



Angel Toña. Iceland (28/04/2016)

Thank you Michael Green. I would like to start by thanking Michael Porter and the Government of Iceland for giving us the opportunity to tell you about our experience.

Euskadi, the Basque Country, is a small region, of approximately seven thousand square kms, with just over two million one hundred thousand inhabitants. In 2015 our gross domestic product reached 69 billion euros. With an unemployment rate of 14%.

Our three historical regions still maintain the chartered regime and the economic agreement, which means that each one of the three regions has its own Treasury Department. This historic right, which is also maintained in Navarre, gives us fiscal autonomy and enables us to formulate our self-government with more resources.

But in itself, this formula also has its challenges. We have to create conditions so that our economy is capable of creating wealth to then be able to distribute it. We depend on ourselves, for good, and for bad.

The social and economic challenges that we face are similar to those faced by the countries and regions that surround us. Our population is ageing, we have low birth rates and our companies struggle to be competitive in a market which, as you know, is increasingly global.

I wanted to give you some context before talking about the social progress that we have achieved. Higher than that of other Spanish regions, yes, but not at the same level of other European regions that we would like to catch up with.

According to the European Regional Social Progress Index, calculated for 272 regions, our index is 69.65.

Although in this study there are still some elements of social progress that are missing, it can be used as a reference to ask ourselves whether we have reached the level of social progress we desire.



Our position may be explained by the Basque Country's commitment to Social Policies. A clear commitment that bears its fruits. If we understand these policies as those that most directly affect citizens, including our commitment to health, education and social cohesion: the conclusion is that our Government destines 3 out of every 4 euros to cover social needs. And this is an ideological commitment that we are proud of.

I said earlier that our challenges are also demographic. According to forecasts, from here to 2020 we will lose inhabitants, and in that year the population over 65 will almost be a quarter of the total.

One of the most powerful commitments of our Government during this last year is the Basque Strategy for Active Ageing 2015-2020. Its aim is to promote active ageing and to raise awareness in society about the fact that we all grow old and that, therefore, we must be prepared for this.

This is also why we have followed to the European agreement on demographic change and have a powerful network of age-friendly municipalities. In fact, this network, supported by the World Health organisation, places the Basque Country at the cutting edge in this field, as it is the region with the highest number of age-friendly municipalities.

From our point of view, the progressive ageing of the population will bring new needs, but also new opportunities. The biggest challenge is to be one step ahead. And this is what we are working on.

But it is obvious that new needs are already arising from a social and healthcare point of view. In the Basque Country, for example, we have implemented a remote assistance service, with a button, that enables older or disabled people to have professionals just a click away.

And concerning the demographic challenge, I would like to add one more thing. We are working on an inter-institutional, stable and long-term strategy, through a Country Agreement for Infancy and Families that enables Basque institutions, whatever their political affiliation, to make commitments, to develop policies to boost birth rates and incentivise conciliation. In short, policies that respond to



families' needs, so that young Basque people can have the number of children they wish, not just the number they can afford.

But our social policies go far beyond that. And proof of this is our Social Services system. A system that is a structured public network for providing service, of public responsibility, the aim of which is to promote social integration, autonomy and the social wellbeing of all people, families and groups, developing a promotional, preventive, protective and assistance function, through provisions and services that are fundamentally personal and relational in nature. And it is developed in coordination with the rest of the public institutions, such as city councils and regional governments.

I would not like to miss the opportunity to talk about our social cohesion systems. About our fight against poverty. Because it is no use having an advanced society if these advances do not reach everyone. While the Social Progress Index purposely leaves out economic indicators to measure social and environmental outcomes, these outcomes cannot be achieved if the society does not put in place mechanisms to reduce poverty.

In the late 1980s, the Basque Country experienced the consequences of the industrial reconversion processes of the late 70s and early 80s in the form of high unemployment rates, precariousness and poverty.

At the time, the Basque Government carried out a study that made evident the situation and the Parliament proposed a Green Paper to set up a specific program focused on poverty. Thus, in early 1989, the Comprehensive Plan to Fight against Poverty was implemented. In 1990, the Basque Parliament approved the first regional law on Minimum Income in Spain, for the Minimum Income for Reintegration,

This Law was the result of a broad political consensus without which it would not have been possible to make it into law.

With the Minimum Family Income, a path was started that would be subsequently cleared through different reform measures, in general inspired by advances in the improvement of assistance for situations of need. This path has



led to the current system of public benefits for guaranteeing income, based on the Guaranteed Income Benefits, with its employment subsidy system, the Complementary Housing Benefit and the Social Emergency Benefits.

In the Basque Country we contribute 40% of the total investment throughout the Spanish state to social policies, with just 6% of the population.

From a strictly social point of view, it is true that the Basque guaranteed income system has not completely resisted the blows of the latest crisis. The real poverty rate increased from 2008, when it reached its lowest point. But it is still very far from what it was during the previous crisis, in 1996.

Despite the crisis and an unemployment rate higher than that of Europe's more socially advanced countries, in 2014 the Basque Country remained close to these countries as regards the indicators more directly linked to the experience of severe poverty, such as the impact of nutrition problems or the incidence of non-payments and delayed payments. In these indicators, the Basque Country's figures are clearly better than the European averages.

It should also be pointed out that the Basque guaranteed income policy was not only designed to guarantee short-term access to minimum resources. The technical design of its programmes was approached in such a way that it would be possible to guarantee the long-term economic stability of the population. And that is where it has been most successful. Because the political consensus achieved back in the past not only wished to tackle the specific situation of those years, but also to guarantee a sustainable system that would be part of the strategic focus of Basque politics and of its commitment to people.

Some figures clearly back this statement. Thus, for example, the proportion of people in homes that do not have resources to cover extraordinary expenses is at 22% in the Basque Country. This indicator is 39% in the EU-28. Only Sweden, in the European Union, is below the Basque Country in this indicator.

It is evident that our benefits system has contributed towards a situation in which the current inhabitants of the Basque Country have a better future than that which would have awaited them without such a policy. This is the social



legacy of the people in the Basque Country who, in the late 1980s, assumed the risk of promoting this new policy of social expenditure, something that in addition took place in a situation of severe crisis. That commitment has now become the umbrella under which many families that would otherwise be utterly marginalised, take refuge something that in fact happens in other areas of the Spanish state.

We have maintained active social policies despite the pressures to cut down on social expending. Economic policies alone might have benefits in the short term, but they are likely to contribute to both economic and social inequalities.

Achieving high levels of progress in the opportunities dimension is linked to the other dimensions such as having access to adequate housing basic knowledge, or health and wellbeing. of course, social cohesion policies also have to be accompanied by the right framework to guarantee that personal rights are maintained, that people have opportunities to access advanced education or to freely take decisions about their lives.

Its success owes itself, in any event, to a focus on people. We govern for people. To respond to people's needs. Today's and tomorrow's needs. We are committed to education, healthcare and social cohesion.

Proud of what we have achieved, and aware of what remains to be done, I can assure you that our healthcare, our education and our social services are in an outstanding position. If any of those present is wondering if our model can be applied elsewhere, the answer is yes. But to make this possible, a political commitment to promote social policies and a demanding management of the available resources is necessary, so that the country can continue advancing, competing and creating wealth.

Thank you very much!