

## Executive summary

# Scenarios, areas and opportunities for the Catalan economy

ENRIC LLARCH

The future opportunities for the Catalan economy in overcoming the crisis are the basis of the monograph of the *Paradigmes* issue no. 3. If in the previous monograph we were thinking on the more or less situational or structural character of the current global recession, here we focus on the Catalan economy and suggest ways to successfully overcome the current economic storm.

The monograph opens with a general overview over the general trends of the world economy and the current situation of the Catalan. The two first texts by **Maite Ardèvol**, from the Observatory of Foreign Markets of ACC1Ó and **Xavier Sala i Martín** from Columbia University create a very suggesting dialogue on the immediate future of the global economy in matters covering from the role the American economy will play to the future of middle classes and overrating of the yuan.

**Riel Miller** from XPeridoX: Futures Consulting looks out in his turn to the long term regarding overall transformations of the economy, pointing out that we have a very strong trend to react to crisis situations by trying to come back to the conditions of the past. He recommends to change the focus and be imaginative.

**Salvador Estapé**, from IESE, sets out an overall picture of the Catalan economy, devoting special attention to the combination of productivity, innovation and foreign balance of different production industries. According to the author, the evolution of these metrics explains together with the business model the degree of strength of the different industries and companies in our economy.

**Xavier Salvador's** interview with **Jordi Cartanyà** from CIRIT opens the block devoted to innovation. Being in charge of the NPRI and its action plan, Cartanyà points out his idea that all that is not occurring and should occur regarding innovation should be promoted by public authorities. To him, the economic structure of an innovating society is not industrial anymore, by which everybody stays at in their branch. There will be no industries but metaindustries. These are to be understood as the convergence of activities or segments of activities from different traditional industries replacing the similitude of the end product or service as the common denominator by new common production processes or to serve new sorts of demand.

In this respect, we introduce two documents of utmost interest. The first is a summary of the ideas that, as the NPRI is being developed, have led to identify twenty industries or metaindustries research and innovation in Catalonia could focus on in the next years. These metaindustries shall tackle future challenges in which R&D&I plays a crucial role and where Catalonia already has a scientific, technological and entrepreneurial basis providing relevant opportunities to successfully take them on. This document is completed with a picture identifying priority industries or areas in different countries and regions of the world, from Germany to Spain and the Basque Country and on to Australia.

The next block is a first approach to six of the twenty metaindustries where more opportunities are detected to focus R&D&I efforts on. These are city and space management (by **Diego Guri** from ACC1Ó), cultural and audiovisual products (**Santiago Miralles** from CCRTV), emotion and

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experience consumption (**Salvador Anton** from Rovira i Virgili University and member of the *Paradigmes* Publishing Council), new materials (**Xavier Gil** from the Polytechnic University of Catalonia), ecoprocesses (**José M. Baldasano Recio** from the Polytechnic University of Catalonia) and advanced production systems (**Myriam García-Berro** from ASCAMM).

The choice of these metaindustries has been made as they are activities that had been so far hardly dealt with in previous *Paradigmes* issues and there are few conceptual approaches to them in our country, especially from a perspective of future economic opportunities. This poses an additional difficulty in dealing with its contents following an additional interest due to the newly adopted focus. We have intended to cover four basic issues with the articles on metaindustries:

- ▶ a) Conceptual approach to each of the six metaindustries.
- ▶ b) Foreseeable trends in global demand of goods or services in the metaindustry by which we can talk of an emerging or future area.
- ▶ c) Exploration of the situation of this area in our country: leading companies or companies that can easily migrate there, degree of internationalisation and participation in projects abroad, specific research centres, researchers and academicians working in these areas.
- ▶ d) Identification of strategies and public, private and mixed policies to be implemented in order to reach success for that opportunity.

The third block of the monograph deals with transversal policies to improve the competitiveness of the Catalan economy. The interviews with **Vijay Govindarajan** from the Tuck School of Business of the Dartmouth College by **Mar Jiménez** and with **Eric Maskin** from Princeton University by **Andrea Venturini** deal with innovation. The former recommends Europe to concentrate its efforts on four or five sectors. The winner of the 2007 Nobel Prize of Economy in his turn alerts that the patent system affects innovation negatively and imitations with a good creative component are also good for industrialised countries.

The contributions by **Salvador Alemany** from Abertis and the Cercle d'Economia as well as by **Salvador Cardús** from the Autonomous University of Barcelona tackle the issue of leadership. The former asserts that entrepreneurs need to be more committed with the collective project, with the country, and this has to be done not only out of patriotism, which would be a valid argument for many, but out of need. Cardús in his turn states that values given to economic behaviours have for long not been the result of principles but of outright interests accordingly disguised as moral values. He claims a leadership network at different scale acting with relatively autonomous criteria yet along a common direction.

This block devoted to transversal policies closes with an article by **Joan B. Casas** taking up an approach that seemed to have fallen in oblivion in recent times, that of the regional economy and the use of the true space in economic analysis. In this respect, Casas claims the potentialities for the Catalan economy offered by strengthening the Mediterranean

corridor, understood as a nodal region defined out of functional interdependence and the density of flows between its components.

The last block of the monograph analyses a set of significant companies with successful business models. As Jordi Cartanyà puts it, technology can be easily copied, but it is much more difficult to do with the business model. First, **Isidre Fainé**, chairman of Caixa de Pensions savings bank, explains us that the success of his institution is based on proximity, personal care adapted to the customer and new technologies, with very prudent risk policies. The Ficosa case is also analysed based on an interview with its president, **Josep Maria Pujol**, by **Núria Peláez**. Innovation, involvement of the human team and an ambitious internationalisation policy based on a good choice of foreign partners have made Ficosa the leading Catalan company in automotive components.

**Modest Guinjoan**, from Barcelona Economia and member of the *Paradigmes* Publishing council, analyses two success models in the agrofood industry. On the one hand, there is the Costers del Siurana winery in the Priorat region, where according to the author, traditional values of Catalan business-making such as seriousness in all aspects of the company, solidity of its positions in a target market (the top quality one) and much work still prove to be valid to achieve excellence. The other case study is that of Agromillora Catalana, working in coppicing fruit trees, vine and olive trees.

To close this block, **Pere Lleonart** from Gabinet d'Estudis Econòmics and **Víctor Fabregat** from CITYC analyse the shift in the business model in

fashion textile based on cases like Inditex, Mango, Desigual, Sita Murt and Ponovias. Vertical integration in the branch with exclusive sales points from where first-hand information on the change in customer taste is obtained, immediate reaction to this demand, relocation in far regions according to the immediacy with which to react to such shift in demand and highly sophisticated logistics are some key aspects in transforming this business and the success of most of its companies.

The monograph finishes with interviews with the eleven entrepreneurs who are members of the *Paradigmes* Publishing Council. They are **Josep Campeny** (Termes Orion), **Xavier Cardona** (Prysmian Cables y Sistemas SL), **Joan Font** (Bon Preu), **Carles Kinder** (GTD), **Josep Mateu** (RACC and FemCAT), **Josep Morell** (Jem), **Artemi Nolla** (AN Grup), **Josep M. Pujol** (Grup Pujol), **Ramon Roca** (Ros Roca), **Ramon Térmens** (Taurus) and **Salvador Tous** (Tous). The interviews are based on a common questionnaire related with the impact of the crisis in their company and industry, measures adopted to counteract it and proposals for economic policy to be implemented by public authorities. Not all have suffered the economic situation in the same way, but most agree that the worst is over. Despite the diversity of proposals to come out of the crisis, there is general agreement on the diagnose: a planned strategy with long-term goals is needed, spearheaded by public authorities and encompassing companies and citizens to work along one same direction.

This *Paradigmes* issue finishes with two noteworthy articles in the Miscellany section. On the one hand, **Antoni Soy**, Secretary of Industry at the

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DIUE, analyses the new industry, which also includes outsourced service activities or those supplying basically traditional industrial activity. Therefore an industrial policy is made based on fostering talent, creativity and knowledge; fostering internationalisation and promotion of own multinationals; enhancing entrepreneurship and an optimal entrepreneurial setting to be competitive; progress in cooperation and strategic partnerships between companies; bureaucratic simplification and improvement of the logistic and infrastructure setting for companies.

On the other side, **Alfons Garcia** from the DIUE makes an approach to Catalonia's fiscal balance with Spain after the financial deployment of the Statute of Autonomy of Catalonia. After a meticulous and detailed methodological approach, the author concludes that the reduction of the fiscal deficit, calculated according to the monetary flow criterion, will oscillate between 24% and 30%. This way, the fiscal deficit would be reduced from around 10% of GDP to a range between 5.3% and 7.2%.

Finally, the digital edition of this new *Paradigmes* issue not only includes the multimedia items but also additional contents such as an interview with **Rosabeth Moss Canter** from Harvard Business School, who believes that Europe needs a change of mindset and much more innovation.

It also includes a panel discussion on the economy of identity held on the last edition of the Catalan Summer University in Prada de Conflent. On its opening by the Honourable Josep Huguet i Biosca, it was reminded that according to the World Tourism Organization, sustainable tourism is «the one contributing to fully develop the territory and promoting its identity».

The panel members are **Rubén Lois González** (University of Santiago), **Oriol Junqueras** (Autonomous University of Barcelona), **Artur Duarte** (Interpreta Cultura), **Xavier Nadal** (PimeCava), **Pep Palau** (Pep Palau Von Arendt & Associats), **Jordi Tresserras** (University of Barcelona) and **Josep Chias** (Chias Marketing).

**ENRIC LLARCH**

Director

