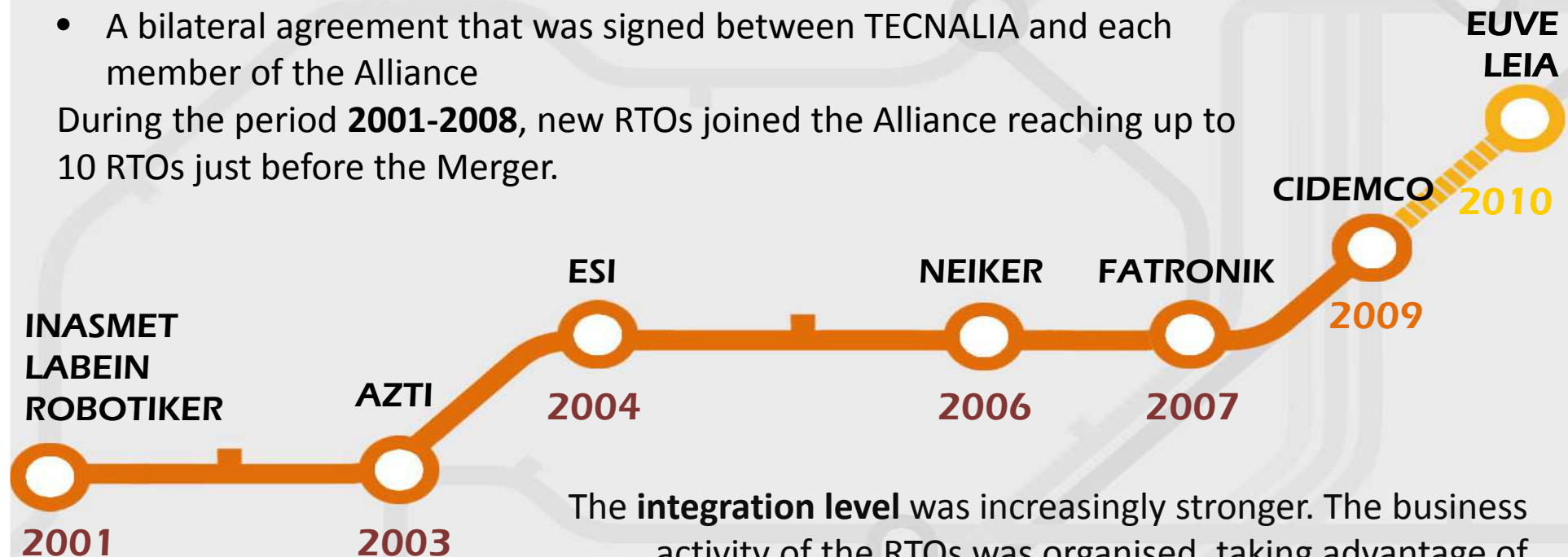
# TECNALIA: FROM A STRATEGIC ALLIANCE TO THE MERGER

## 2001-2008: New members joining the Alliance. Market Orientation. Integration level

The **Strategic Alliance** started with 3 members in **2001**. They established:

- Basic principles and rules
- A new legal entity (TECNALIA Foundation) that served as an “umbrella organization”, with a reduced staff (4 people)
- A bilateral agreement that was signed between TECNALIA and each member of the Alliance

During the period **2001-2008**, new RTOs joined the Alliance reaching up to 10 RTOs just before the Merger.



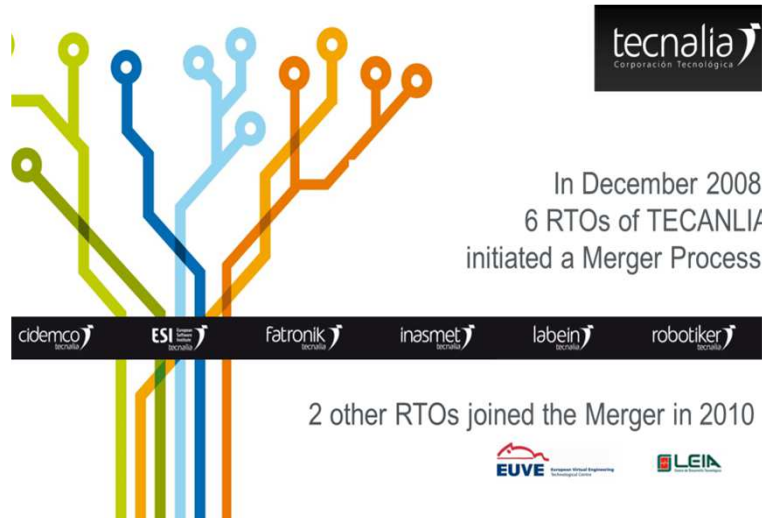
The **integration level** was increasingly stronger. The business activity of the RTOs was organised, taking advantage of synergies and avoiding overlap.

**A successful model ... but with limitations**



# TECNALIA: FROM A STRATEGIC ALLIANCE TO THE MERGER

## Dec 2008: Decision to merge



## June 2009: Merger Protocol



## Aug 2010: Merger agreement signed



## Jan 2011: Merger became a reality



# TECNALIA: FROM A STRATEGIC ALLIANCE TO THE MERGER

## 1st January 2011: Tecnalia Research & Innovation

Main fact in the history of the Spanish Science and Technology System, an agreement looking for adding, organising and rationalising the technology system.



An exercise of generosity, adaptation and long term vision done by both governing bodies and people from TECNALIA

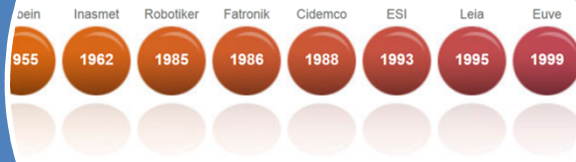


**THESE TWO  
PATHS ARE NOT  
INDEPENDENT...**

# SUPPORT OF THE BASQUE GOVERNMENT TO THE MERGER

**1955-1999**

**Establishment and consolidation of RTOs**



Many of the RTO establishments have been supported by the Basque Government.

**2001-2008**

**Increasing integration of RTOs into TECNALIA**



Basque Government started supporting RTOs Corporations and Alliances

**2009-2010**

**Merger Process**

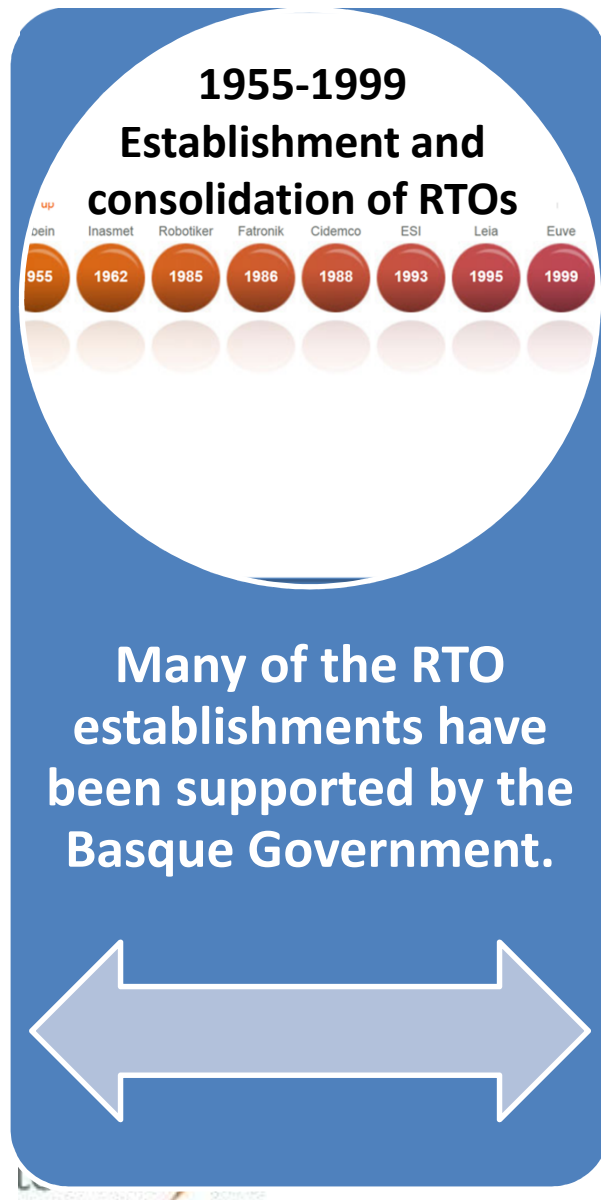


Even if the initiative was taken by RTOs, Basque Government supported the Merger

**SUPPORT THROUGHOUT THE WHOLE PROCESS**



# SUPPORT OF THE BASQUE GOVERNMENT TO THE MERGER



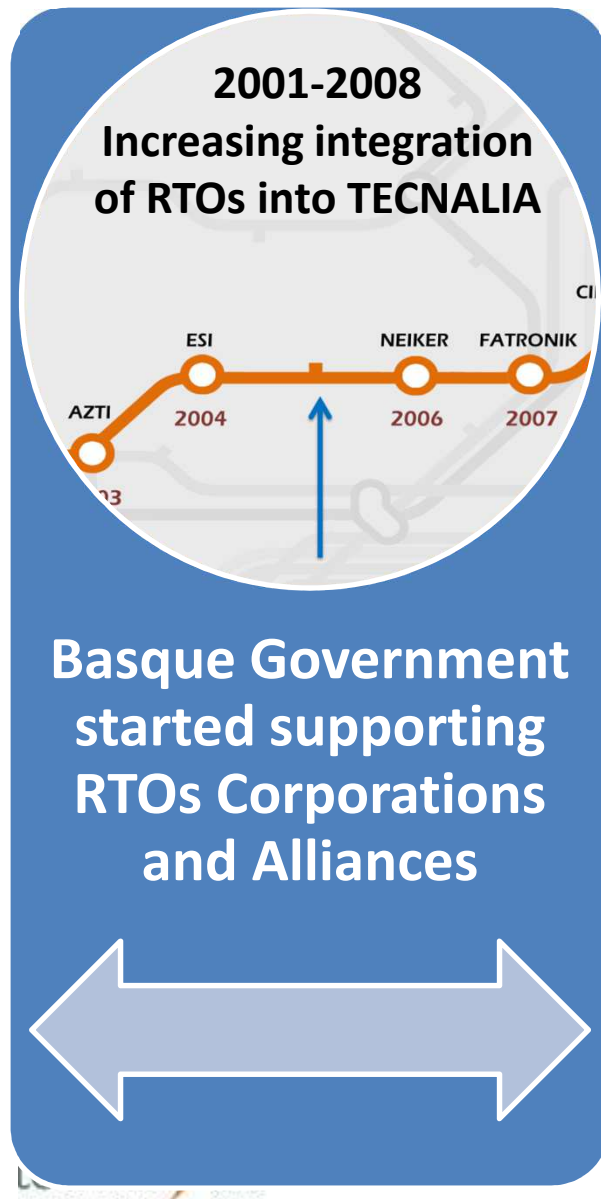
The Basque Government **supported the establishment** of Labein, Inasmet and the European Software Institute (ESI), three of the RTOs merged into TECNALIA. Other establishments were supported by provincial Governments.

In addition, the Basque Government **supported the growth and consolidation of all the RTOs** within TECNALIA, through different Laws, Policies and Science, Technology and Innovation Plans, that started in the early 80s with:

- Support Actions for technology innovation dissemination and development of RTOs.
- Actions to consolidate existing technology offer, in particular, existing RTOs.

Now, **core funding** provided by the Basque Government to RTOs is **in terms of impact generated** (such as new employment and turnover generated in customers or new technology based companies).

# SUPPORT OF THE BASQUE GOVERNMENT TO THE MERGER



Part of the public non-competitive core funding that the Basque Government provided to the Basque RTOs was dedicated to the **reinforcement and consolidation of Technology Corporations and Alliances**. It was funding global action plans oriented towards **improving the results and capacities of its RTOs**, in particular, special interest research projects, led by the RTO Corporations and Alliances and carried out in cooperation among a number of its RTOs. Projects supporting the **Integration processes in Corporations and Alliances** were also supported.

Main criteria were:

- Oriented towards the improvement of results and capacities or increasing level of integration
- Focussed on acquiring new knowledge in strategic interest areas
- Aligned with the Science and Technology Policies of the Basque Government
- Foster international projects and initiatives of strategic interest for the Basque Country institutions, as well as for RTO Corporations and Alliances

# SUPPORT OF THE BASQUE GOVERNMENT TO THE MERGER

## 2009-2010 Merger Process



**Even if the initiative  
was taken by RTOs,  
Basque Government  
supported the Merger**



The initiative to go for a merger was taken by the RTOs within TECNALIA. Nevertheless, Basque Government was supporting throughout the process by:

- Supporting main steps and decisions taken by the RTOs and the Merger Decision Bodies
- Funding a specific Merger Project within the core funding, focused on the definition and deployment of the different Integration Projects needed for the Merger
- Approving the Merger Agreements as part of the Governing Bodies of each RTO merged into TECNALIA
- Facilitating the resolution of different political and legal issues



# CONCLUSIONS



- **The support of the Basque Government to the establishment, consolidation, alliance and merger of RTOS within TECNALIA derives from a well defined Regional Development Strategy.**
- **Coherence over time is a key success factor in deploying Strategy.**





[www.tecnalia.com](http://www.tecnalia.com)